INTRODUCTION

This briefing is based on the ETF 2010-11 Torino Process under which country reports were prepared in 22 partner countries, namely Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Egypt, Georgia, Israel, Jordan, Kazakhstan, Kosovo*, Kyrgyzstan, Lebanon, Republic of Moldova, Morocco, occupied Palestinian territory, Russia, Syria, Tajikistan, Tunisia, Turkmenistan, Ukraine and Uzbekistan. In addition, the briefing draws on analysis provided by Croatia, the former Yugoslav Republic of Macedonia and Turkey, as three candidate countries which were engaged in the Copenhagen Process policy review, reported on in Bruges in December 2010. It is also informed by the human resource development reviews carried out with Albania, Montenegro and Serbia at the request of the European Commission’s Directorate General for Employment, Social Affairs and Inclusion. The country reports have been validated in the countries concerned and at the Torino Process Conference on 11 May 2011.

CONTEXT

The diverse demographic, economic, political, cultural, historical, geopolitical and social features of these countries influence their education and training systems. There are huge differences in the countries in terms of population size, ranging from 600,000 inhabitants in Montenegro to 142 million in Russia. Secondly, whereas the ageing populations of some Eastern European and former Yugoslav countries such as Croatia point to adult training needs, the large young populations particularly in North Africa and Middle East place more pressure on initial training systems (Figure 1).

Economic data and trends also reveal great variety in the countries and affect VET systems differently. Although they give some indication of the current economic situation and the potential for economic growth, links with job-creating growth and sustainable development are not so clear. When combined with an analysis of fiscal capacity, such data determine the budget possibilities for education and training systems. The majority of ETF partner countries are middle-income countries (12 lower-middle and 13 upper-middle) as defined by the World Bank. The remaining four are low-income (Kyrgyzstan and Tajikistan) or high-income (Croatia and Israel).

While economic growth has become negative in the Western Balkans as a result of the financial crisis, the Central Asian, Southern Mediterranean and Eastern European countries have not been as badly affected. The most impressive example is probably Turkey, which, at 11.6% growth in the third quarter of 2010, had the highest rate in the OECD. Russia is the only ETF partner country in the Group of Eight Industrialised Nations (G-8), while it is joined by Turkey in the G-20. Israel and Turkey are the only ETF partner countries that are members of the OECD.

The World Economic Forum’s (WEF) Global Competitiveness Index can be seen as a proxy for economic growth potential. Economic competitiveness varies greatly in the ETF partner countries: of 139 countries assessed in 2010, Israel ranked 24th, Tunisia 32nd and Montenegro 49th, while Bosnia and Herzegovina ranked 102nd, Tajikistan 116th and Kyrgyzstan 121st.

* Kosovo under UNSCR 1244/1999
Across the partner countries there is a general shift towards knowledge-based economies and the type of skills such economies require. Thus, agriculture contributes 6% or less of gross domestic product (GDP) in Croatia, Azerbaijan, Russia, Kazakhstan, Jordan, Lebanon and the occupied Palestinian territory, while it contributes more than 20% in Albania, Uzbekistan, Kyrgyzstan and Syria. Services represent more than 70% of GDP in Montenegro, Republic of Moldova, Lebanon and the occupied Palestinian territory, but less than 40% in Azerbaijan, Algeria and Turkmenistan. In this respect, partner country participation in sector-specific trade agreements in line with the World Trade Organisation (WTO), and developments towards opening free trade areas with the EU represent important economic stimuli, but also imply pressures regarding skills development.

Comparing economic revenue in terms of GDP and employment suggests that agriculture generally employs a higher percentage of the population than it contributes to GDP (with Albania, Armenia, Georgia, Morocco, Republic of Moldova, Egypt and Tajikistan as extreme cases). These economies would benefit from higher-skilled labour that could increase productivity and reorient the workforce – at least in countries suffering from labour shortages – towards more profitable sectors.

In order to understand the challenges that VET systems need to meet, there is a need to supplement aggregate economic data with observations on the business landscape. Although data are lacking, it is clear that two features common to all the partner countries pose particular challenges to human resource development systems.

- The substantial informal sector (with the exception of the eastern Europe, where it seems to be less developed) usually offers unattractive working conditions, makes assessing real economic development potential and identifying skill needs and shortages difficult.

![Figure 1: Child dependency rates (2009, %)](#)

![Figure 2: Unemployment rates for last available year (%)](#)
The high number of SMEs, which are in a majority in the informal sector, raises issues of a lack of awareness of training and lifelong learning needs or, in the best cases, of poor capacity to evaluate training demand.

