



**HUMAN RESOURCES DEVELOPMENT IN  
THE EUROPEAN NEIGHBOURHOOD  
REGION - COUNTRY BY COUNTRY**



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## Foreword

This document brings together the latest information that the ETF has compiled on the situation of vocational education and training in the countries that will be covered by the European Neighbourhood Policy instrument (ENPI) set to be launched by the European Union at the beginning of 2007.

The country sections present an overview of the social and economic context of each of the ENPI countries, an analysis of the education system and a short review of the main initiatives in education and training carried out by international donors in the country. Each country chapter also puts forward suggestions for future donor investments in the HRD sector.

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# INTRODUCTION

## 1. How human resources development can contribute to the European neighbourhood policy

In today's economy competitive gains relate increasingly to the key intangible but crucial assets: skills and knowledge. In this perspective HRD has become a central factor for economic and social change, as well as a currency for mobility and co-operation. HRD helps promote better living conditions and more active citizenship in society in general. It can make a fundamental contribution to increasing prosperity, employability and social cohesion in modern market economies.

For all of these reasons, developing human capital is one of the EU's main priorities on the Lisbon agenda. Outside the EU, policy makers see HRD as an essential ingredient in underpinning development in transition economies. In those countries with relatively weak education and labour market systems, the return on investment from HRD can be especially high.

This paper aims to outline the contribution that investment in human resources development (HRD<sup>1</sup>) can make in achieving the goals of the European Neighbourhood Policy (ENP). It draws on the expertise the European Training Foundation<sup>2</sup> has built up as an active promoter of human resources development in neighbouring countries over the period 1995-2005 and outlines some of the lessons learned from the investment made by the EU and other donors in the ENP countries over the last decade. It is also intended to inform the forthcoming debate on the European Neighbourhood Partnership Instrument (ENPI) in the EU institutions and gives recommendations as to how the measures proposed in the draft instrument can be taken forward in order to ensure effective and sustainable reform and what contribution a specialised agency, such as the ETF, could make to this process.

## 2. Why invest in human resources?

The ETF firmly believes that education and training play a key role in promoting social and economic well-being. This belief is based on more than ten years of practical experience of helping partner countries reform their education and training systems. Academic research also backs this up and provides a strong rationale for investing in HRD compared to other sectors. Recent research findings show<sup>3</sup>:

- One additional year of schooling can increase aggregate productivity by 5% on impact and a further 2.5-5% in the long run. Overall, the average rate of return for an additional year of schooling is over 10% particularly in low-middle income countries. This represents an opportunity in ENP countries where school attendance averages between 7.6 - 8.2 years as opposed to an OECD average of nine years.
- Improved educational attainment can reduce the unemployment rate by over 6% and increase labour force participation by over 27%. It can reduce the risk of unemployment by as much as five times. Importantly for transition economies, education also contributes to entrepreneurship by creating awareness of self-employment and developing the relevant skills.
- Access to education gives people a stake in the growth and prosperity of their countries. An additional year of schooling can increase an individual's wages by between 6-9%. There is also a strong relationship between individual wages and on-the-job training.

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1 For the purposes of this paper, HRD is a broad term which covers investment throughout the education and training sector, including formal education at all levels, continuing training, and the links between education and training and the labour market

2 The European Training Foundation is an agency of the EU. Its objective is to assist partner countries in developing high quality education, training and employment systems in order to raise prosperity, employability and stability in partner countries in line with EU external relations policies

3 Ciccone and de la Fuente, Report to DG Employment 2002; Commission Communication (2003/779) Human Capital and Productivity Investing Efficiently in Education and Training. And World Bank report Return to Investment in Education, Psacharopoulos and Patrinos 2002

- Education and training are generally accepted as key factors in improving social capital, health, active citizenship and social stability as well as fighting crime.
- Finally, estimates of the direct return on investment from human capital are at least as high as investment in physical capital.

### 3. Lessons learned from HRD reform in ENP partner countries 1995-2005

It is clear that investing in human resources can be an efficient way of boosting economic and social well-being. The level of effectiveness, however, greatly depends on how investments are made. The EU has already provided substantial support to HRD in each of the ENP countries through national reform programmes and the Tempus programme. With the ENP holding out the prospect of closer economic integration and more liberalisation it is vital that we learn from this past experience. The following are some of the key lessons:

- HRD reforms in the partner countries must be systemic in nature and cover general, vocational and higher education. They are closely related to radical changes in labour markets and cannot be viewed in isolation from these. Furthermore, HRD reforms should go beyond formal education (public and private) to increase and improve informal and non-formal training in the system. This implies the need for more and better active participation of all relevant actors (social partners, economic sector representatives, etc.), in the definition of HRD strategies (both national and sector based).
- Successful HRD reform requires clear long-term policy objectives and an integrated approach. This should combine top down policy development, pilot projects to introduce and test innovation, and bottom up measures to ensure active participation by stakeholders. However, few ENP countries currently have such a policy and reforms so far have often been fragmented and lacking in continuity.
- Reform has often been kick-started and maintained at the initiative of international donors. In early phases of transition, donors play a key role in raising awareness of HRD reforms, influencing the policy agenda and providing resources, but they often lack understanding of specific national contexts.
- ENP countries often have smaller national budgets and donor funding is sometimes needed until their economies are strong enough to provide the extra funding themselves. However, ENP countries have often recognised that the lack of financial resources is a significant constraint but not the only one blocking wide reforms. The human resources constraint is often cited as being more important
- The limited institutional capacity of the countries to define, steer and implement reform has been a key limitation in the past. In view of sector approaches that require a high degree of guidance from national governments and less dependence on donor technical assistance, these insufficient capacities will be even more significant. However, in ENP countries a new trend is emerging: many are starting to request support for capacity building for policy development (which demonstrates a recognition of the problem), as well as support for promoting dialogue between actors.
- EU experiences can provide a good reference framework and link with EU partners, but they will only work if adapted to national contexts. Individual countries cannot copy reforms from each other, but they can learn from each other. Regional approaches, which facilitate policy learning, can add substantial value to the reform process.
- HRD reform is a long-term investment. At least a generation is needed for substantial changes to work through the formal school system and into the labour market and society at large. It took the EU nearly 30 years to raise the average duration of schooling from 70% of the USA's level in 1971 to 87% in 1999.



