

# INFORM

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## SECTOR SKILL COUNCILS: FORGING PARTNERSHIPS FOR RELEVANT SKILLS

Mitigating imbalances between skills supply and demand is one of the biggest challenges vocational education and training (VET) policies and systems now face. Employers are becoming increasingly aware of the need to engage with public authorities in developing and implementing skills policies in the ETF partner countries.

Many ETF partner countries, where VET governance remains fairly centralised, struggle to cope with the challenge of delivering skills matching employment needs. More effective cooperation and coordination between education and labour authorities, social partners and private labour market actors will produce higher quality VET.

This policy brief provides policy makers, social partners, the business community, experts and other practitioners with insights that may inform policy dialogue on sectoral partnership approaches and sector skill councils.

### CONTENTS

- Why are sectoral approaches useful for skills development?
- What are the benefits for social partners?
- How are ETF partner countries setting up sector skill councils?
- What challenges lie ahead for partner countries setting up effective sector skill councils?

### THE ADDED VALUE OF SECTORAL APPROACHES

Sectoral approaches are used to shape VET and skills provision tailored to the needs of businesses in a given economic sector through the engagement of social partners (employer and employee representatives).

Sectoral stakeholders are motivated by the need to increase productivity in the face of global competition, to reduce skills gaps and shortages, and to modernise occupational profiles and standards.



### WHAT? WHY? WHO?

Sector skill councils (SSCs) are partnerships of at least two different types of stakeholder. They are platforms for systematic cooperation supporting VET policies within a lifelong learning perspective by connecting education and training to labour market needs to promote the development of relevant skills.

SSCs can practically convey sectoral skill needs relevant for employment to public authorities, as line ministers in charge of VET and skills policies are required to be responsive when new qualifications, competences, curricula and/or training programmes are in the pipeline.

Sector skill councils may be composed of public education and/or employment authorities, employers organisations, businesses, trade unions, VET providers and human capital development and research experts.

Sector skill councils, sector skill committees, joint-sectoral training committees, sectoral skill commissions, knowledge centres, professional council, industry training bodies (etc.) are all terms used in different countries around the world for these kinds of organisation.

## KICK-STARTING AND MANAGING SECTOR SKILL COUNCILS

The structure of SSCs mainly depends on the role of the state in public affairs and on the industrial culture and relations within the country. A key factor is the social partnership model.

There are two preconditions for SSCs. Firstly, governments must enter into dialogue with social partners and/or sectoral representatives. Secondly, employers and/or workers from the sectors must represent their collective opinion in a structured manner.

SSCs should have a broad perspective on the economic sector and its real human capital development needs. They need to be informed about skill and qualification mismatches and sectoral job and skill trends. These are key drivers for

regulating, legislating and/or funding SSCs and defining their mission, mandate, functions and tasks.

The right membership and good leadership are key for promoting sound cooperation and coordination among public and private actors, while bringing knowledge and resources to council activities.

SSCs can have different configurations within the institutional framework of each country. This is illustrated by the different experience of SSCs in more than 20 EU member states and other countries (see below). These show that success depends on councils being well governed, embedded effectively in VET and continuing training institutional arrangements and employer led.

### CARTOGRAPHY OF SECTOR SKILL COUNCILS

Functional areas	Scope/nature	Key features & remarks	Country examples (*)
1) Council coverage	Focus on one economic sector	National VET council may cover all sectors at national or regional level.	CZ-FI-DK-NL-CA-UK-FR-ETF PCs-
	Focus on more than one sector (transversal)	Some SSCs may come under umbrella organisations (e.g. tripartite institutions/bodies; ministerial departments/directions; agencies for VET quality; national qualification bodies/authorities, etc.).	ES-BE-DK-UK-CY-MT
	Regional focus		BE-UK-DK-FR-RO
2) Institutional mandate	Specialised (or) Professional bodies	Own resources (staff/experts/full-time employees); legal status and permanent public and/or private funded (Levy/payroll systems etc.)	UK-NL-CA-FR
	Working groups	Represent different sectoral interest groups. Members are employed in represented organisations.	HR-EE-ETF PCs-
3) Initiator profile	State-led/driven	Policy dialogue/initiator is mainly led/ funded by government or state organisation, either or by employer organisations (or by both).	ETF PCs-AU
	Employer-led		UK-IN-FR-CZ
4) Policy making role	Decision making role	The role of the first is to become the final decision makers whereas the second is limited to delivering advice or non-binding recommendations to ultimate decision makers.	NL-RO-UK-HR
	Advisory role		HK-FI-ETF PCs
5) Scope of policy functions	Limited functions	Ensuring qualitative/quantitative match between VET skills supply/ demand; development of occupational standards, or contributing to NQFs developments (etc.).	IE-CZ-ETF PCs
	Extended functions	Members extend analysis/advice to other policy areas/stakeholders (e.g. VET planning; implement actions to bridge gaps; skill programmes; education and business partnerships etc.).	AU-BD-NL-IN
5) Policy coverage	I-VET	SSCs can cover I-VET, CVT policies and/or both (approach to lifelong learning). They can be sector focused or transversally oriented whilst operating at either national or regional levels.	CZ-PL-SK-MT
	CVT		ES-MD-AR
	I-VET & CVT (LLL)		FR- FI-EE-RO

The table can be used to support policy discussions on options for the organisation of SSCs in terms of functional areas, scope, institutional development options, mandates and the shape of their working outcomes. International examples can further inspire capacity building and policy learning actions to set up and govern SSCs (including systems and/or alliances).