Unemployment rates (Figure 2) range from lows of 0.9% in Belarus (2009) and 4.0% in the Republic of Moldova (2008) to highs of 24.7% in the occupied Palestinian territory (2009), 32.4% in the former Yugoslav Republic of Macedonia (2009) and 47.5% in Kosovo (2008). Figure 2 also illustrates two other striking contextual elements: the disproportionately high levels of youth unemployment (in all countries except Kazakhstan) and female unemployment (especially in Syria, Egypt, Jordan, Morocco, Tunisia and Kosovo).

Furthermore, inequities are rife and poverty is high in many countries, particularly in rural areas and among ethnic minorities. Women are in a markedly weaker position than men in the labour market, particularly in Bosnia and Herzegovina, Kosovo, Turkey and the Central Asian and southern Mediterranean countries. Emigration can be interpreted as individual choices fostered by such inequities or persistent poverty, although both low-skilled and high-skilled people emigrate. Emigration is considered an efficient way to overcome unemployment problems and demographic pressures, and remittances can have a significant impact on GDP in the countries of origin (e.g. 35% of GDP in Tajikistan and 23% in Moldova in 2009).

VISON

Partner country visions of VET focus more on its contribution to economic competitiveness and, to a lesser extent, social cohesion. Furthermore, the visions are largely restricted to VET within the formal education and do not consider continuing training. However, VET policies need a lifelong learning perspective to make this vision a reality. Combining formal, informal and non-formal education and training, articulating initial and continuing VET at all levels, providing training opportunities for skills development, and targeting training at unemployed people and other vulnerable groups all remain to be done in most of the countries. This comprehensive, integrated vision with a lifelong learning perspective calls for adaptations to the institutional setting, and greater fluidity, permeability and flexibility in education and training provision.

VET policies need to be designed in relation to other policies. In order to ensure the maximum impact of VET policies, efforts to achieve better inter-policy consistency and synergies are necessary in three directions, namely socioeconomic, educational and learner-oriented. In the socioeconomic direction, VET policies need better anchorage to economic and industry development policies, which should systematically give attention to skills in their respective fields (i.e. in terms of skills needs). Economic policies need to foster job creation so that VET efforts aimed at enhancing employability can be fairly rewarded. In the educational sphere, there is a need for articulation with general and higher education policies to be able to offer a coherent, permeable education and training system with coherent pedagogical approaches to all citizens. The system also needs to be conducive to lifelong learning. Finally, VET policies need to be learner-oriented, encompass formal and informal provision and enable greater recognition and portability of skills and competences built up over a lifetime.

Multi-level, anticipatory and inclusive governance, which is a key component in successfully implementing vision, should apply to all stages of the policy cycle – from formulation to implementation, through system management and evaluation, and from central to school level, including the sectoral dimension. Social partnership and education–business cooperation are beginning to be recognised as effective tools in this regard, although they are often hampered by state-centralised approaches or a lack of social partner capacity (mainly human resources and technical expertise) to contribute effectively to the policy cycle. Reviewing governance schemes helps to increase the relevance and quality of the system, as well as public accountability; however, the process should be supported by thorough institutional capacity-building efforts targeted at social partners and civil society.

EXTERNAL EFFICIENCY

The issue of the external efficiency of VET systems as regards the labour market is moving up national policy agendas. However, improvements in this area are hampered by a lack of information about, and attention to, present and future needs, mainly because of a lack of tools to create relevant information and stimulate matching between skills and job offers. In general, unemployment rates and employment surveys indicate that the skills in the workforce are inadequate, and international research suggests that greater attention should also be given to higher level vocational skills and core competences. The active involvement of the social partners through education-business cooperation is critical to the success of this process.

External efficiency in respect of the social demand for education is uneven, hampered as it is by the lack of attractiveness of the VET track, mainly because of the lack of job prospects, the absence of an educational continuum and uneven access opportunities owing to unequal education and training provision across national territories. A key challenge for partner countries is to ensure a greater permeability integrating VET into the education and training system in a lifelong learning perspective – which would make VET more attractive – and its graduates more employable in modern, knowledge based economies. This should include the development of professionally oriented higher education would also help address the booming social demand for access to higher education despite high levels of graduate unemployment.