## 4. Challenges to HRD systems in ENP countries

HRD systems in the ENP countries suffer from a number of structural problems. Some of these will be familiar to an EU audience, others stem from the individual characteristics of certain countries or are the result of the tensions of the transition process. These include centralised systems of governance, obsolete infrastructure, narrow specialisations, isolation of schools from social partners, low status and outdated skills of teachers, outdated curricula and the absence of reliable data. They often lack a lifelong learning approach, with, among others, poor linkages between the various pathways, weak adult learning systems and reduced integration of non-formal training.

All Eastern European countries have seen a dramatic decline in public spending on education. Decentralisation has served mainly to push the financial burden from the centre to regions and schools while decision-making has remained under central control. In some Eastern European countries, often those which in Soviet times produced outstanding results such as high literacy and scientific and technological achievements, the performance of the HRD system is actually deteriorating.

In many Mediterranean countries, vocational education and training systems absorb substantial funds but give poor results. Their HRD systems are usually publicly dominated, supply-driven and designed to play a social role. Mediterranean countries typically have high birth rates, a youthful demographic profile and high unemployment rates. This means that they face ever-increasing needs for continuing training for a low-skilled active population.

In general, traditions of systems of governance vary greatly, leading to different levels of decentralisation and social partner involvement. Training is mainly offered by the public system; private provision is either very limited or of uneven quality. Public funding is often not enough and is often based exclusively on quantitative inputs required rather than on the quality of the outputs produced. This is also due to the lack of mechanisms to evaluate system and institutional performance. Labour markets are only partially restructured and lack transparency and flexibility. Many countries have to deal with levels of unemployment reaching peaks of 30-40%. In others, issues of access and equality for minorities and disadvantaged groups are particularly acute. In some Mediterranean countries, the low participation of women in the labour market is a significant problem. Finally, high proportions of companies and workers operate in the informal sector, often outside the reach of the HRD system and outside employment policies.

## 5. How HRD can support the objectives of ENP?

The European Commission recognises the vital role that HRD can play in achieving the goals of its new European Neighbourhood Policy. The European Neighbourhood and Partnership Instrument (ENPI) calls for systemic reform in HRD to achieve those goals and highlights the potential of the education and training systems to foster cooperation and exchange. The broad areas where HRD is expected to make a contribution towards dialogue and reform include;

- Fighting human poverty and promoting sustainable development through better education and training.
- Building the capacity of national institutions and bodies to formulate and implement policies in areas covered by the association, partnership and cooperation agreements.
- Cooperation between EU and partner countries' higher education institutions and mobility of teachers, researchers and students.
- Facilitating understanding between cultures, people-to-people contacts, cooperation between civil societies and exchanges of young people.
- Promoting the development of a market economy including measures to support the private sector, encourage investment and promote global trade.
- Promoting cooperation in the field of migration.
- Supporting regional and cross-border cooperation to promote sustainable economic and social development in border regions.

The ETF fully supports the policy objectives proposed by the European Commission. There are different ways in which HRD could contribute to the achievement of these objectives. Each ENP country, depending on its specificities, will have to define its own strategy and agree specific intervention measures for the fulfilment of the commitments in the agreed ENP action plans. The following remarks are intended to clarify the contribution HRD could make and to provide a basis for defining and implementing relevant measures to help reach these objectives.

## **5.1 HRD measures to fight poverty and promote sustainable development through better education and training**

HRD can act as a key tool in the fight to reduce poverty (human and income). For instance, young people benefit if priority is given to boosting participation in education and training, reducing the incidence of dropouts and increasing the quality of the system to better match the requirements of the labour market. For adults, targeted active labour market policies – such as re-training, guidance and support for alternative job creation through SME development, as well as self-employment – can be highly effective. The formal HRD system can also play a role in local development and poverty reduction by targeting the needs of groups at risk of social exclusion and the low skilled (due to skills obsolescence and lack of education).

The ETF recommends that support to the reform of HRD systems in ENP countries should give priority to:

- Developing robust policies for education and training, which are fully integrated into broader economic and social development policy. (EU experience in embedding HRD policies in employment policies – such as through the European Employment Strategy and Education and Training 2010 – will represent a useful reference.)
- Introducing measures to reduce dropouts and increase participation by minority groups such as the Roma.
- Improving the quality of education by promoting clear qualifications systems, flexible pathways for lifelong learning, modern curricula and equipment and enhanced cooperation with employers.
- Increasing the flow of skilled and motivated teachers and trainers who can deliver state-of-the-art curricula.
- Ensuring that continuing education and on-the-job training schemes cater for adults at risk of being left behind by technological, social and economic developments, and for enterprise staff development needs.
- Revising the financing of education and training with the long-term aim of producing sustainable budgets and a more qualitative drive for resource allocation. As the private sector develops, public-private partnership should make a growing contribution.
- The ETF recommends that the ENPI is used to support:
  - HRD measures through education reform programmes. In countries where reform programmes or projects have been carried out or where they are underway, resources should be invested to evaluate progress and revisit, if necessary, the reform approaches in terms of more integrated strategies. Peer learning, by presenting alternative reform strategies in other countries in the region, and comparing them, should be part of this process.
  - active labour market initiatives that are consistent with key labour market and employment objectives should be developed. They should be comprehensive, open to informal workers as well as to young entrants in the labour market, who represent a significant share of the labour force at risk
  - the integration of HRD in sectoral as well as in wider mid-term national development programmes (such as “sustainable human development”, etc.)
  - the participation of ENP countries in the new EC programmes, such as the integrated programme that will replace Tempus and Leonardo

## **5.2 Building the capacity of national institutions to formulate and implement policies in areas covered by the association, partnership and cooperation agreements**

As mentioned above, poor institutional capacity is a very significant constraint for the ENP countries. The ENPI programming documents should therefore prioritise capacity building measures for national and local administrations and social partners with a stake in the HRD system. Helping national agencies become capable of providing information and analysis on HRD policy and implementation must be an essential component of this.

In the field of HRD, benchmarking can act as an important tool for bringing neighbour countries closer to the European *soft acquis*. Benchmarking and the open method of coordination are also powerful tools for convergence, modernisation and policy learning. The EU's post Lisbon Education, Training and Employment Indicators and benchmarks, now being gradually introduced within the EU, could also play a role in ENP countries. Moreover, additional indicators could be developed to cover those issues specific to ENP countries such as poverty or the access of women and minorities to education and training.

