



ETF INTERNATIONAL CONFERENCE

**TORINO PROCESS -
MOVING SKILLS
FORWARD TOGETHER
TURIN, 3-4 JUNE 2015**

CONFERENCE REPORT



Moving skills forward together

The Torino Process is an evidence-based approach to human capital development policy based on country ownership, broad and open participation of stakeholders from the public and private sectors. It identifies the key dimensions of policy analysis, notably vision; efficiency in addressing economic and labour demand; efficiency in addressing demographic, social and inclusion demand; and internal efficiency of VET and VET governance.

The Torino Process is conducted biennially. At the conclusion of each round, the ETF brings together key stakeholders to review key trends in skills, VET development and VET governance. On 3 and 4 June 2015 in Turin, Italy, the third round was concluded in the international conference, held under the Latvian EU Presidency, entitled Moving Skills Forward Together. The event brought together high-profile policy makers, inspirational experts from the partner countries and the EU, international organisations, and social partners. This report summarises the discussions that occurred. It does not attempt to be comprehensive and does not necessarily reflect the views of all delegates.

Skills matter

The European Union is working to forge closer cooperation with partner countries to build stronger economic and political ties. 2015 is the European Year for Development, the first such year to deal with EU's external action and Europe's role in the world. The ETF's work helping partner countries to harness the potential of their people supports the Juncker Commission in its role as a stronger global actor and demonstrates Europe's commitment to lift livelihoods around the world.

Improved skills and employability bring increased prosperity and political stability. In addition, the EU stands to benefit from skilled migrants to address shortages of specific skills and to cope with its demographic changes. That the skills dimension is such an important component of Mobility Partnerships between member states and partner countries is evidence that skills are today's global currency.

Reforming VET is essential to ensure that people have access to relevant good quality vocational training and professional development opportunities. This is a global concern and is articulated in one of the UN Sustainable Development Goals, which aims to "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all". The concluding declaration of the World Forum for Education, held at Incheon in Korea in May 2015, describes this goal as "transformative and universal", part of efforts to complete the objectives of the Education For All initiative. It also informs the agenda for skills within Horizon 2030, the EU's climate and energy framework, which demands a greater focus on green skills. Indeed, skills matter! They matter in today's world, and in helping us shape the world of tomorrow. They matter for growth and competitiveness, they matter for job creation and employability, and they matter for personal wellbeing and social cohesion.

Skills priority

This is why the European Commission decided to place skills in a prominent position within the bigger picture. President Juncker has identified growth and job creation as the first priority objective for the new European Commission, to boost competitiveness and stimulate investment for job creation. Across Europe, existing tools are being reinforced and new tools developed to help SMEs grow and make sure that workers have the skills that industry needs. The Small Business Act for Europe fosters the right regulatory environment and a climate for entrepreneurship and job creation. To tackle youth unemployment, the European Alliance for Apprenticeships, the Youth Guarantee and the Youth Employment initiative, all launched in 2013 have been strengthened. VET is a robust vehicle to address the development of skills and in June, ministers from EU member states, candidate countries, Norway, Lichtenstein and Iceland endorsed the Riga Conclusions, outlining the European VET agenda for the coming five years. The conclusions contain five new medium-term deliverables for implementation

by EU member states and candidate countries. Transforming VET structurally and strategically is central to the deliverables. The Riga Conclusions confirm the role of VET at the centre of the skills development agenda and underlines its positive role in contributing to the employability of young people.

Lifelong learning

A vision for lifelong learning remains one of the enduring characteristics of VET policy, and will continue to strengthen the links between formal, non-formal, and informal learning that, together, make lifelong learning a reality. The effectiveness of VET will increasingly rely on learning routes that are flexible, inter-connected, and to which equal value attaches. Young people (and adults, for that matter) do not want to be offered a pathway that appears unattractive when compared with others. Above all, moving skills forward requires an evidence base, and the means to test policy against that evidence. This is what the Torino Process provides, through its methodology – and the complementarity of that methodology with EU policy assessment tools – along with the networking and mutual learning that the ETF facilitates among its partner countries and between them, EU member states, and the international community as a whole.

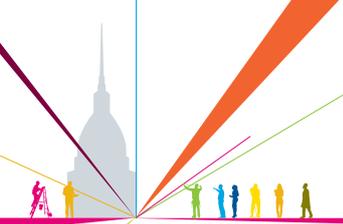
Taking stock

The Torino Process conference affords an opportunity every two years for partner countries to share progress and consider areas where more can be done, particularly in light of lessons learned from a range of European policies and experiences. The conference focused on the contribution that human capital development can make to employment, sustainable growth, competitiveness, and social cohesion. These issues and their associated trends have a global relevance, beyond the ETF's partner countries.

“Act now. There is never any time but now, and there never will be any time but now.”

Wallace Wattles (1860-1911),
author and social activist





Conference voices

Promoting concrete action in policy implementation

Effective policies for vocational education and training form the cornerstone of the ETF's work, and, while essential, they can achieve little without concerted action to foster real change on the ground in partner countries.

This means giving people the skills to access labour markets, find fulfilling jobs, and develop their career opportunities. In her welcome address, ETF Director Madlen Serban stressed that an emphasis on concrete action is what would set the 2015 Conference apart. Serban called on attendees to look for practical ways to make a real difference to people's lives. "We must work together to find solutions", she said.

"The focus must be on what can be achieved, rather than what can't."

Michel Servoz, Director-General for Employment, Social Affairs and Inclusion at the European

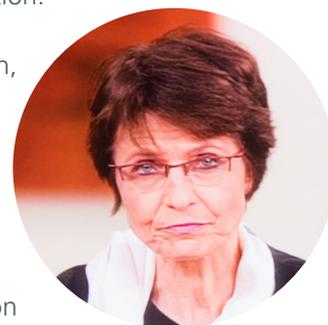
Commission and Chair of the ETF's governing board, echoed the sentiment. He told the conference, "The challenge now is to deliver." Summing up at the closing session, he went further in reminding everyone of the pressing need for action with a bold and succinct message: "Let's do it!"



Making a stronger case for VET

"Make vocational study programmes the first choice, not second option."

This was the message from Marianne Thyssen, EU Commissioner for Employment, Social Affairs, Skills & Labour Mobility, in her video address to the opening plenary session. "Our education and training systems must



empower young people to succeed in working life," Commissioner Thyssen stated, which explains the importance she and the Commission attach to "working together with countries to modernize education and training."

In the same session Mārīte Seile, Minister of Education and Science, Latvia, noted that skills are attracting more attention in the context of economic growth, with a particular emphasis on the digital environment and the needs of emerging economies.