Developments in post-secondary and tertiary VET are promising ways of increasing youth employability. Continuing VET, including adult learning, still requires a genuinely systematic strategy integrated with active labour market measures to ensure access for individuals and economic actors such as SMES. This is especially urgent in countries with ageing populations. Such strategies should build on an accurate diagnosis of motivations for learning.

KEY SUCCESS FACTORS FOR POLICY MAKERS

As in many countries, VET policy makers in the ETF partner countries are dealing with a rapidly changing economic and social context, tinged with the effects of globalisation, including rapid technological change, economic interdependence, a move towards free market economies, international migration, increasing calls for public accountability, and aspirations to active citizenship. More than ever, VET systems are expected to meet two challenges in supporting sustainable development. Their economic challenge is to support growth and competitiveness by providing relevant and high-quality skills, while their social challenge is to contribute to inclusive societies by educating young people and enabling adults to gain additional skills, and by providing them with the key competences and values needed to ensure their employability and active citizenship.

The evidence collected through the Torino Process reports has identified a number of key success factors for partner country policy makers to consider.
The external efficiency of VET systems regarding socially challenged groups is an emerging policy priority. Out-reach strategies for socially vulnerable segments of the population are currently embryonic or are being dealt with in an isolated manner, as is the case with the training component in most active labour market policies.

INTERNAL EFFICIENCY, QUALITY AND FINANCING

Quality still needs to be addressed in a systemic, holistic way. Although quality-assurance mechanisms are being developed, they are not truly operational at all levels. Teachers, as the pivotal element in learning processes, deserve a dedicated, comprehensive policy approach (covering issues such as status, wages, career path and continuing professional development).

Qualification systems and frameworks and curriculum development are shifting in a promising way towards competence-based approaches oriented to addressing labour market skills needs. The issue of key competences and ‘soft’ skills as a means of achieving the societal objectives of VET also need further consideration.

The governance of VET systems remains in most cases the unique responsibility of governments. One reason is the narrow understanding of VET as initial training. If continuing training were systematically considered, the involvement of employers would seem more natural. There is already a dramatic lack of coordination at cross-ministerial level between ministries of education, labour and employment as well as public employment services. Although shared or multi-level governance is starting, it requires more flexibility in instruments for VET system management. Since it requires legal adaptations it is part of medium- to long-term reforms.

The financing of VET deserves greater attention, which should be shared, by the various ministries involved as well as the private sector. It also deserves adequate funding schemes capable of reaching all types of stakeholder. These should include incentives for private training providers to offer requested curricula and for small and medium-sized enterprises (SMEs) to engage in human resource development strategies.

THE ROLE OF THE EU AS A DRIVER FOR CHANGE

The EU provides an enabling framework for VET policies in partner countries because its own policy agenda, instruments and tools are relevant for the modernisation of partner country systems; because the prospect of privileged relationships with the EU is revitalising the reform process; and because EU funding instruments for supporting partner countries are empowering and may lead to long-term policy sustainability.

Partner countries are inspired by the EU VET policy agenda, instruments and tools. EU policies on employment, education and VET have played a direct role in the development of VET policies in the ETF partner countries, in particular in the three candidate countries fully involved in enhanced cooperation in VET (Copenhagen Process), but also in the potential candidate countries. In the Neighbourhood and Central Asia regions, EU policy frameworks are an important reference for national reforms.

The Torino Process methodology and analytical framework were strongly influenced by the open method of coordination of the Copenhagen Process and the structure of the Bruges Communiqué. This has facilitated policy learning between the partner countries and with the EU on key policy challenges and developments. In terms of tools, the Torino Process has confirmed the overwhelming interest in partner countries for developing national qualifications frameworks although this is not always accompanied by a full understanding of the necessary conditions and steps for successful implementation. National qualifications framework reform efforts are generally inspired by the European Qualifications Framework, a deliberate choice aimed at facilitating labour mobility with the EU.

Quality improvement and assurance, as defined in the EU recommendation regarding the European Network on Quality Assurance in VET (ENQA-VET), is also seen as an important milestone in terms of contributing to improving the attractiveness of VET. Concrete achievements can be seen in the establishment of procedures for the external and internal assessment of schools and training centres, the development of accreditation and certification procedures and the setting up of national examinations and Matura for evaluating students.

There has also been a focus on entrepreneurship learning, especially support for the sustainable development of networks of SMEs. The issue of core competences is also gaining momentum, with systems shifting to competence-based curricula or seeking closer complementarity between general education and VET – the case, for instance, in countries such as Republic of Moldova, Tunisia and Israel. Vocational counselling and guidance is also at the heart of VET reforms, even if comprehensive systems are still lacking in most countries.