## **5.3 Cooperation between EU and partner country higher education institutions and mobility of teachers, researchers and students**

The Tempus programme has proved a useful tool for cooperation in education and higher-level training in partner countries. It has contributed to various positive developments, including institutional capacity-building, policy reform in line with the Bologna Process, introducing a European dimension and generally preparing countries to participate in EU programmes.

Therefore the ETF believes that the Tempus contribution to the development and reform of higher education and training systems should be strengthened and integrated into the overall HRD reform process.

## **5.4 Facilitating understanding between cultures, people-to-people contacts, cooperation between civil societies and exchanges of young people**

HRD can support people-to-people contacts and cooperation through HRD reform (see 5.1 above) and Tempus-type actions (see 5.3 above), in addition to:

- supporting partnerships between institutions (which may include education and training institutions, businesses, social partners, civil society organisations) to develop reform projects linked to these specific actions;
- mobility actions to improve cooperation and enhance mutual understanding between Europe and its neighbours.

## **5.5 HRD measures to promote the development of a market economy including measures to support the private sector, encourage investment and promote global trade**

The ENP provides a route to closer economic integration with the EU for neighbouring countries at the same time as it encourages internal reform. It envisages enhanced preferential trade relations and the prospect of a stake in the EU's internal market based on legislative and regulatory convergence. This process should benefit its neighbours' economies by improving the climate for investment, enabling the growth of the private sector and encouraging foreign direct investment. (COM, 2003/104, p.14)<sup>4</sup>.

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4 Current EU cooperation and policy frameworks with Eastern European and Mediterranean partners already acknowledge that trade and investment, private sector development and economic growth are key factors for the transition/transformation process. In particular, regional trade and integration are recognised objectives of EU policy in the Mediterranean, and Free Trade Agreements have been signed with a number of Mediterranean partners. On the other hand Partnership and Cooperation Agreements in force with the Eastern neighbours do not foresee preferential treatment for trade or a timetable for regulatory approximation.

The European Commission recognises that economic integration measures must be accompanied by policies to address poverty and inequality. It acknowledges the vital role of HRD in increased competitiveness, social inclusion and active citizenship (COM, 2003/104, pp.14, 19), but does not specify which supporting measures are called for<sup>5</sup>. The ETF believes that HRD can contribute to this transformation in several ways:

- Transition economies need flexible HRD systems able to respond to new developments in the labour market. Lifelong learning strategies can ensure that people continue learning after graduation and continue to acquire new skills in line with changes in the labour market. A lot of experience with the development of lifelong learning strategies has been accumulated in the EU and can be shared with partner countries. The building blocks as outlined in the European Commission's *Communication on Lifelong Learning* – partnerships, the learning culture, striving for excellence, insight into the demand, access, and adequate resourcing – all have significance in the context of the neighbourhood development philosophy of the ENP.
- Partnerships between the world of education and the world of work can help increase the skill levels of workers as well as their adaptability in the labour market. The Tempus programme has developed interesting approaches in this field, as has the development of social fund type approaches in the enlargement process.
- SMEs should be a major driving force in most ENP economies. Education and training can help give people an entrepreneurial attitude.

## 5.6 Promoting cooperation in the field of migration

The issue of migration is often seen in terms of using border security to fight organised crime and terrorism. Nevertheless a more positive approach is gradually emerging in the ENP<sup>6</sup>. This places migration within the broader context of ENP economic and social development (COM, 2004/373, p.14) and links it to the issue of skills shortages in the EU (COM, 2003/104, p.11).

Recent analyses on progress towards the Lisbon goals confirm the need for a more open policy on migration. In order to ensure growth despite negative demographic trends, the EU is attempting to boost the skills of its labour force and encourage older workers to keep working. However, the Kok report points out the limits of this approach:

*“Even if full use is made of the labour market potential, selective non EU immigration will be needed to meet European labour market shortages and partly to offset the negative consequences of the ‘brain drain’.” (High Level Group, 2004, p.32).*

The thematic programme on “cooperation with third countries in the areas of migration and asylum” to be funded under the ENPI, gives clear indications that a comprehensive and inter-sectoral approach to migration issues has been adopted. This programme, particularly under its first two strands, fostering links between migration and development and promoting well-managed labour migration, puts emphasis on the impact of migration on skills development. This has clear implications for HRD issues. There will be a need to develop new knowledge on the skills available in partner countries at all levels. An impact assessment on local labour market needs and the implications of migration will also be needed.

Furthermore, the issue of transparency of education and training systems of partner countries in terms of levels, content and quality will also be important, and recognition of qualifications would become a significant issue (both for the EU and partner countries).

The Bologna process has huge potential to provide such a framework in higher education, as does the Copenhagen process for VET.

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5 The Kok report clearly states that the “productivity and competitiveness of Europe's economy are directly dependent on a well-educated, skilled and adaptable workforce that is able to embrace change”, Facing the Challenge, p. 33

6 The Commission proposal for a European Neighbourhood and Partnership Instrument includes support for a thematic programme in the area of migration management.

## 5.7 Supporting regional and cross-border cooperation to promote sustainable economic and social development in border regions

Although regional cooperation has not featured strongly in EU policy towards Eastern Europe, the Euro-Mediterranean partnership does already include a well-structured regional dimension. By means of the ENP, the European Union aims to encourage more regional and sub-regional cooperation among Mediterranean partners and promote new initiatives among Eastern European neighbours (COM, 2003/393, p.8).

Priorities for regional cooperation with Eastern Europe include employment and social policy, support to SMEs, migration issues, people-to-people issues like academic exchanges, education and training and twinning between local administrations and NGOs. These all entail a high dose of HRD. Priorities for regional cooperation with the Mediterranean include the management of legal migration, human resources mobility and transparency of qualifications (COM, 2004/373, pp.21, 23).

The ETF believes this kind of regional and sub-regional cooperation is a useful way of bringing about gradual integration. This is especially true for those ENP countries currently engaged in decentralising the governance of their education systems.

