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CONTINUING VOCATIONAL TRAINING IN EASTERN EUROPE: TIME TO ACT

Eastern European countries are becoming ever more aware of the effectiveness of continuing vocational training (CVT). This paper, which draws on the analyses and learning from the ETF project 'CVT in Eastern Europe' identifies actions to stimulate continuing vocational training in Eastern Europe. Policy makers (including social partners and the business community), teachers and trainers, experts and other practitioners will find insights that may inform their policy dialogue and analysis to create better conditions for CVT in the context of lifelong learning.



WHY IS CVT IMPORTANT?

After years of jobless growth in Eastern Europe, new jobs are emerging, along with new job profiles and new sectors. Continuing vocational training¹ can provide an answer to the new occupational and skills requirements that have resulted from the economic transformation and demographic change across the region.

The services sector has increased its share of GDP compared to manufacturing and agriculture. All sectors are affected by the technological changes and increased productivity needs. In countries with ageing populations, individuals are expected to prolong their careers. Migration also plays a role in re-shaping the supply and demand of skills.

In this context people need to update and acquire knowledge, skills and competences to be able to change jobs and careers more easily to improve their personal and professional lives. CVT can help in this, as proven by companies that use training to enhance their competitiveness; by public employment services that adapt training for jobseekers to match openings in the labour market; and by individuals that engage in continuing learning on their own initiative.

¹ CVT takes places after initial education and training or after entry into working life, in formal, non-formal and informal settings.

THE ETF CVT PROJECT: MUTUAL AND ACTION LEARNING

Following a wave of sector reforms, in 2010 vocational education and training (VET) was high on the policy agenda, with more importance given to initial VET rather than CVT. Evidence from the Torino Process analysis, prompted the ETF to launch the project 'CVT in Eastern Europe' to:

- (i) identify key policy issues (facilitating factors and obstacles); and
- (ii) implement actions to improve CVT.

Mutual learning identified key challenges and good practice in CVT. It engaged policy makers and social partners in a participatory approach to identify policy issues, draw conclusions and design a way forward. There were three stages:

- national CVT self-assessments;
- reviews by peers from other countries; and
- joint conclusions and recommendations.

Peers focused on workplace training and CVT for people seeking first or better employment.

This was followed by action learning for sector skills councils and validation of non-formal and informal learning to support more and better quality CVT.

The project ran from 2011-14 and was conducted in Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova (hereafter 'Moldova'), Russia and Ukraine (ETF, 2013a).

CONTENTS

- Why is continuing training important?
- How can continuing training provision be improved
- What has been learnt from the ETF project in Eastern Europe

KEY FINDINGS AND LESSONS LEARNED

There is renewed interest in continuous skills development in Eastern Europe, as employers voice their dissatisfaction with the skills of their workforce and jobseekers. The skills possessed by young VET graduates and the unemployed often make well-matched recruitment difficult².

Although ad hoc surveys have revealed some positive areas of non-formal and informal learning, overall participation rates in Eastern Europe tend to be low³. This is also true compared to participation levels in EU Member States (ETF, 2011). National strategies invariably underline the significance of learning at all ages for employability, personal development and self-realisation; but the ideals are yet to permeate legislation and translate into effective policy to improve the situation.

DIVERSE TRAINING NEEDS

The labour market in Eastern Europe is strongly characterised by mid and mid-to-high levels of qualification (70-76% of the labour force hold ISCED 2-4 qualifications). Training needs are no longer compatible with what is on offer⁴. This is due to evolving demands in old and new sectors; the necessity to maintain the skills of senior workers; and the skills mix needed for small and medium-sized enterprises (SMEs). As in the EU, SMEs are strategically important, given the high priority attached to small business development for both innovation and job creation. SME creation and growth is expected to increase the demand for key competences (e.g. entrepreneurial, digital, linguistic competences), as well as technical skills⁵.

UNEVEN ACCESS

Leading enterprises have increased their investment in training to develop the skills of their employees. Large enterprises are more inclined to train their staff (e.g. in Armenia, Belarus and Russia). In sectors like tourism, needs are pressing and companies seek on-demand training (e.g. in Georgia).

Companies in high-tech sectors and foreign investors set the example (in Moldova, Russia and Ukraine, ETF, 2011). This shows awareness about the relationship between skills-productivity and modernisation-competitiveness.

In contrast, there tends to be little CVT undertaken by SMEs and much of the informal economy.