The prospect of privileged relationships with the EU is a strong incentive for reforms. This is all the more powerful when it is supported by an economic and political agenda binding countries to the EU. This is an imperative for countries working towards EU pre-accession, but also a strong influence for the countries in the EU Neighbourhood in which VET is considered as a key policy area for economic and social development policies, as well as directly in the people to people policy area. A clear example of this positive influence can be seen through the development of ‘advanced status’ recognition (already obtained by Morocco, and under negotiation in Tunisia and Jordan) which provides strong incentives for modernising the VET system as a major step towards a quality labour force.

Advanced EU assistance funding modalities support country ownership of VET reforms, hence their sustainability. Compared to donor pilots that are implemented through projects and that prove hard to mainstream, the more advanced modalities chosen by the EU often support country ownership of the reforms, such as the Sector Policy Support Programme approach and budget support (e.g. in the Maghreb countries).

INNOVATION AND CREATIVITY

Policy makers are increasingly concerned with the innovation potential of VET policies. Inspired by global economic and technological developments and by EU initiatives such as the Small Business Act, policy makers are paying greater attention to measuring innovation capacity and to introducing entrepreneurial learning as a key competence.
EVIDENCE-BASED APPROACHES TO EFFECTIVE POLICY CYCLE MANAGEMENT

The Torino Process also demonstrated the relevance of evidence-based approaches for policy cycle management. While respecting the importance of each country’s context, in general, the key success factors associated with effective policy cycle management are:

- a high-quality policy debate involving all relevant stakeholders and based on evidence;
- a policy-learning approach based on exchanges with other countries in the region and in the EU;
- a policy-management approach building on consistency between political and technical considerations and transparent and open governance schemes, backed by adequate mobilisation and use of financial resources and institutional capacity, and by regular reporting and evaluation.

Regular reviews and assessments are recognised as important steps towards quality improvements in the management of the policy cycle. The wide acceptance of the Torino Process shows that sounder, more holistic assessments of VET systems are considered a priority. Indeed, most countries have started assessing their systems in order to make comparisons with those of their neighbours and are, in general, keen to make use of EU and other international benchmarks made available through international surveys such as the Programme for International Student Assessment (PISA), the Trends in International Mathematics and Science Study (TIMSS) and the Progress in International Reading Literacy Study (PIRLS). They also feel the need to develop national indicators and, more generally, to implement quality assurance in education, including VET. The leading role played by governments in such exercises has proved crucial in ensuring maximum impact; evaluations conducted within the framework of projects operated by donors with little involvement or consultation are scarcely referred to or used in new national strategies. The association between a broad range of stakeholders, including ministries, statistical offices and social partners, is likely to have a significant influence on the future impact of the review exercise. This type of assessment of VET systems and review of policy progress – such as the current Torino Process, whether carried out as a self-assessment or as a Bruges review – provides an opportunity to revamp sector and policy dialogue, and creates or institutionalises spaces for discussion and joint monitoring of the sector.

The long timescale of VET reform and the slow pace of implementation indicate the need for close monitoring. The ambitious reforms of initial VET, most of which were launched in the early 2000s, require a long-term view and need to take into account the inertia inherent in any education and training system. The impact of reforms cannot therefore be properly evaluated before 10 or 15 years have elapsed. This calls for close monitoring of achievements in order to make timely adjustments and identify necessary remediation measures. Three main types of initiative are now under development to improve monitoring and evaluation:

- the establishment of procedures for the external and internal assessment of schools and training centres;
- the development of accreditation and certification procedures regulating private training centres and universities;
- The setting up of national examinations and Matura for the evaluation of students.