Decentralised cooperation requires local governments to have the capacity to fulfil their role and pursue reforms. Cross-border and/or sub-regional exchanges can be helpful for institution and capacity building and for the promotion of networking. New Member States and candidate countries could play an important role in the sub-regional dimension of the ENP as they are already familiar with the transition problems facing their Eastern European neighbours.

## 6. Conclusions

HRD represents a strategic investment sector for the EU to achieve its policy goals in neighbouring countries. HRD is not only an essential ingredient for economic development in partner countries, but can also provide the countries and their citizens with the competences to access the EU internal market and benefit from cross-border cooperation. It is fundamental for fostering active citizenship, promoting social cohesion and combating discrimination. Finally, HRD represents an attractive win-win field of investment through which both EU and the partner country can agree on clear long-term benefits.

The ETF's experience shows that the methodological approach chosen to promote reform is critical. Investment in HRD is much more effective when top-down policy-driven systemic reform is complemented by structured opportunities for bottom-up cooperation among a broad range of stakeholders. A sense of ownership is crucial; in order to be *sustainable*, HRD reform policies need to be *owned* by national policy makers and other stakeholders. They also have to *fit* the particular national context of each of the countries such as those defined by their economic, social, cultural and institutional history and current wider national development priorities/programmes.

If the return on investment is to be maximised, HRD must be fully integrated into broader socio-economic development policies and key policy areas such as migration, poverty alleviation or cross-border cooperation. These are the challenges facing the EU and its neighbouring countries to fulfil the ambitious objectives of the European Neighbourhood Policy



# ALGERIA



## Country profile

**Capital:** Algiers

**Population:** 31.8 million

**GNI per capita PPP:** 6,322 int'l \$

**Labour force participation rate:** M 80.1 %, F 35.1 %

**Years of compulsory education:** 9

**Enrolment in upper secondary:** 1,288,671

**Enrolment in technical/vocational programmes:** 255,654

**Vocational training as a percent of enrolment in upper secondary:** 33 %

## Summary

Algeria is a large country with huge economic potential (the world's 5<sup>th</sup> largest gas producer) which has been going through a difficult period in political, economic and social terms over the past fifteen years. In the wake of independence it embarked on the construction of a socialist society, with its oil revenue allowing it to make huge changes in every domain. After the 1986 oil crisis, which halted public investment, the country underwent a crisis on several fronts culminating in the emergence of a smouldering civil war, high unemployment and the impoverishment of a large part of the population.

The country launched a series of reforms to overcome this crisis involving sweeping institutional, political and economic changes, and in particular the abandoning of a managed economy. Successive restructuring of the industrial fabric led to considerable job losses and worsened the social situation that had long been explosive, causing unprecedented government instability. Since the end of the 1990s the economy has again experienced positive growth rates and a reduction in unemployment which has been consolidated. With the rise in oil prices, economic recovery programmes have been implemented to create jobs and ensure stability. Convincing results have been obtained, but they must be consolidated if they are not to remain cyclical.

Algeria pursues a determined human resources policy and has high figures for school attendance for every age group, despite the disruption caused by the civil war still raging in some rural areas. The country has embarked on a global reform of its education and training system. The objectives of the government programme are above all quantitative, confirming the empirical approach adopted and the lack of instruments to steer the system. No reference is made to the labour market's ability to absorb graduates or to the evolving structure of qualifications as a result of the market economy options chosen and the upgrading of undertakings and of human resources skills. An all-embracing logical framework is needed to ensure the coherence of the reform processes initiated in the three sub-sectors (education, higher education and vocational training).

There are two main sectors not covered by external support: secondary-level technical education, which has been suffering from a structural crisis for around fifteen years, and higher education, which is needed to play a major role in developing human resources. Organisation of these sectors under the reform needs to be streamlined, particularly in terms of the quality of the education imparted and the employability of the trainees. Initial vocational training in particular has benefited from State funding, and is very well developed all over the country. In the years ahead priority should be given to developing continuing training as this alone can meet the rapid, changing skills needs of undertakings.

## **The main challenges facing the development of human resources and the labour market arising from the reform / modernisation process, in the context of the objectives of the Neighbourhood Policy**

The main challenges facing Algeria are to reduce unemployment and lower the poverty rate; to support the labour market and manage migration; to adapt the human resources development plan to the medium and long-term needs of the economy, with a predictable change in the structure of qualifications; to remedy the lack of openness to the outside world and to strengthen the low level of institution-building in the three sectors.

### **Reducing unemployment and poverty**

The growth rates recorded in recent years are high, but not high enough to ensure the massive creation of jobs which would considerably reduce the current number of people unemployed (1 700 000) and absorb first-time job-seekers. The industrial fabric is still dominated by the public sector, and the undertakings forming part of it have initiated a privatisation process that will, in the best case, ensure only that current jobs are maintained. The private sector is not in a position at the moment to provide relief or a sufficient number of jobs. In addition, there is still insufficient support for the labour market despite recent measures by the Government to strengthen the operational capacity of the National Employment Agency and authorise the establishment of private employment agencies. It is therefore extremely important that donors pursue and encourage the current policy of promoting self-employment and establishing micro-undertakings, which in fact has produced some quite satisfactory results. The privatisation process should also be speeded up to ensure that the private sector can soon become dominant and provide a credible alternative to the public sector, which is still the biggest provider of jobs.

### **Identifying the needs arising from economic and social development in order to ensure balanced, harmonious human resources development**

While basic education and health needs appear to have been properly met in the Government's programme there are no precise indications regarding the objectives adopted for human resources development, mainly in higher education and vocational training. There is little mention either of developing the labour market and its ability to absorb first-time job-seekers and graduates of the education and training system, in particular the higher education and vocational training system, or of the structure of qualifications in the medium and long-term, especially given the need to modernise the economy, and, given Algeria's commitments to the outside world, for instance the Association Agreement with the EU, involving the establishment of a free-trade area, and accession to the WTO, all of which require the upgrading of human resources skills. Human resources development policies and medium and long-term objectives need to be defined on the basis of instruments and indications like these.

The lack of a qualitative analysis and of decision-making tools militates in favour of support by donors to strengthen institution-building in the three sectors (education, higher education and vocational training). This support should, among other things, enable system managers to acquire greater technical skill and expertise. This approach would also facilitate general acceptance of projects supported by donors that are currently being implemented. For the moment these projects are in the hands of local and international experts in project support units who are often left to tackle the challenges arising from the reform processes on their own, and, in a few rare cases, with partners.