Surveys show uneven access to CVT. Factors affecting access include location, size of enterprise, economic sector and nature of business, and employment status, prior educational attainment, job type and position, age and gender. A lack of information about existing opportunities, unattractive CVT, underuse of information technology, lack of time and motivation, family and health problems, as well as high costs are additional obstacles.

MOTIVATING FACTORS

CVT can help people to do better in their jobs and progress, and it can help in changing jobs, finding new employment as well as emigration. In addition to job-related skills, companies and individuals can benefit from developing key competences, such as foreign languages, information technology and/or entrepreneurship. Users (companies, learners) prefer short courses and individuals are motivated by the pleasure of learning, and of developing themselves intellectually and culturally.

SUPPLY

Companies that are active in CVT tend to be more innovative. They are usually large and profitable organisations, with training part of their corporate human resources policy. Where training markets fail to meet their needs, companies themselves take over. For instance, in key sectors in Belarus (machine-building, construction), CVT is provided by enterprise training centres. Technological change is a motive for training particularly in Russia and Ukraine.

As highlighted above, companies value CVT for providing key competences that are typically absent from vocational qualifications. Furthermore, the (perceived) lack of skills developed by initial VET means that companies are ready to train new recruits. These companies ask for recognition and certification of their training, which they see as setting the standard for the VET system overall.

Other companies rely on external providers, e.g. vocational schools or training centres. This happens mainly in 'old' sectors and in growing services like tourism, where training needs have to be addressed immediately (e.g. Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine).

A third model of provision includes training delivered by foreign companies; or through external funds from donors and NGOs (e.g.

Armenia, Georgia and Moldova). However, overall shadowing and informal learning largely prevail as a means of skills development, because training is not always accessible or not of the desired quality. People learn in a variety of informal modes but this type of learning is not documented or recognised.

Training delivered by public employment services may lead to a first-level qualification, a job placement, or re-allocation. In all countries employment services often entrust training delivery to VET and higher education institutions. Universities have enlarged their fee-based offer, especially in large cities. Private training providers have a niche: non-formal programmes offering business management, ICT and foreign languages.

Education and training institutions have great potential to expand their training offer by cooperating with enterprises at local level. However, procedures and a lack of capacity and resources often prevent these organisations offering CVT on a demand-led basis. Donors support institutions and NGOs to partner with local and regional authorities and chambers of commerce to address needs in disadvantaged locations.

² One type of mismatch is between skills learned and the requirements of emerging sectors; another concerns educational attainment and labour demand across sectors; and a third touches upon the content and quality of skills acquired.

³ Rates of training attendance are up to 1% among the 25-64 year-olds in Eastern Europe, according to labour force surveys. Companies that train their employees range from 10% in Azerbaijan to 52% in Russia, although there is more on offer for managers, professionals and highly skilled people in general.

⁴ In Belarus, Russia and Ukraine data show high attendance for formal training, but employers are the least satisfied with the available skills. For more information see World Bank-EBRD, 2010.

⁵ The share of employment in SMEs in some countries of the region is relevant such as Ukraine (67.8%, 2013); Moldova (57.7%, 2012) or Georgia (42.9%, 2012). Source: UIS.



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PROJECT IMPACT

The significance of CVT is growing in each country, albeit at different rates. The ETF project raised awareness, captured needs and stimulated CVT in the following ways:

The **Ukrainian** law on professional development (2012) introduced the principle of validation of non-formal and informal learning (VNFIL). Through the ETF project, employers and education staff have elaborated policy and technical guidelines for VNFIL, trained assessors and piloted skills testing. The project is also helping to clarify the use of standards.

Actions are being taken to include reference to CVT in non-formal or informal settings in **Armenian** legislation and regulations. In the ETF project, employers and ministry specialists developed the VNFIL guidelines, trained assessors and approved the validation procedure for the profession of cook.

Belarus has a mostly formal CVT system (additional adult education). The labour code makes employers responsible for CVT. The ETF project has helped in the drafting of a national concept for establishing sector skills councils in the short to mid-long term.

Azerbaijan's national strategies aim at diversifying the economy. Education and training is seen as an important tool, but efforts to invest in CVT are not evident yet. The project has paved the way to stronger cooperation with employers in the form of sector skills councils.

The **Russian** federal law (2013) emphasises CVT, including up-skilling and professional development of the workforce. Decentralisation to the regions remains strong. The project has helped to review CVT from an employee and employer point of view.