If they are to be fully effective, such exercises require robust evidence, which is still not sufficiently available. As has been demonstrated by the Torino Process, data availability is a general challenge, whether referring to the existence of, access to, quality of or reliability of data. Indeed, the implementation of the Torino Process in all the countries reveals the difficulty of ensuring proper monitoring of reform processes. Relevant information is generally missing or not well circulated among stakeholders, at the national level between ministries or between technical and political units, between decentralised and central levels, or between donors and governments. Institutional memory of information is also very weak, with little knowledge or even document management rules in place. As a result of donor efforts (particularly by the World Bank in the IPA countries), developing information systems in education has long been treated as a priority, as have the identification and forecasting of skills needs, as a result of EU cooperation. However, systems are yet to be further institutionalised in most countries. Even when indicators exist in the statistical departments of employment services, they are not systematically used as indicators for the design and monitoring of VET policies owing to weak inter-ministerial cooperation. The establishment of VET centres or VET agencies is an attempt to create an infrastructure to gather and disseminate relevant information, but these will need capacity development and political support in order to be able to adequately monitor reforms. Instilling an evaluation culture is an overarching challenge that, if taken up, would enable these various limitations to be overcome. This obviously requires time, as does any work on values and attitudes, yet VET reforms cannot be postponed. Beyond the technical aspects, the gathering, processing and dissemination of evidence on reforms and their achievements has a transparency dimension, which may make it difficult to implement these processes in centralised countries where democracy is still nascent. Information may be politically processed or economically negoitated (bought). Public accountability is a requirement in the face of demand for results-oriented management and performance-based systems, but it has to be translated into proportionate mechanisms and tools.

The collection, creation and capacity to use of evidence for more informed and more efficient policy making is a key area for external support. As mentioned above, the Torino Process has revealed the uneven availability, quality and reliability of data as well as the capacity to use the data within the policy cycle as well as at different governance levels. This issue is currently being addressed through the ETF Torinet Project 2011-14.
These achievements culminated in the Torino Declaration adopted by participants of ETF partner countries in conclusion of the conference 9-11 May. The Declaration stated that:

We, the participants at the high level international conference ‘Torino Process: Learning from Evidence’, organised by the European Training Foundation (ETF) in Turin on 9-11 May 2011, representing the ETF partner countries, European Union Member States and international organisations discussed the importance of evidence in the vocational education and training policy cycle.

Our discussions were inspired by European policies, tools and approaches, and in particular the Education and Training 2020 initiative, the EU Employment Strategy, the Copenhagen Process, and the external relations policies which place skills at the heart of sustainable development. Our work has also been framed by the increasing attention given to skills strategies for strong economic development and job creation in the international community, including the G20. Our debates have also been enriched by evidence of progress in reform in VET illustrated by cases from the ETF partner countries. These inspirations will help us to improve our VET policies and systems according to our contexts.

For the ETF’s partners, the Torino Process has provided a valuable opportunity to review the efficiency and effectiveness of VET policies. This includes their contribution to sustainable and inclusive growth and economic development. The Torino Process confirmed priorities for the further development of our VET policies and systems, as well as for policy dialogue with the EU and international community. In particular, the following policy priorities were confirmed during the conference:

- Ensuring the relevance of skills provision and increased employability;
- Providing an integrated, lifelong learning approach to education and training;
- Supporting the changing role of the teachers, trainers and managers of VET institutions;
- Improving opportunities for access to education and training for all;
- Investing in quality and improving the attractiveness of VET;
- Reinforcing anticipatory, inclusive and good multi-level governance, also through education and business cooperation and enhanced social dialogue;
- Stimulating creativity and innovation also through entrepreneurial learning.

The conference provided a structured opportunity for institutions and experts to share practice and experience on the contribution of evidence to policy making, as well as the importance of methods, tools and inter-institutional cooperation. As a result, we identified a number of short-term actions for consideration by each country according to its context:

- articulate a strong vision;
- focus on solutions with sustainable results in mind;
- strengthen national partnerships and peer learning opportunities;
- strengthen governance and accountability.

The conference was an important occasion for policy leaders to work together to share knowledge and build a network across the countries and with the EU institutions. It was a strategic and effective platform for tackling the critical socio-economic policy challenges facing our countries, with a view to boosting youth employment through improving the transition from education to work; and increasing the contribution of VET to competitiveness through creativity and innovation.

We appreciate the launch of the second 2012 round of the Torino Process at the conference to update the 2010 assessment. We acknowledge the principles reaffirmed for the second round, notably:

- the holistic approach linking education, training, employment, economic and social development;
- the importance of national ownership and leadership;
- the active participation of social and economic stakeholders in the process;
- The focus on evidence to guide decisions through the policy cycle.

We welcome the ETF’s support and cooperation for the second round, and call upon the EU and the international community to cooperate in the review process and its outcomes.

We welcome the ETF Torinet initiative to build capacity in partner countries in this critical area.

We call for the EU, through the ETF, to continue providing opportunities for policy learning at the highest level.

Finally we thank the ETF for this rich opportunity and call upon the agency to arrange a further occasion for policy learning to celebrate the second round of the Torino Process.