Concerted support of this kind would encourage the introduction of a sectoral policy that would make partners assume more responsibility and oblige them to better coordinate the interventions of the various donors.

### **Streamlining technical education and developing higher education**

Technical education and higher education are the only two sectors in the education system that do not yet receive external support. In order to streamline the restructuring objectives for these sectors and to



make them compatible with those of the education reform projects (primary and secondary education) and of vocational training, which are currently being implemented, it is recommended that the donors intervene in these two sub-sectors as part of a sectoral approach. Proper coordination of this support should permit the creation of a coherent global logical framework to reform the entire education and training system.

Special attention should be paid to higher education given the quantitative objectives set for it and the significant role it will have to play in developing human resources and professional skills. It is important that sectoral policy support should be combined with a debate that would not only promote understanding between the different cultures, but would also ensure a knowledge of the experience acquired by and good practices prevailing in other countries, in particular those of the European Union. Targeted cooperation in this domain could act as a catalyst for reform, developing inter-university cooperation and encouraging teacher mobility, the employability of graduates and the competitiveness of the country as a whole. The activities adopted should focus on training senior managers in the ministerial department responsible for higher education, as well as university administrators and planners involved in restructuring higher education.

## **Managing migration**

Algeria is familiar with the migration problem affecting its own population which, because of the combined effects of unemployment, political instability and the security situation, emigrates to other countries, in particular those of the European Union and, for the past fifteen years, North America and other destinations. It is also a transit country for people from sub-Saharan countries trying to enter northern countries illegally. If this proves impossible, they settle in Algeria.

In the light of this, Algeria needs support, in the context of bilateral and multilateral cooperation in particular with the countries which are the principal destinations of migration, in order to investigate the migration phenomenon and then to identify joint measures and provisions to be adopted in order to underpin legal migration, once a framework is in place, and to prevent illegal migration.

## **HRD levers and labour market-related policies that could promote viable reforms**

Despite the reform processes initiated and implemented, the education and training sub-systems are still not very open and are generally on the margins in terms of the experience and good practices developed in more advanced countries. It is therefore recommended that in future all external support projects should comprise a strand aimed at underpinning institution-building and involving academics and seasoned experts in the implementation of reforms in their own sectors.

In Algeria, in-house training in training bodies is the most widespread method used despite its high cost, occupying an important position in the national system. Despite the very dense network of training structures in the country<sup>7</sup>, the sector intends to increase its infrastructure capacity<sup>8</sup> and to improve the performance of technical and educational facilities in the context of the 2005-2009 five-year plan.

Not only is the training given in these bodies of mediocre quality because they are cut off from the professional world, but it is also expensive in terms of investment and operation, in particular as regards maintenance of infrastructure and on-going modernisation of facilities.

Therefore it is essential that, in the context of support from donors, the mechanism should be geared towards alternative job-training schemes, as is already happening in relation to apprenticeships. This would considerably cut investment and operation costs, and would also improve the quality of training courses and consequently the employability of those trained.

Like the other two countries in the region, most of the vocational training resources in Algeria are devoted to the development of basic vocational training to the exclusion of continuing training, although the latter officially forms part of the authorities' concerns. Upgrading basic vocational training is absolutely essential. However this process has a high cost and does not necessarily confer the required flexibility at the end of the day to meet constantly changing skills needs within a relatively short period of time.

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7 Some 838 training centres, bodies and annexes. The sector approved 40 new bodies for 2004. See the general policy declaration by the Head of Government on 22 May 2005 – El Moudjahid of 23.05.05

8 Forty-eight technical schools will be approved in 2007 for vocational training alone.

In a market economy, it is vital for the basic vocational training system to be underpinned by a continuing training mechanism that can react more promptly to the urgent new needs of undertakings. Such a continuing training mechanism must be accessible and be combined with financing mechanisms that encourage businesses to resort to it. Neither the National Continuing Training Institute (INDEFOC) nor the recently established National Apprenticeship and Continuing Training Fund (FNAC) appear to be able to cope with this need.

Given this, it is recommended that donors provide support with defining and developing a “continuing training” function, including a dimension that covers the training of local experts in the definition of the qualification needs of undertakings.

# ARMENIA



## Country profile

**Capital:** Yerevan

**Population:** 3.1 million

**GNI per capita PPP:** 4,156 int'l \$

**Labour force participation rate:** M 78.1 %, F 71.2 %

**Years of compulsory education:** 8

**Enrolment in upper secondary:** 98,676

**Enrolment in technical/vocational programmes:** 4,757

**Vocational training as a percent of enrolment in upper secondary:** 5 %

## Summary

Since the mid-1990s, the Armenian government has been among the most advanced reformists in the New Independent States, and Armenia has been among the fastest growing economies in the Southern Caucasus. However, Armenia is resource-poor, remains a landlocked economy, and has low income levels despite a high, although rapidly diminishing, stock of human capital. The country's future depends on the government's ability to expand investment in human capital and support export opportunities for Armenian firms by helping them to restructure and by facilitating their linkages with global markets.

An active policy to explore the economic returns of emigration must be implemented to improve the contribution of the Armenian diaspora and recent labour emigrants to productive investment and transfer of technology.

The government needs to maintain the consistency of the current VET reform process and focus on the lifelong learning perspective across the system, which provides incentives to enrol in VET. Donor assistance is needed to support further development of the VET system within a lifelong learning perspective, and compliance with the Bologna principles. Key topics for donor assistance to VET include: revision of the qualifications system based on a new conceptual foundation in line with international developments; occupational and educational standards based on sound methodology; competence-based learning; quality assurance; and capacity building on information and analysis.

## Main challenges for HRD and labour market-related reform and modernisation processes in underpinning European Neighbourhood and Partnership Instrument objectives

Armenia's future prospects for social and economic development will benefit from an improved cross-boarder situation, most notably if the recently announced (mid-2005) positive developments in the negotiations with Turkey, which are a new dimension in the political map of the region, create substantial results.

Armenia must maintain a consistent focus on developing its human capital *and* improving the competitiveness of its labour force. Armenia's poor natural resources means that the country faces the unavoidable need to make better and more substantial investments in human capital. Moreover, Armenia must recover from the effects of the technical and scientific brain drain that quickly eroded the previously recognised quality of its labour force.