\* Countries should cover all key areas of the functional definition. However, country examples have been selected to illustrate specific country options regarding the scope/nature of SSCs that are running in the international arena.

Source: Buic N. and Galvin Arribas, J. M. (in ETF 2013(a))

## THE EXPERIENCE OF PARTNER COUNTRIES

The ETF has supported partner countries in setting up SSCs over the last decade. For example, in Turkey some 20 sector committees exist, created under the leadership of the Vocational Qualifications Authority. The committees are mainly in charge of reviewing, recommending and deciding on the adoption of (draft) qualifications (as national qualifications).

SSCs are an increasing priority in ETF partner country agendas, but they are still at an early stage in setting up and consolidating councils. Whether SSCs require legal recognition to enhance employer engagement is an open question (see examples below).

In Serbia, following the conclusion of an IPA project addressing four sectors (ITC, agriculture, the food industry and tourism) there is now an action plan to set up sector councils). Other partner countries are currently trying to use SSCs to

strengthen social partnerships (Georgia) and develop qualification systems (Belarus), or are working on supporting employers' skills in regional labour markets (Ukraine). The former Yugoslav Republic of Macedonia (through NQF legislation) and Montenegro (partnership-based approach) have entrusted SSCs with the task of coordinating the modernisation of qualification systems.

For instance, the council's mission could be to conduct or commission skills needs methodologies for assessments and matching skills; updating, designing, maintaining new occupational standards; design and/or revise (even award) vocational qualifications, curricula and/or competences needed by workers and employers and/or assuring quality of sectoral training provision in the sectors. Funding relevant skills provision could be a good incentive for involving employers.

### Examples from the ETF's continuing vocational training project in Eastern Europe

As part of the ETF continuing vocational training in Eastern Europe regional project (2010-14), Azerbaijan, Belarus, Moldova and Kyrgyzstan (as an observer from Central Asia) worked with the ETF to involve social partners in CVT. The ETF provided its expertise to establish sector skills councils that bring together education and training authorities, employers and trade unions.

The dominant SSC profile in ETF partner countries is state-led working groups, for which legislation is not always in place, focusing on one sector and normally deploying limited functions covering mostly VET issues with a focus on CVT approaches. This applies in particular to Eastern European partner countries.

#### Azerbaijan

As a result of DIOS project (funded by the World Bank), Azeri stakeholders established seven SSCs mainly focusing on the design of 200 occupational standards. Legislative and institutional gaps exist as councils still lack an umbrella organisation. The ETF supports building capacities for council set-ups whilst facilitating the engagement of the Azeri employers' federation (ASK) in the formation and governance of the councils. The use of occupational standards for engaging employers/industry in some sectors remains an issue

#### Belarus

The Council of Ministers enacted legislation on the national qualifications systems. Two pilot SSCs have been set up with advice from the ETF. The councils are led by the Institute of Labour, which coordinates authorised organisations in designing (continuing) training strategies and occupational standards. A lack of involvement from the private sector, an accurate definition of economic sectors and education-labour dialogue are issues at stake.

#### Kyrgyzstan (*observer*)

Following the adoption of legislation, seven SSCs have been set up with policy advice from the ETF in cooperation with the Asian Development Bank (ADB). They are working on implementing the regulation as regards the professional performance of the council members (vision building) and policy options for drafting occupational standards. A key challenge remains involving and networking with industrial actors.

#### Moldova

Long-term support from the ETF and other international partners has led to the development of six functioning SSCs. They have helped to design the methodology for occupational standards, which met with government approval and a methodology for qualifications. They are now developing a concept for their integration with the national qualifications framework. The ETF has helped design a methodology for identifying CVT skill needs. The SSCs have recently been legally recognised.



## FACING FUTURE CHALLENGES TOGETHER

ETF experience shows that setting up effective SSCs in partner countries will be a longer term process best developed through learning by doing, with a strong need for capacity building. The focus for all ETF partner countries should be on the following interrelated issues:

### GOOD GOVERNANCE

Five crucial issues need to be considered in embedding SSCs in national VET and skill policy frameworks:

- developing and implementing legislative policy frameworks for SSCs;
- SSC regulation for involving relevant and competent stakeholders
- setting-up and managing networks of sectoral and industrial actors;
- SSC funding strategies (this can be particularly challenging when pilot projects come to an end in partner countries, e.g. in Azerbaijan and Serbia);
- management of relevant expertise. Here networking with universities can be an effective and efficient way for using expertise and approaching policy dialogue within a council's mission, if councils decide to link VET with higher education issues.

### EMPLOYERS AND EMPLOYEE ENGAGEMENT

The effective involvement and leadership of employers in skill development is crucial. In many partner countries SSCs mainly follow employer-involved models in which public authorities engage employers (and unions) through policy dialogue and legislation (e.g. Belarus, Azerbaijan, Georgia, and Kyrgyzstan). In Ukraine and Russia, employers play a leading role in initiating the dialogue on national qualifications frameworks. However, different strategies can be relevant, such as the employer-modelled strategy. Other models, such as employer-owned (in sectors with a high representation of employer organisations) and employer-driven (based on the strong leadership of employers and private actors) have yet to be established in most ETF partner countries.

Attention should be given to social dialogue, and policy incentives to enhance the role and capacity of social partners at both national and sectoral levels to work with governments will need to be considered. Thought should be given to how to move towards the most effective, professional and, if possible, employer-led councils, where feasible.

### CREATING AND USING EVIDENCE

Decisions made by SSCs should be based on information about education, training, skills, qualifications and/or curricula relevant to the labour market needs of the sector. Qualitative and quantitative data are essential tools. This should translate into policy analysis and advice, as well as policy management.

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