This offers the prospect of VET providers becoming a destination of choice for young people, as well as for adults aiming to keep up-to-date in the workplace. Jutta Steinruck, MEP and



member of the Employment and Social Affairs Committee of the European Parliament, said; “These discussions are significant both in terms of timing but also in terms of necessity. In terms of timing, they are significant because we are witnessing an upgrading of skills and VET in the political agenda. In terms of necessity, such discussions are important because skills are important not only for economic growth and competitiveness; they are important for inclusiveness and social cohesion... and these matters cannot wait. We need to act now!”



Ahmed Mohamed Youssef, Minister for Technical Education and Training, Egypt, noted how important it is to promote VET’s appeal through success stories shared with the wider public in effective communication and information campaigns. He

argued that, as part of a series of steps to increase confidence, policy makers, leaders, and practitioners from the VET sector should seek more engagement with public opinion leaders. James Calleja, Director of Cedefop, spoke of the distrust parents have for VET, and the importance of making it a valid choice at every level – national, regional, and local – and in every part of society. To demonstrate the difficulty of persuading others of VET’s appeal, he challenged delegates to raise their hands if they had sent their own children to VET and not to university. No raised hands could be seen.



Ensuring VET systems produce graduates with the skills that employers need to be competitive

Employers came into focus in discussions about ‘alignment’, in which direct and meaningful dialogue between actors in the VET sector, government, and employers is seen as the route to creating ‘open borders’ between the worlds of education and work. Indeed, it goes beyond the idea of crossing from one territory to another and is more about recognising that the relationship

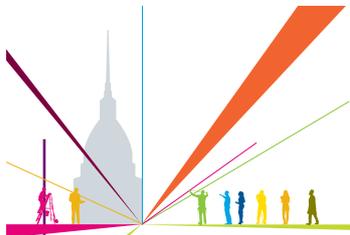


between VET and the private sector is one of interdependence, with each responsible to a significant degree for the other’s success. “The very basis of successful VET is the interaction between the education system

and the labour market,” said Leonard Pali, Vice-President of AGROINDSIND in Moldova. That interaction is, he added, “our permanent theme”

Ketevan Natriashvili, First Deputy Minister of Education and Science, Georgia, spoke about the importance of systems that can reflect what’s happening around them in order to be responsive. Governance therefore should be structured in a way that provides flexible mechanisms. With the world going through unprecedented change, labour market





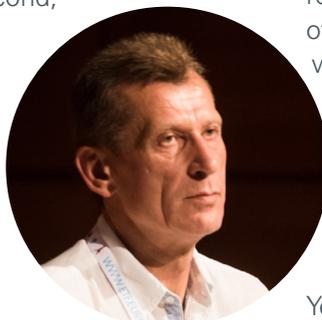
forecasting is becoming more challenging than ever. Organisations in every sector are being transformed by a series of deep-seated global megatrends, including digitisation, demographic transformation, migration, environmental damage, and globalisation. As Samer Salameh, Assistant Deputy



Minister, Ministry of Labour, Palestine, noted, these trends can result in ever-greater fragmentation. With clear vocational structures, based on legal definitions, he noted, “then the place in the market becomes findable.”

Taking a holistic view of VET systems from the perspective of governance

Discussions at the conference highlighted the benefits of taking a more holistic view when designing strategies for VET. The consensus was that systems need a greater focus on the people who experience them. This manifested in three frequently expressed views: First, that policy formulation and course design should consider the needs of current and future students. Second, training courses should be designed to develop people’s all-round skills, not just their technical abilities. And third, VET has a vital role to play in social inclusion and policies should be built from the beginning with this in mind. Whilst recognising that people are entitled to labour-market relevant and transparent qualifications, Pavlo Poliansky, Ukraine’s Deputy Minister of Education and Science, pointed out that



“VET should be more than a synonym for professional qualifications. It can have important educational and societal benefits, such as producing good citizens who can contribute to society.” Simon Mordue, Director, Enlargement Policy and Strategy at the European Commission, stressed the



importance of action; “No more policies, action now! The right blend of skills can contribute to competitiveness.”

As Neven Mimica, EU Commissioner for International Cooperation and Development, emphasised in his video address to the conference. “Vocational education and training is increasingly recognised as a driver for economic and social development,” he said, before stressing the plight of young people worldwide caught in the trap of unemployment, without access to education or training, for whom even searching for a job remains just a dream. Srdjan Verbić, Minister of Education, Serbia, made a similar point, warning against neglecting the “most rational actors” in the VET landscape



– children and their parents. “Nobody is more motivated than them to make the right choices,” he said. Yet policymakers don’t consider the realities they face.



Developing entrepreneurial attitudes and capabilities among VET students, providers, and entire systems

Madlen Serban emphasised that, despite the challenges, this is “a promising world; there is hope for the future.” This was evident in the discussion between Madlen Serban and David Atchoarena, Director of the Division for Policies and Lifelong Learning

Systems, Education Sector, at UNESCO.

They agreed on the importance of VET’s contribution in promoting the positive view of risk-taking that is central to the entrepreneurial mind-set. VET has a crucial role

in developing citizens who are “able to cope with changing demand. But this applies also to government. We need an entrepreneurial mind-set everywhere, in schools, colleges, universities, and workplaces.” This is not just about entrepreneurs starting up businesses to make a quick profit. It’s a long-term, socially-oriented approach that promotes innovative and purposeful value creation, and which includes a willingness to take risks and embrace failure. What it requires in terms of learning and teaching is more of a hands-on, project-based, multidisciplinary, and non-linear approach, which many providers will find something of a stretch.

Monitoring the quality of VET provision and results

Monitoring VET is important for two main reasons. First, to track progress in the implementation of policies and the impact they’re having on the ground; and second, to

produce data that can help set performance standards and inform on-going policy formulation. This is fundamental for VET reform, and Temur Tabarov, Director of the Centre for Educational Methods in Tajikistan,

spoke about his agency’s approach in providing methodological support for initial VET. “We also work on curricula and with employers and other experts,”

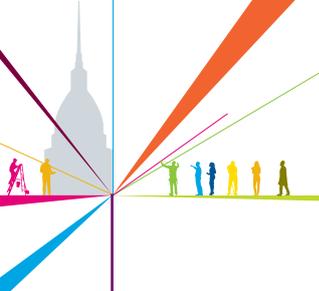
he pointed out, including supporting a working group looking into

amendments to existing legislation and developing appropriate new laws. Closing the plenary discussion on evaluation of VET, Madlen Serban warned against what she called “monitoring fatigue”. Partner countries have bought into the value of monitoring, and are busy making it happen, she noted. But the large quantities of data being produced must be integrated into a meaningful body of evidence if they are to help steer countries towards the right policies, now and in the future.

Looking to the future

A member of the Club of Rome, Gunter Pauli is an entrepreneur and author. He has written 20 books and started more than 10 companies. Pauli founded the Zero Emissions Research and Initiatives (ZERI) at the United Nations University in Tokyo, and later the Global ZERI Network, which aims to redesign production and consumption into industry clusters inspired by natural systems. At the Torino Process conference, Pauli inspired delegates with his outlook on and experience of designing and implementing industries that respond to people’s needs using what is locally available.