Active policy is needed to stimulate demographic growth and to reverse migration, both of which are long-term processes. Armenia's policy armoury should stimulate and diversify the economic returns of

migration, which can embrace investments in new competitive clusters, technology transfer and improved linkages with external markets for Armenian businesses.

The reform processes started in VET with Tacis assistance will not yield the expected overarching effects (improved employability and better job–skills matching) without the appropriate complementary employment policies and more dynamic job creation in the non-agricultural sectors.

The sustainable success of VET modernisation will likewise depend on the consistency of its base of support, including such factors as government policy and funding; the institutional and human resources capacity of the government; the contribution of social partners, particularly employers; and the donor community and its readiness to provide technical assistance and contribute to exchanges of experience.

The modernisation of VET cannot be separated from a clear policy towards a coherent and functioning lifelong learning system, which is at present a new item in the debate. Two separate non-communicating VET levels continue to coexist without attractive pathways across the education system that could provide an incentive to enrol in VET. From this perspective Armenia may benefit from its entry into the Bologna process<sup>9</sup> and from increased exposure to international practice. The entry of Armenia into the Bologna process must become a driver for change, also embracing the reform of the qualifications system and national qualifications framework.

Tools and capacities to observe and analyse trends in the economic sectors and labour market in correlation with education and training need to be built and systematically applied if the government is to improve the quality of its decision making.

The competitiveness of most Armenian industries will depend on the continuing availability of:

- personnel with modern technical skills and core competencies;
- personnel with sound industry-relevant qualifications;
- personnel with business and management training; and
- effective innovation and research linkages between businesses and education and training institutions.

The inappropriate allocation of human resources to existing jobs mentioned above contributes to lengthening distortions in education choices and in the relevance of qualifications. Active policy is needed to reverse the established trend towards higher education irrespective of the quality and market value of the awarded diplomas, and to increase enrolments in technological and industry-relevant profiles at the expense of educational options geared towards some sort of social prestige but lacking in sustainable employment opportunities in the medium term.

## **Levers in HRD and related labour market policies through which sustainable system reform can be triggered**

**Labour market area:** The technical assistance provided to the Employment Agency by donors needs to be enhanced and continued to embrace policy and technical capacity, with a focus on the job creation challenges of the economy.

Measures to build the capacity of the Employment Agency and its regional offices are needed to improve the effectiveness of active labour market policies and to introduce new and creative forms of cooperation with education and training institutions.

Measures to support partnerships with education and training institutions aimed at providing labour market information and vocational and career guidance are likely to be attractive and effective for both sides, and will contribute to much-needed institutional and inter-sectoral dialogue.

Policy aimed at attracting migrants into growth industries and new technology sectors may help to reduce skills mismatches and gaps in such sectors, as well as contributing to efficient technology transfer processes. Measures to support these objectives through information exchanges and incentives need to be developed in cooperation with the economic sectors and Armenian international interest groups.

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9 On 19 May 2005, the fourth Ministerial Conference of the Bologna Process accepted applications from Armenia, Azerbaijan, Georgia, Moldova and Ukraine to participate in the Bologna process.

**VET reform area:** The VET reform process is very young, and continued support for its further consolidation is essential.

Fields relevant to the VET modernisation process where technical assistance is necessary include: revision of the qualifications system and adoption of a new conceptual basis in line with international developments; elaboration of broad occupational and educational profiles based on sound methodology and revision of the catalogue of occupations; improvement of curriculum development and assessment methods; quality assurance policy and mechanisms; reliable and accessible information and guidance mechanisms in support of education choices; observation, information and analysis in support of policy and programming; and governance.

Reform needs to place emphasis on lifelong learning mechanisms that offer attractive pathways across the education system and provide incentives to enrol in more open VET.

Technical assistance and institution-to-institution contacts are needed to support further development at (i) education policy and programming level (capacity building) and (ii) school level (partnerships with local and school networks in partner countries, exchanges with local training and employment networks, capacity building for school management).

**Development and expansion of the adult learning area** – policy, quality assurance and recognition – is key to ensuring that education reform embraces an effective and operational lifelong learning framework. To respond to the short and medium-term challenges of an economy whose single resource is human capital, adult learning needs to have a strategic position in future development exchanges.

Measures to support the development of policy and quality assurance concepts are needed via technical assistance and exchanges on international practice. Financing, recognition and validation are important aspects for which technical assistance and advice are essential.



# AZERBAIJAN



## Country profile

**Capital:** Baku

**Population (2003):** 8.2 million

**GNI per capita PPP (2004):** 3,811 int'l \$

**Labour force participation (2003):** M 77.9 %, F 61.4 %

**Years of compulsory education:** 11

**Enrolment in upper secondary:** 248,867

**Enrolment in technical/vocational programmes:** 20,753

**Vocational training as a percent of enrolment in upper secondary:** 8 %

## Summary

Azerbaijan's hopes for economic growth rest to a large extent on the successful development of the country's vast oil and gas resources in the Caspian Sea region. Of equal importance, however, is Azerbaijan's capacity to effectively manage the resulting large revenue for the purposes of poverty reduction, economic diversification and equitable development of human capital. This objective will depend on the consistent implementation of reforms and continued macroeconomic discipline.

Employment and economic diversification policies and rapid economic growth in Azerbaijan require a responsive education system with a renewed vocational offering, better matching the Bologna process priorities (particularly quality assurance) and attractive pathways across the various levels. Shifts in education choices that have occurred in the last decade will contribute to the weakening of that part of the emerging labour force that has middle-level technical competencies relevant to the industrial sector, and will exacerbate the challenges for the human capital agenda. A sustainable approach to VET reform needs to tackle all key angles: VET policy and strategy within an integrated/lifelong learning perspective; VET institutions; and economy, labour market and employment linkages. The reform strategy needs to build on joint efforts by the government and economic players (sector lobbyists, employers' associations, oil enterprises, foreign direct investment ventures) to take advantage of these groups' interaction and partnership on curricular, funding, employment guidance and regulatory questions generated by the market economy.