The **Moldovan** sector committees contributed to the national format for occupational standards. The Education Code acknowledges their role in VET (2014) and the draft law on professions (2014) foresees a skills needs analysis function. In anticipation of the law, two sector committees in agriculture and construction implemented a CVT needs analysis under the ETF project. The Ministry of Education is drafting a new Lifelong Learning Strategy with emphasis on CVT.

Georgia, where reform has made VET more demand-oriented and highlighted CVT, has established a working group led by the Ministry of Education and Science. The working group has elaborated a comprehensive VNFIL concept. In addition, the Ministry of Labour and Social Policy is making progress in prioritising and implementing training for the unemployed.

CONCLUSIONS

The time is right for action in CVT. Through the ETF project the countries jointly identified a set of policy priority areas. Working together in such areas should prepare the ground for effective CVT policies and practices and the establishment of proper CVT systems.

Good quality learning opportunities should increase and become widely accessible. The first step is to reinforce awareness on the role of CVT for competitiveness, productivity, innovation, employability, and social cohesion. In parallel, specific actions should be taken to assess training needs, and design incentives for increased and diversified good quality CVT. Six priority areas have been identified.





1. CREATE PUBLIC PRIVATE PARTNERSHIPS

While the state plays a strong role as policy initiator, social partners are becoming involved in CVT as equal partners. International experience shows that coalitions between social partners (employers and trade unions) and government are essential for building good CVT governance (see Eurofound-Cedefop, 2009). Partnerships can happen at the national, sectoral, regional and local levels. At local level, cooperation between employers and training providers should prevent mismatch (skills gaps, shortages, etc.). Effective involvement of labour market actors should make CVT provision relevant with technical and core skills more tailored to employment needs.

Sector skills councils can activate partnerships for both initial VET and CVT and bring public and private actors together on skills development. They can institutionalise employer cooperation by attributing clear functions and tasks (e.g. skills analysis, occupational standards, etc.). Azerbaijan, Belarus and Moldova in cooperation with the ETF are working on such a policy option. Furthermore, the validation of non-formal and informal learning also benefit from partnerships, as in Armenia, Georgia and Ukraine (ETF, 2013b).

2. IMPROVE QUALITY OF CVT PROVISION AND QUALITY ASSURANCE

Stakeholder involvement in the design of CVT programmes will increase their labour market relevance. Establishing a quality culture in CVT providers should come about by identifying quality principles, criteria and methods and quality assurance mechanisms. Governments should foster such mechanisms.

3. INCREASE CVT ACCESS THROUGH CO-FUNDING

Incentives to individuals and enterprises to complement national regulations and active labour market training of the employment services may lead to increased access to CVT. Mixed measures should be discussed to mobilise both public and private resources. Examples are: fiscal incentives such as tax deductions, lower taxation for

companies; specific budget allocations or national/sectoral funds (with strong involvement of social partners). CVT incentives and other resources for investing in the skills of those workers who typically receive little training and/or targeting the smallest and non-CVT-active companies will be crucial.

4. INCREASE ACCESS FOR SMES

The low incidence of CVT in SMEs is a major challenge as SMEs are crucial for economic development and employment. Human capital development strategies approved in recent years should be implemented (Moldova, Ukraine and Armenia). The state can play an effective role through incentives, analysis and dissemination of practice, co-funding, support to specialised CVT expertise, and organising information campaigns targeting the smallest firms. The Small Business Act assessment for Europe refocuses on the need for special measures for SMEs.

5. IDENTIFY THE RIGHT TYPES OF CVT AND SKILLS

Skills and labour market intelligence to identify CVT trends, needs and forms of delivery (training through job-rotation, exchanges, self-directed training, etc.) should help anticipate CVT needs and assess demand and supply. Research supported by CVT information systems can improve policy making and support awareness-raising. Peer learning and sharing of good practices will be needed.

6. ENHANCE LEGAL AND POLICY FRAMEWORKS

The delivery of a coherent CVT legislation within a lifelong learning perspective is still an issue in most countries. Policy should motivate effective institutional development, smooth involvement of social partners and training providers. It should also help increase awareness in society at large. Legislation should be integrated by ensuring the right to CVT for both citizens and companies. Taking into account the prevailing administrative organisation, regulatory frameworks could either be centralised at national level or partially decentralised, meaning that implementation should adapt regionally and locally to be closer to the needs of companies and employees.

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