The Torino Process 2014

Three rounds of the Torino Process have provided valuable information on how policy analysis capabilities are developing in partner countries and the role of the Torino Process in this development. In 2014, the ETF assessed countries against each pillar of evidence, holistic view of VET, participation, ownership to better inform overall policy learning.

Evidence from the 2014 round shows there is room for all countries to improve the collection of and reporting on data. Evidence also suggests that while the concept of VET is expanding, most of the focus is still on initial VET. Participation and ownership are more advanced. There is still room for improvement in participation and ownership but partner countries have benefited from the ETF's philosophy and practice of bringing people together to progress reform.

Learning from all three rounds will be incorporated into 2016 round and will continue to feed the global debate on VET reform.

Emancipation of VET

One of the most interesting of the themes to arise from the 2014 country reports and regional overviews that feed into the overarching cross-country report is the notion of the 'emancipation' of VET. Although VET has been high on the policy agenda of most countries as an indirect effect of the economic crisis and persistent high levels of unemployment, it is still struggling to escape from the out-dated legacy of its reputation as a 'second class' education. While in most partner countries the emancipation of VET is seen as a necessity, the basic ingredients that would make it possible are still not fully present. Questions persist concerning how to share responsibilities among actors; how to develop partnerships for effective delivery; how best to benefit from the international experience in VET; how to make the most impactful policy choices; and what are the expectations from the growing link between VET and competitiveness. These are some of the issues

that must be addressed in order to elaborate the notion of the emancipation of VET more completely. With the necessary answers in place, the potential benefits are attractive. In the future an emancipated VET system would demonstrate better planning and decision-making, better and more diversified evidence and monitoring, greater involvement of all stakeholders, effective translation of policies into action, and an enhanced ability to identify, understand, and benefit from good practice.

Need for openness

Another key theme is the greater degree of openness that VET institutions and systems must demonstrate if they are to capitalise on the partnerships that characterise the new skills paradigm. They will have to be open to consultations and influence in every aspect of their operation, including funding, teacher training, and quality assurance. This has obvious implications for governance, which, the Torino Process shows, ranges in structure across partner countries from centralized to delegated, and from participatory to unilateral. Businesses invited to engage with VET planning and delivery may well have their own views on the relative merits of central decisions taken in isolation, as opposed to delegated decisions taken in consultation. Furthermore, VET systems must maintain a reputation for high-quality skills delivery while meeting their obligations to provide support for learners from disadvantaged and vulnerable backgrounds. This balancing act can be a challenge, but ensuring that there is equal focus on (economic) business and social inclusion could see increased support from donors and, more importantly, employers, who understand the business case for inclusive policies in employment and training.

Above all, it is VET's ability to make the case for itself as a viable and attractive skilling or reskilling alternative that affords the greatest hope of realising the potential that the new paradigm holds.

Perspectives on the skills paradigm shift

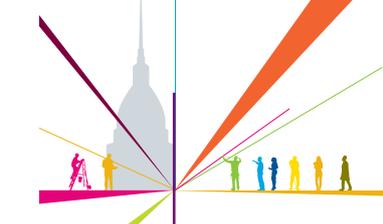
Effective policies for VET and employment form the cornerstone of the ETF's work, but, essential though policies are, they can achieve little without concerted action to foster real change on the ground. This means change that gives people the chance to gain the skills to find meaningful work, set up their own businesses, develop fulfilling careers; it also means change that takes full account of the needs of government, civil society, and employers – the other sectors whose success is mutually dependent, to greater or lesser degree, on the success of VET. In building a skills base to meet the challenges of global competitiveness and social inclusion, every country has to find and commit the necessary resources. That this is not always easy is evident without recounting the inventory of demands that emerging and transition economies face. Instead of adopting a deficit approach, in which the resources of these countries are assumed to be inferior to those of wealthier nations, the Torino Process conference heard powerful arguments for a business case approach. Making a business case for skills, for effective VET governance and delivery, and for social inclusion, demands a positive view of any country's human resource capacity, and that opens the door to the kind of smart, sustainable, and inclusive growth to which EU member states themselves aspire.

Role of the private sector

It is time to recognise that the private sector has a crucial role in the design and delivery of vocational training at local, national, and sectoral level. This means recognising the joint responsibility of public and private sectors, and going beyond a form of partnership that is just co-operation to something that is more like co-ownership. To overcome the skills shortage employers are working with government and other social partners to gather information on labour market needs. Skills

must be part of the general development vision, and nowhere is this more evident than in TURKEY'S 2023 strategy. The plans for a transition to a knowledge economy include third sector and civil society organisations, and draw on the studies and analysis developed by the ETF as part of thematic platforms for human resources development jointly established and funded by Turkey and the EU. They currently focus on lifelong learning, the national qualifications system, accreditation, quality assurance of VET, and employability. STEM (science, technology, engineering, and maths) subjects are increasingly important in this context, and research by the Association of Turkish Industrialists and Businessmen shows how high school input is key to ensuring that the VET system supplies the necessary STEM skills. Turkey must also look at basic education and social skills for every individual to support long-term sector mobility in the workforce.

Turkey has ambitious plans for economic growth, with a stated goal of becoming the world's 10th largest economy by the time of the Turkish Republic's centenary celebrations in 2023. This would see per capita income more than double to US\$25,000 – requiring year-on-year growth of 10 per cent – and represents a shift well beyond middle income goals. This kind of growth will be driven by developments in hi-tech production and the spreading of a knowledge-based economy throughout the country. But the fact is that Turkey's skills base is not yet sufficient for the task. Vocational skills are necessary for competitiveness; the lion's share of success across all industries accrues to those employers with a properly skilled workforce. Yet other companies have difficulty in finding and recruiting suitably qualified VET graduates, and so can't fill key vacancies – despite recent increases in VET provision and an unemployment rate of more than 11%.



Signposting the way forward

In the shared vision of a workforce that has the best skills and most developed talents, sector mobility goes hand-in-hand with social mobility. And social mobility depends, in turn, on economic inclusion. Many ETF partner countries are dealing with the transition from one dominant system to another, or from conflict to a post-conflict environment, or from dependence on one industry to a diversified economy. Making successful and sustainable transitions means opening the improved economic opportunities created by that transition to all sections of society.

Again, making a business case for economic inclusion is both feasible and desirable from the perspective of employers, government, and civil society, because it is based on promoting economic activity and growth. Delegates at the European Bank for Reconstruction and Development's Business Forum in Tbilisi last May were asked to name their top business challenge, and perhaps unsurprisingly the answer was skills. EBRD is a bank, not a charity, and the event was a business forum, not a CSR or PR meeting. So what do the investors, employers, and consultants who were invited to Tbilisi by the EBRD stand to gain from supporting economic inclusion? The incentives for businesses include addressing recruitment problems, reducing staff turnover, and improving productivity, thereby reducing costs. These are all measures any business would normally seek, in order to grow and expand.