This comprehensive VET reform process requires international technical assistance for three main areas: (i) reform conception; (ii) institution and capacity building; and (iii) school development. Key topics for technical assistance include: the qualifications system and national qualifications framework; competence-based learning; a lifelong learning policy framework to underpin the integration of the VET subsystems that has clear pathways and is compatible with a national qualifications framework; and economic sector/cluster analysis with a prospective view of broad occupational profiles and competencies.

## Main challenges for HRD and labour market-related reform and modernisation processes in underpinning European Neighbourhood and Partnership Instrument objectives

1. Education quality, equity and relevance represent one of most intensively debated subjects in Azerbaijani society and government circles.

The education and skills development agenda faces a twofold challenge: (i) internal – the rapid growth of the economy raises the need for new responsive mechanisms for skills development, which have

still to be developed; and (ii) external – the recent entry of Azerbaijan into the Bologna process<sup>10</sup> will expose the system's insufficiencies in terms of quality assurance and comparability to broader scrutiny, and could therefore become a driving force for revisiting the reform process.

The internal challenge above points towards two paths: (i) attention to previously ignored areas of education processes, outputs and quality assurance; and (ii) a turnaround in adult learning.

Shifts in education choices have led to a strong reduction in the number of people qualified in occupational areas relevant to industry, transport, communications and construction within the emerging generation of human resources. This is a major issue for the growth of oil and non-oil enterprises. The government needs to pay attention to the strategic analysis of economic sectors and their human resource perspectives, with a view to identifying broad occupational profiles and educational needs that must be considered in the education reform strategy. However, the Ministry of Education remains poorly equipped in analytical and information-gathering capacity. Its inability to understand the trends of the market and economic sectors for education policy purposes is a result of its institutional insufficiencies and the poor sector cooperation that characterises the system. The Ministry of Education remains poorly involved in such cross-sector projects as Human Capital Development, despite their thematic relevance.

What is at stake here is so fundamental that a multi-level approach is needed. Levers 1 (strategy and policy) and 2 (capacity building), below, are proposed to address this challenge and open the possibilities for multiple donor assistance. Lever 4 (partnerships with labour market institutions) addresses the practice level of the challenge (schools, local communities, economic zones).

2. HRD is a key element of economic, employment and poverty reduction policy in Azerbaijan. To invert the effects of the present long-standing crisis in education despite the initiated reform, the government needs to enhance institutional and sector cooperation and take into consideration the interests and potentialities of the economic sectors and social partners.

Together with a multi-layered policy to improve the business climate, skills and training are a major element that must be given high priority to underpin the development of non-oil business, innovation and entrepreneurship.

Reform of the education system aimed at transforming it into a direct contributor to the high-priority human capital intentions of Azerbaijan cannot be conceived and carried out in isolation from relevant socioeconomic development policy. These premises require reflection and actions to improve the institutional setting of education as well as its capacity for policy making and policy implementation in the new framework of the ENP and Bologna and Copenhagen processes.

Levers 1 (policy and strategy) and 4 (partnerships between education and labour market institutions/sectors) are proposed below to address this challenge from a perspective that seeks synchronised top-down/bottom-up progression.

3. The VET system is fragmented into two non-communicating non-tertiary levels. The objectives, qualifications and institutional setting of each group differ radically, as do their respective image and attractiveness to youngsters. Effective and stimulating linkages throughout the system that underpin the lifelong learning perspective based on a qualifications framework are an essential strand of the reform that can be supported by international exposure and cooperation in education. Lever 1 (strategy and policy) and Lever 3 (qualifications framework) will address this broad issue.

VET establishments face difficult options. Insufficient funding leads principals to adopt various cost-recovery tactics to survive, and such measures do not necessarily contribute to the improvement of these institutions' education and skills development potential. Poor strategic vision contributes to this trade-off of "school survival versus system development". In 2005 the Department of Professional-Technical Education increased its requests for government support to VET schools. However, the substance of these requests is focused on financial and school equipment needs in isolation from an overall concept and strategic framework to revisit the reform that has still to be developed. Levers to tackle this challenge need to be multi-level, addressing both policy (Lever 1) and capacity building in school management (Lever 2).

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10 On 19 May 2005.



## Levers in HRD and related labour market policies through which sustainable system reform can be triggered

A sustainable approach to VET reform in Azerbaijan needs to tackle all key angles: VET policy and strategy in a lifelong learning framework, VET institutions, VET financing, and labour market and employment linkages.

In Azerbaijan, all sides recognise the urgent need to start a new phase in the reform of the VET system with an emphasis on its better integration into the education system, offering attractive educational pathways and a good balance of inputs and outcomes. A successful revisited VET reform concept and implementation will depend on the improvement of the institutional setting and framework of the Ministry of Education.

Reform needs to be built on a constructive dialogue between the education authorities and the economic sectors and social partners. A strategic orientation towards the education and training needs of the growing economic sectors will improve the support basis and financial sustainability of the reform. This dialogue should be institutionalised and made operational, to ascertain contributions in all major issues and topics of the VET reform. Donor assistance needs to include this strand in policy advice and technical assistance strategies in the phase ahead.

A Tacis project to support VET reform in Azerbaijan is foreseen in the 2004–2006 National Indicative Programme, and its planning is expected in the 2006–2007 Action Programme. Its successful implementation will be a direct lever to relaunching an integrated and comprehensive programme of VET reform. This technical assistance project needs to be conceived and carried out within an intersectoral coordination framework in order to build the basis of a new and broader interface for VET that is relevant to lifelong learning and responsive to market developments and players.

Institutional capacity building in the areas of the labour market and employment, and VET is crucial, but has barely been considered in donor assistance.

Technical assistance to support improvements in policy-making processes, to enhance the role and effectiveness of labour market and employment institutions and to modernise the information interfaces and methods of those institutions is key to supporting ongoing state programmes. Institution-to-institution exchanges and policy advice are essential complements to technical assistance in a medium-term perspective.

In VET, donor assistance to institution and capacity building needs to address issues of relevance and efficiency in institutional performance at various levels: (i) policy and decision makers at government level; (ii) management of VET establishments; and (iii) methodological institutions (teachers' development and learning, curriculum development). As the leading education institution, the Ministry of Education needs to build a relevant and efficient contribution to cross-sector human capital development and policy.