Engaging with business

This shows how business engagement in the design and delivery of VET programmes works best when responding to a real business challenge, not a board-mandated or regulatory CSR programme. Facilitated engagement with education authorities through clearly defined mechanisms resulted in concrete actions with measurable results. Harnessing the drive and creativity of the private sector in this way makes it possible to address the skills challenge from all sides. The next challenge is

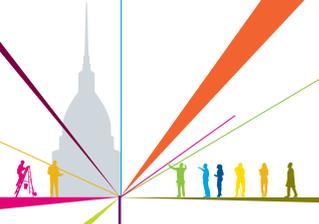
to focus on micro- and SMEs, which in many ETF partner countries are the main providers of employment, and expand their role in work based learning and apprenticeships. This is a two-way process; as the relevance and quality of VET improve, competitiveness will improve too. Private sector actors will have to be proactive, though, in making contacts and building relationships, rather than waiting for the VET system to knock on their door. All sides need to clearly and transparently signpost the optimum routes for making connections.

The EBRD puts significant resources into projects that promote economic inclusion, working directly with companies in transition economies to improve their HR capabilities, set up internal mentoring programmes, and establish talent management and career planning. One such project in **Egypt**, where high levels of youth unemployment were being exacerbated by a substantial skills mismatch, provides a good example. Opportunities existed within the retail sector but businesses were finding it hard to recruit skilled staff. Local training provision was deemed inadequate, and high staff turnover was driving up costs and limiting growth. While recognizing that the retail sector was not considered 'aspirational' for many young people, the EBRD brought together the 25 largest retailers in the country, as well as the developer of a new retail mall, to create bespoke training that would directly respond to the retailers' requirements. The training equipped young people with both the technical and the soft skills to get jobs in the mall. The client businesses supported the creation of a network of skills shops and looked to replicate the training model across other sites. A national retail skills academy was also established to provide training, and took on some sector skills functions such as setting national standards for retail skills.

This represents nothing less than a paradigm shift, the birth of VET systems that will prepare people for employment very differently than they do today. These new systems will turn out resourceful people who are able to manage uncertainty, create adaptable and sustainable

businesses, or work in new ways within existing businesses. This involves a focus on financial, social, and creative entrepreneurship, and on new ways to invest efficiently in lifelong learning, and to source funding for start-ups.





Addressing economic and labour demand for human capital development

In order to address the economic and labour demand for human capital development – a phrase the European Commission ‘translates’ as “protecting and developing the workforce through education and training” – the first task is to identify such demand. In the context of dynamic and complex labour markets, this requires different signalling systems at different levels. Employers should always be involved in the generation of data, to ensure the signals are producing an accurate picture. For these efforts to succeed, qualitative information has to be gathered and shared, for instance through ‘demand bargaining’ between the relevant actors. This leads to the question of how to translate intelligence into the wider skills system, and how to do so in a timely fashion.

Key competences for the labour market

Identifying and addressing labour market demand means dealing with uncertainty, and VET curricula increasingly include entrepreneurial skills and emphasise key competences, which are vital for equipping individuals to find jobs or start their own businesses. In either case, people need the resourcefulness and resilience to adapt to changing circumstances and not give up if things don’t work out. Flexible national frameworks hosting modular and responsive qualifications could help prepare people to become self-learners. This in turn demands greater flexibility in the way learning is delivered, and more must be done to promote work-based learning, among other things.

Using information

There is also a strong argument for making better use of existing labour market information to match training and jobs

with a view to reducing unemployment, especially among young people. Sharing and disseminating labour market information will help to ensure it is translated into action. One option is to talk to companies’ HR departments, as they are already doing skills and training assessments and may be willing to share data. Nevertheless, many difficult questions remain; what kind of skills will be in demand in five or ten years? How do you work out what specific training will be required? How to plan for the future in a ‘hot’ area like the Middle East where economies are reeling from a combination of the financial crash, the ‘Arab Spring’, and on-going conflicts? Moreover, whose demand is actually driving the labour market? In some countries the informal economy represents half of all economic activity; how much effort is going into recognising and supporting those skills needs?

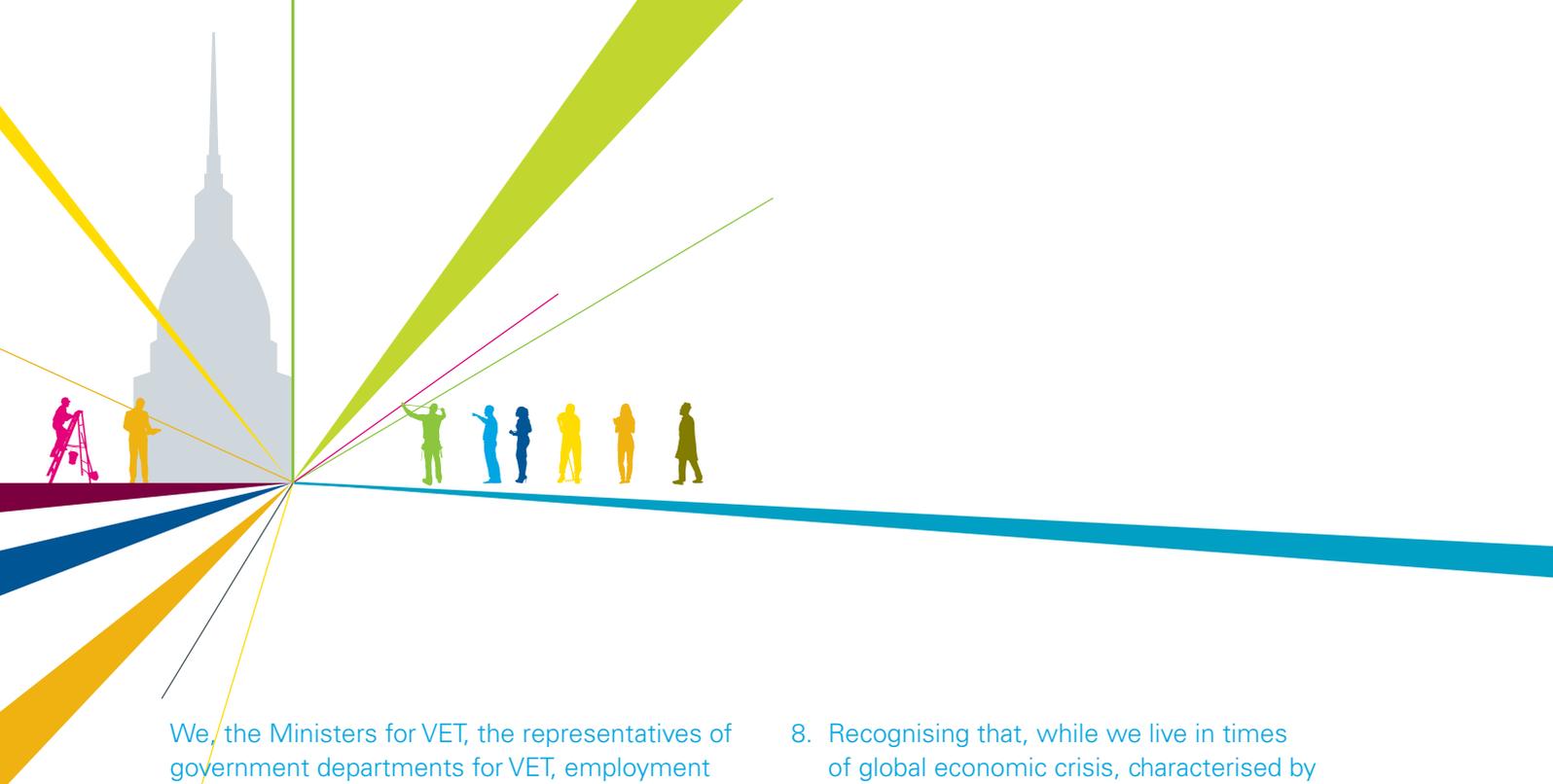
Future calling

Methodologies for predicting the future are notoriously unreliable. Even the best systems rely on hard-to-define intuitions to support data and rational insight. However, starting points can be found in a range of experiences from different partner countries, from EU member states, and from other international situations. For example, in Ukraine the government lacked confidence in the VET system’s ability to identify and deliver the right skills for its labour market. But the situation improved after 2011 when a group of employers approached the ETF for help. Visits to other partner countries revealed valuable examples and led to a council of stakeholders getting together to start the bargaining process. Inevitably, the current conflict has set back the progress that was being made, and planning is reverting to older, more centralized models.

In the **Republic of Moldova** the main route is through sector councils, following recognition by state authorities and other actors of the labour market as a fully-fledged partner. The sector councils participate in policy design, legislation, and other statutory processes. While it is not always easy, the situation has improved as more is being done to clarify demand, particularly through industrial standards worked out with the sector councils. Kyrgyzstan also looked to something similar to sector skills councils to address labour market demand, and introduced follow-up studies of VET graduates which were developed to assess the impact of different levels of VET on employment destinations. The data gathered included graduates' job search methods and sector preferences, as well as their view of what employers tell them they want. A view from Ireland focused on the importance of work based learning for SMEs in the motor industry. Learning by watching and working alongside more experienced colleagues is perhaps the most basic way to learn, but it's the richest way too because it helps to develop people beyond standards. Motor industry technology is changing daily, and school-based training can be out of date by the time it's rolled out. By contrast, in-house training allows employees to learn on the latest equipment, whether at global brands or small manufacturers. Cooperation with the VET system remains vital, and employers themselves also need skills, to be able to identify and plan appropriate training for their people.

There is no universal solution for understanding labour market demand, nor one institution that can provide it. Effective responses require different systems, whether via sector-based, centralized, or decentralized ways of picking up labour market signals. And with so much insecurity around, equipping individuals with entrepreneurial skills and competences to develop their resilience will be important. The question is, should this come solely or even primarily from the training side? In conclusion, a focus on the difficulties in determining future requirements for the training system is not surprising, given changing economic situations, emerging social trends, and political unrest. These all make prediction difficult, and impact on employment and on training. The experience of many employers is that there should be more attention given to them as the main customers of the training system, because if they don't 'buy' the graduates that are produced then the consequences of misalignment will continue to grow.





We, the Ministers for VET, the representatives of government departments for VET, employment and the economy, the representatives of social partners, representatives of VET centres and VET institutions from the partner countries, meeting in Turin for the ETF International Conference ‘Moving Skills Forward Together’, hereby adopt the present declaration:

1. Bearing in mind the priority recommendations of the Torino process 2014 validated by all ETF partner countries;
 2. Acknowledging that the Torino Process is now an established instrument for monitoring and supporting VET reforms across partner countries and for policy learning within and between the countries;
 3. Recognising that system-wide and system-deep implementation of policies require further attention, time and resources;
 4. Taking inspiration from the principles in VET development within the EU 2020 Strategy for a smart sustainable and inclusive growth;
 5. Considering the Council conclusions on the Review of the European Neighbourhood Policy adopted in April 2015 and the EU Enlargement Strategy 2014-15;
 6. Recalling the 2013 Torino Process Declaration, where we reaffirmed policy priorities;
 7. Recalling and drawing inspiration from the Copenhagen Process and the Bruges Communiqué, and considering the recent developments under the VET 2015 Review process;
 8. Recognising that, while we live in times of global economic crisis, characterised by high unemployment, social exclusion and demographic imbalances, which threaten the integrity of societies, including equal opportunities and implementation of the rule of law, this is at the same time an opportunity for positive change;
 9. Acknowledging that most partner countries face a special challenge to respond to skills needs, given that their economies are dominated by micro- and SMEs.
- We:
10. Underline that investing efficiently in the development of skills and lifelong learning systems is essential for human capital development, growth, competitiveness, productivity and social and territorial cohesion;
 11. Recognise the need for joint responsibility of the public and private sectors, including SMEs, for articulating demand and in the design, development and delivery of VET;
 12. Underline the importance of developing the capabilities of social partners, so that they contribute fully in the field of skills;
 13. Emphasise a common vision of VET integral to the wider society and countries’ development and identifying the necessary actions which will make the vision a reality;
 14. Affirm that twenty-first century economies require citizens to be resourceful and to be capable of dealing with labour market uncertainty, to acquire and update both key competences, including entrepreneurial

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- competence and occupational skills, which are needed for business performance and individuals' career and self-development;
15. Recognise that in our globalised and changing world, individuals need labour-market relevant and understandable qualifications, which give evidence of their skills and allow them to be more mobile, equip them to change jobs and develop their careers;
 16. Emphasise that effective governance for quality VET is multilevel, engaging national actors and social partners, regional authorities as well as providers, local companies and civil society representatives and is based on mutual trust;
 17. Acknowledge the necessity to VET systems of quality initial training and continuous professional development for VET teachers, trainers, in-company trainers and instructors;
 18. Recognise that a robust quality assurance system, including common quality criteria, monitoring and evaluation processes and indicators, is an essential element in a quality VET system;
 19. Pledge to promote VET's appeal to learners as a first career and education choice by modernising provision, offering more flexible ways of learning, enhancing self-directed learning, work-based learning in partnerships with employers; ensure opportunities for more equitable access and greater participation in VET, including for disadvantaged people; encourage employers to increase opportunities for apprenticeship; ensuring access to higher VET, higher education and labour market, providing career guidance and by showcasing VET excellence in our countries;
 20. Recognise that production, dissemination and use of reliable and relevant data is a prerequisite for evidence-based policy-making in skills, underline the need to continue improving such evidence through the engagement of stakeholders, integrating monitoring tools into a comprehensive system, including benchmarking;
 21. Reaffirm that monitoring skills and VET policies is fundamental for VET reforms, allowing corrective measures to be undertaken and lessons learned from experience.
- Therefore, we:
22. Agree to integrate VET and skills development in human capital development policies, so maximising their contribution to economic growth, competitiveness and social cohesion; and creating opportunities for individuals to transform their lives;
 23. Agree to continue adhering to the Torino Process principles of national ownership, collective governance through participation of multiple stakeholders, holistic approach and evidence-backed, transparent and accountable decision-making;
 24. Reaffirm that policy analysis in view of progress monitoring followed up by impact assessment models that document the policy action, are fundamental for result-oriented public policies;
 25. Agree to give priority to VET and to ensure the necessary resources for the adopted recommendations and identified policy options' implementation.
- Turin, 4 June 2015

Shaping skills and VET for social cohesion

Levels of poverty and unemployment, income disparities, and social exclusion remain high among ETF partner countries due to political, economic, social, and demographic challenges and their varying capacity to cope with global economic competition. Disadvantaged and vulnerable groups cover a wide social spectrum, yet the resources available for addressing their needs are scarce. Despite expressions of support it is an issue that is also under-reported in VET, so there is limited evidence and understanding. It has been, and remains to some extent, a stigmatising issue. To address this, more in-depth analysis is necessary; while the Torino Process reporting does include good examples, the ETF is encouraged to share more best practice in the next round.

Promoting social cohesion

To begin with, VET can be an important tool for promoting social cohesion, as it helps to prevent poverty and has the potential to reduce social inequalities. This requires engaging big employers as well as SMEs. However, employers face challenges too, especially smaller businesses which don't have major recruitment resources. They struggle to recruit and retain people with the right skills, and there are limits on their ability to offer viable careers to the people they want to attract. They may not have understood the business case for supporting social inclusion as an investment in business capability and competitiveness. Recognising this is helpful for VET providers in engaging with employers in a way that makes it easy for them to reciprocate. Businesses depend on reliable, quantifiable results, and measuring social impact helps to reinforce the business case for social inclusion. The attractiveness of participation in VET can determine whether it's a force for social inclusion, or social

exclusion. Making VET a destination of choice is therefore of fundamental importance. Furthermore, too much focus on strategies and policies – important though they are – risks paying too little attention to implementation. Constructive reform cannot be achieved without thinking about who will be responsible for implementing it, nor will it be sustainable without more positive perceptions.

Serbia has a youth unemployment rate four times higher than the EU average. No VET system can solve that alone, and improvement can only be achieved through VET reform combined with fiscal reform, legislation, and other measures. VET can and should be more open to national needs, but if other factors don't change too the end result will be a system that is just equipping young Serbians to live in Germany.



In the Southern and Eastern Mediterranean countries, large youth populations, coupled with high rates of school drop-out and political uncertainty or conflict, mean that many young people are driven to migrate, or to remain at risk of poverty and marginalisation. Many thousands can't access work or VET because they are too young and haven't achieved sufficient basic education, so NGOs and other civil society institutions should undertake preventive measures to limit dropout rates. **Algeria** is considered to have generally good VET institutions and programmes, but faces questions about whether these are producing what is right for the economy. Following the global economic crisis, and its impact on Algeria's dominant hydrocarbon industries, there has been growing interest in small-scale innovations in skills development and utilisation. For example, in one rural area agricultural skills were in danger of dying out because young people were not interested in farming careers. A local agricultural producers' association attracted students by showing them that it's a viable living, and that they can make a contribution to their community. There is a strong tradition of social cohesion in Algeria, but globalisation and individualism have proved to be somewhat double-edged swords when it comes to preserving local traditions.

Working for women

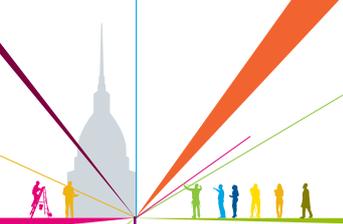
Because of the gender stereotypes that exist everywhere, which are stronger in some countries than in others, there are ties between gender and roles which have an adverse effect on VET participation and skills acquisition among females. As a global volunteer movement promoting education and empowerment for women, the Soroptimist

International (SI) operates in 15 ETF partner countries, gathering information in the field to help draft female-friendly policies. SI activities include mentoring and support in labour market access, tackling violence, and promoting gender equality. Despite initiatives like the SI's information gathering, there remains a lack of reliable evidence about vulnerable groups to inform the policy making process. More in-depth analysis and research must be conducted in order to design effective and relevant policy responses.

Top-down and bottom-up

The combination of bottom-up and top-down design, the sharing of good examples, and mutual learning should all be encouraged. Other measures that can help include specific and targeted policies to encourage employers, particularly micro and small enterprises, to invest in training. VET providers could enhance inclusive vocational training and apprenticeships with the support of national government and the private sector, as both a prompt for and a consequence of stronger engagement with employers, civil society organisations, and local government. Developing short VET programmes could help to give young people and women access to the labour market more quickly, and maybe encourage access to higher education later on. This suggests that ETF partner countries should consider both long-term preventive and short-term remedial measures, based on their specific local contexts.

The main message to emerge from this discussion was that there needs to be a top-down and bottom-up approach. There needs to be partnership at all levels, and the private sector must accept its responsibilities more proactively if it is to overcome the 'red tape' and complexity of the system.



Effectiveness in delivering VET skills

Effectiveness is defined as the extent to which something generated the result it intended to; when it comes to VET, effectiveness is perhaps most often discussed in terms of growth and competitiveness on the one hand, and social cohesion on the other. More importantly, from the learner's perspective, effectiveness can hinge on whether VET facilitates opportunities for meaningful work, better careers, and greater social mobility.

Quality, attractiveness and effectiveness

The relationship between VET quality, attractiveness, and effectiveness is key to the pursuit of optimum outcomes for learners and employers. Delivering results when the measures are so contingent demands joint responsibility from all those involved. The comparison with higher education quickly arises, driven by the deep-rooted dichotomy between theory and practice, and between academic and vocational certification. The fact that the plea for 'parity of esteem' is still being made – for instance, in the conclusions of the Riga meeting of education ministers earlier this year – shows that the objective of establishing academic and vocational pathways as complementary rather than separate remains a long way off. This dichotomy continues in the workplace, where the metaphor of blue collar versus white collar jobs still dominates. The challenge begins early in life and is exacerbated by poor or non-existent career guidance. In Finland career guidance is embedded in general education from the start, at pre-school stage, which may be one of the reasons why VET is seen as more attractive than it is in neighbouring Sweden. Young people need access to reliable and up-to-date information about possible options to make informed decisions. They need to know that opening one door does not necessarily close others. Including the recognition of prior learning and not having to re-train people in every setting is an important element of effectiveness that should be built into skills delivery.

Israel has seen some success in strengthening the attractiveness of VET, in part by applying some of the contemporary consumer psychology that is now central to higher education marketing in countries like the USA and UK. These include 'food labelling' systems to ensure comparability of courses, 'expiry dates' for checking their currency, and adopting a 'point of sale' approach in VET school offices where prospective learners (and, as appropriate, their parents) meet staff to discuss options. Instead of it being the last office on a distant corridor, the impact could be enhanced by creating bigger, brighter, more visible spaces for the same purpose.

On-going changes in the Turkish economy are creating opportunities, notably a labour market reform programme that aims to reduce the skills mismatch and improve employment prospects. Central to this is the development of relevant qualifications based on occupational standards and transparent certification. Turkey's government is promoting joint responsibility in delivering effective, high-quality VET, with the ministries of Labour and Education coordinating their policies with employers and learners, across VET and higher education.

VET and flexibility

Work based learning is an important new trend in **Albania**. Apprenticeship for Youth Employment was launched in January 2015 as part of efforts to reduce the rate of 34% youth unemployment. The next stage is to introduce sustainable methods for increasing apprenticeship schemes, since much of the activity is currently supported by donors. A feasibility study is reviewing the implementation of long-term work based learning.

Rapid economic growth in **Azerbaijan** has led to calls for better policies and increased national investment in human capital. The government priority to improve VET is mostly focused on the oil sector, with the aim of promoting improvements across other industrial and economic sectors.

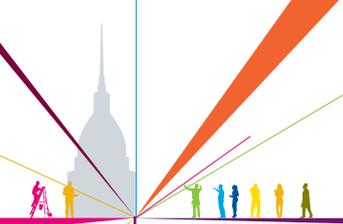
Azerbaijan 2020, a national development strategy dubbed Outlook for the Future, aims to develop human capital and increase the quality of the workforce through improved VET effectiveness. This newly-adopted strategy sets improving quality and upgrading infrastructure in VET as top priorities. Other initiatives based on experiences in developed countries are helping to modernize VET and raise its profile, for example by introducing a focus on updating craft skills, strengthening public-private partnerships, introducing new entrepreneurial skills, and establishing workplace open days to broaden career choices.

Although the examples drawn from different countries are instructive, when talking about new approaches context is critical. The same approach might not work in all countries.

However, there seems to be at least one universal element in VET effectiveness, and that is the introduction of new learning methods to suit young people used to the 'always on', digital environment of the internet and social media. The use of blended methods involving digital and physical-based pedagogies could bring new learners, partners, and possible revenue streams.

The debate on effectiveness concluded with four key messages about the practical implications for changing current policies on vocational education in order to make it more attractive. First, it's a joint responsibility and joint effort, not only in planning the policies, but also in implementing them. Second, there is a need to focus on new methods of delivery. Third, improving attractiveness is one of the key facets of improving effectiveness. In relation to this the workshop concluded that coherent guidance policies should be developed all across the vocational education systems, as nowadays it is much harder for young people, and parents, to make informed choices. Last but not least, to be flexible in delivery modes, understanding that young people are ready to learn in different environments using different technologies.





New trends in skills and VET for development – vision

Nobody is claiming that VET is a panacea for development, but it certainly has a role to play. The immediate questions are twofold; does ‘development’ imply economic growth and labour market demand, or a broader concept that includes individual growth, better welfare, and lifelong learning? And is VET currently equipped to deliver the levels of skills needed, given the different realities in each country and the global trends, such as climate change, that affect everyone?

Predicting skills needs

With so many partner countries in transition it’s difficult to predict skills needs beyond the short term, even if we assume that generic resilience and resourcefulness skills are both appropriate in the context of development and relatively ‘future proof’ in terms of wider potential skills demand. And in our high-tech, digital world it seems that ‘old-fashioned’

apprenticeships and work based learning approaches are among the most modern solutions for development skills challenges. This places an even greater responsibility on VET providers to prepare a future workforce that can cope with change, and that has learned how to learn, unlearn, and relearn. Career guidance needs to be lifelong, to guide and orient people throughout the range of employment and self-employment scenarios they’re likely to encounter during their working lives. It also highlights the critical importance of soft skills like communication, languages, entrepreneurship, and innovation. On top of this, any VET system that can do these things will still have to overcome the widespread perception that it’s a poor-quality second choice for those who didn’t make it to university.

Yet even if a perfect VET system could be created with the wave of a magic wand, people still couldn’t be forced to fit into it; that

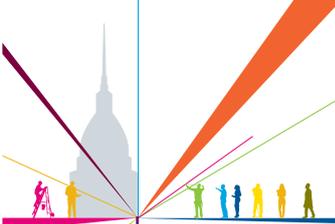




would only lead to rebellion. VET is all about people, about developing their potential so that they can contribute to wider development goals. Suppose a perfect VET system was created somewhere, and people flocked to attend. There's no evidence that good practice in one place is necessarily transferrable. The point is to identify how a successful process was designed in the first place, and share that blueprint. However, it is possible to paint a positive, engaging picture of what good looks like, based on three core elements – strengthening individuals' self-esteem, helping them to build healthy personal and social relationships, and encouraging a meaningful connection between them and their immediate environment.

Vision

Having a vision is a pre-requisite, as is the ability to articulate what good looks like and where development strategies should take us. But there is also a need for greater emphasis on the individual capabilities that vary from person to person. These will provide the surest basis for the sound relationships that development work depends on. The solutions in terms of VET's role in fostering development are, inevitably, both local and global. Partner countries can best support their own development with home-grown resilience strategies, not 'identikit' solutions, and it is now an urgent task to build a sustainable global framework for those strategies.



Skills and VET governance

The need for reform in VET governance is widely recognised as an issue in the Torino Process country reports; the question is how to do it. The objective of reform is to make governance a success factor, not a barrier, and to that end we must understand if current governance is really supporting change or not. This is important because policy development and implementation don't happen in a vacuum – agencies, institutions, non-state groups, and civil society organisations must all be taken into consideration. The multi-stakeholder environment in which VET operates is complex and dynamic, and any efforts towards reform must embrace that. VET is designed to deliver at different levels, so coordination is critical. The idea is to get as close as possible to needs expressed at a local level, and to share them – and locally-devised solutions – across the system, and further afield. That's why the idea of multi-level governance as a participatory framework that can promote quality VET within such complex environments is gaining so much attention.

VET stakeholders in **Ukraine** are discussing a law that would implement a completely new form of decentralised governance at regional level. The government has direct responsibility for almost 1,000 VET schools, and this is clearly not efficient. Efforts are underway to develop competence and responsibility at regional level through 'stakeholder councils', a non-specified status legally, which should take charge of activity in regional VET schools. Employers have said they welcome this. However, the precise mechanisms of governance – who takes decisions, what advice the councils should give, and how this is to be communicated between the council and bodies responsible for governance – remain unclear.

Like many ETF partner countries, EU member Latvia faces a significant movement of population away from rural communities and into urban centres, and, through various types of migration, abroad. Municipalities want to retain people and their talents, and do everything possible to attract inward investment and new employment. Consequently, Latvian law has been established to change the way individual vocational schools are managed by getting local, regional, and national players on board. In Georgia, stakeholders recognised that dialogue was necessary to gather information from the labour market in a more structured way. This was the best route for aligning provision with demand and tackling the problem of employers importing workers, with the inevitable impact on local people. The lack of accurate information was a major factor, and this reflected poorly on existing governance processes. As a result, social dialogue mechanisms were revised at micro and macro levels, leading to a better understanding of local and national needs. In a number of partner countries more analysis is required in order to identify the main governance functions to be improved. There are many issues that could impact governance reform, but those charged with taking action must keep the dimensions of their ambition commensurate with their resources. Having the courage to make choices isn't always easy.

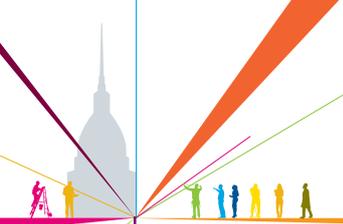
However, there remains a challenge that can be characterised as 'the elephant in the governance room' – something very large that has a powerful impact on governance, and yet is difficult to acknowledge; namely, corruption. If skills are missing, why aren't they supplied by the market? Why is so much public investment required when monitoring seems to show it doesn't have much impact year after year? In simple terms, it's hard to budget and make plans where employers will choose a

relative over a skilled candidate. This is why market signals are so distorted and employers say they can't get the skills they need. This directly impacts public investment. While in the UK and Denmark only a fraction of one per cent of public tenders have a single bidder, in some other member states single bidding is over 50 per cent, and as high as 70 per cent. This is not because only one company believes it can make money from training contracts, but because most don't bother entering the process believing the outcome to be a foregone conclusion. Monitoring governance is essential in VET, as in any area which attracts large amounts of public money, otherwise money is just poured away like water on sand.

Functional governance

The ETF is proposing a functional governance approach. This means not copying and pasting models from one particular EU member state, but each partner country must decide who's in charge, and how to make participation possible. While the ETF leans towards the European model of multi-level governance where all actors are involved, there still needs to be some place in public policy where cohesion can be maintained. It is also vital that government remains in the driving seat of reform to ensure there is no external agenda. The roadmap, though, must come from the widest possible range of sources.





Monitoring skills and VET policies

The issue of monitoring was raised in the 2010 round of the Torino Process, and progress tracking in the 2012 and 2014 rounds has shown a shift towards policy implementation and monitoring. All partner countries have made more effort to conduct evidence based monitoring, most have a system in place to track labour market development and the performance of their education system, and there has been an overall improvement in the quality and quantity of evidence available. Not surprisingly, policy makers are always on the lookout for policies that create results, not just outputs. But to be truly impact-oriented requires long-term thinking, which is often difficult in the policy arena. System-wide and system-deep reform of VET – and seeing the results of that reform – takes time, and long term issues must be tackled if any real progress is to be made. That in itself provides a good incentive for establishing a monitoring system, and it has to produce credible, authoritative data that is shared with everyone. Some data is already available through third-

party programmes, which can supplement in-country monitoring and help avoid ‘monitoring fatigue’, the unintended consequence of keeping people busy with indicator creation and tracking activities.

Contextualised monitoring

Quite properly, partner countries are directing their monitoring efforts to suit their national context. Skills monitoring is used in the creation of national occupational standards and educational standards in Russia; in Belarus the focus is on quality and the conceptualisation of policy dimensions; and skills acquired in non-formal settings are a major factor in Azerbaijan. Montenegro is working to create new policies and improve existing ones with a focus on better connecting the worlds of education and labour. Tunisian youth are looking for better information on careers in their efforts to avoid unemployment. There are common concerns too, particularly in the areas of innovation, creativity, and entrepreneurship,

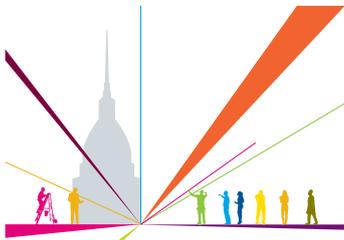




with successful interventions including the recruitment of teachers with business experience, and the introduction of entrepreneurial skills at the earliest stages of VET teaching. Other shared approaches include the involvement of stakeholders in the collection or generation of evidence, especially where there has previously been a lack of quantitative data, and benchmarking at national and regional levels. All these represent good practice in acquiring and using data for monitoring, but each country will make its own decisions about how much monitoring is really necessary. If it's only a paper exercise it risks being expensive and wasteful, and the benefits will in any case be largely lost without effective post-monitoring action.

Qualitative measures

Monitoring is not exclusively quantitative, and the introduction of qualitative measures contributes to a fuller picture. For example, qualitative studies can help to further understanding of the reasons for young people deciding to follow certain options. And while quantitative data is, of course, valuable, if it doesn't lead to conversation with stakeholders which in turn produces useful evidence, the real issues will remain obscured. It's in the analysis of the data that the real paradigm shift lies in terms of policy making. In a nutshell, the debate has to move beyond whether the collection of data leads to evidence based policy making, or merely to policy based evidence making.



TORINO PROCESS

WHAT YOU NEED VET TO BE



Resourceful Human Capital



2015

ETF Working Together Learning Life

Beings

WHAT YOU NEED!

The challenge is to EMPOWER, ACT

QUALITY TRAINING

- Work-based learning
- Empower teachers to drive change
- Motivating + enabling meaningful skills in an effective way!
- Career guidance
- Continual personal development

INVEST in development of **SKILLS**

- to contribute to
- ★ Economic growth
- ★ Competitiveness
- ★ Social cohesion

PROMOTING + ENHANCING APPEAL/IMAGE

VET

- + Public engagement campaigns
- + training for VET staff
- VET rocks
- good news stories in the media
- NEEDS
- occupational skills + entrepreneurial abilities
- magic combination
- TO EMPLOYERS TOO!

MONITORING & POLICY ANALYSIS
QUALITY ASSURANCE

INNOVATION

- innovator
- Hire and give space!
- Torino 2.0

GIVE VET **Priority**

QUALITY + RELEVANCE



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