In the area of qualifications, the entry of Azerbaijan into the Bologna process may become a driver for change with consequences extending as far as embracing the need to work on a national qualifications framework. Assuming that Bologna process participants will be tempted to look at the issues presented by the European Qualifications Framework (EQF), now in a stage of consultation<sup>11</sup>, Azerbaijan may be able to use to great benefit the chances offered by cooperation with New Independent States and EU Member States in the ENP framework.

Donors' technical assistance and institution-to-institution exchanges on the issue of a revised qualifications system and national qualifications framework are likely to receive prompt acceptance by the government, given the links to European integration in education and labour markets.

Donor assistance is needed to address policy and mechanisms to link education and training institutions with labour market and employment institutions/sector associations, and to enhance the support basis for modernisation at both policy and school levels. Technical assistance and institutional capacity building is important for supporting partnerships between education institutions, employment agencies and employer/sector associations with the purpose of creating and implementing flexible and relevant schemes of labour market information and professional and career guidance, and attracting the economic sector interest and input necessary for market relevance and the sustainable progress of the programme of reform.

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11 As an officially recognised participant in the Bologna process, Azerbaijan takes part in the consultation process of the European Qualifications Framework.



# EGYPT



## Country profile

**Capital:** Cairo

**Population (2003):** 67.6 million

**GNI per capita PPP (2004):** 4,200 int'l \$

**Labour force participation (2003):** M 82.3 %, F 38.9 %

**Years of compulsory education:** 9

**Enrolment in upper secondary:** 3,648,955

**Enrolment in technical/vocational programmes:**  
2,355,481

**Vocational training as a percent of enrolment in upper secondary:** 64 %

## Summary

Egypt is facing a major challenge to modernise its education system in order to dramatically improve the overall quality, meet the needs of the labour market accommodate the many new entrants to the labour market and to upgrade the skills of the labour force in order to meet national goals. Egypt has made Human Resource Development a national priority since 1991, initiated a number of coordination and quality improvement efforts, but until now results have been insufficient in spite of substantial long term support from a number of international and bilateral donors.

The education system is still suffering from the involvement of many authorities, over-centralisation, under-financing, low quality and over-reliance on uncoordinated donor support for restructuring and reform efforts. Within the overall aim of improving the quality and relevance of vocational education and training ETF suggests concentrating donor assistance on improving the reform implementation capacity of the main authorities, improving the overall quality and relevance of the training provision, improve the information collection and analysis capacity at policy development level, support extension of the financing base of vocational education at secondary and adult level and involve NGO`s in training and skills upgrading in the important informal, micro-economy sector.

## Main challenges for HRD and labour market related reform and modernisation processes

### Quality

The dominant requirement for the reform of the HRD and TVET systems in Egypt is clearly to improve their quality and relevance to labour market needs. A focus on improving quality would be an important policy direction for future intervention by the EU and other donors, but would face major challenges in terms of a number of issues.

Critically, the provision of HRD and particularly TVET lacks relevance to the current and future labour market as a result of a number of factors. These include a lack of private sector involvement; under financing, which leaves little or no room for internal reform at delivery level; an over reliance on theoretical subjects, even in VET schools; lack of motivation among teachers to involve themselves in high-quality education in the schools, since they are better paid if they provide private tuition instead; the low esteem in which the VET system is held as a place of study and employment; and the lack of opportunities for teachers to upgrade their methodological and professional skills. The challenge will be to set up quality improvement measures that build on a thorough realisation among the main actors that HRD is not a question of providing theoretical and academic knowledge to the public sector, but of creating motivated teachers, managers, government officials and not least an involved formal private

sector willing to invest in education and training in partnership with the government. Furthermore, the challenge is to create a system that connects delivery of quality with financial incentives. Quality starts in the classroom, and the creation of well-prepared and motivated teachers and school managers is one of the most important challenges faced by HRD provision in Egypt.

It would be beneficial to implement a policy of public recognition of the importance of secondary technical education by improving the financing of schools, upgrading teachers and school managers, and ensuring that enrolment in this sector is dependent not only on grades but also on aptitude and interest.

## **Teacher training**

The training of teachers in Egypt is clearly inadequate in relation to securing the effective transfer of knowledge and skills. Didactical skills and pedagogical insight are in most cases weak. There is an over reliance on oral presentations and little evidence of sufficient didactical support, since the available equipment is mostly outdated, and knowledge of modern teaching methodology is lacking. Modern student-centred methodologies are in the main not practiced, or even heard of, except in a few donor-driven pockets within the system.

Upgrading and improving teaching as a career is one of the great challenges for HRD reform in Egypt.

## **Labour market and educational information**

A key requirement in developments towards coherent reform is the availability of reliable and up-to-date labour market and educational information. As a result of the fragmentation of the education system, information is collected in many different ways and is often not relevant in terms of enabling education and training to move towards the needs of the labour market. In order for the Egyptian authorities and donors to direct reform measures and maximise the benefits of assistance, an Education Management Information System, as proposed in the original identification document of the MEDA TVET project, will need to be developed as an urgent priority with the participation of all stakeholders, including the private sector.

## **Financing and governance**

Despite efforts made by the government to increase the budget for education and training, it is still usual for the school budgets to cover only salaries and the barest essentials in terms of maintenance of building and training materials; this is a result of the high level of centralisation and lack of autonomy.

In most cases there is no connection between performance and budget allocations in the education sector. The sector needs to develop a cost-effective financing model that ensures that performance, quality and pay are linked.

## **TVET for the informal sector**

A major challenge for the Egyptian authorities is to address the training needs of the informal micro-enterprise sector (IME). The sector employs an estimated 2.4–4.2 million people<sup>12</sup> and is considered the most important employer of new entrants in the labour market. However, it is also a sector that is difficult to engage because of the unregulated nature of IMEs.

A priority for the Egyptian authorities would be to develop a policy framework for the sector so that training opportunities develop substantially beyond the informal apprenticeship model that is practised so widely, and, perhaps with non-traditional partners, to develop a model for the upgrading of skills in the sector.

## **Training needs analysis**

The capacity to assess training needs in companies is underdeveloped in the Egyptian TVET system. In the future this will constitute a significant hindrance to economic development if it is not addressed as soon as possible.

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<sup>12</sup> Haan and Amin, 'Skills acquisition for the Micro Enterprise Sector', WB/ETF 2003.

A dynamic and flexible labour market will require this capacity in order to transfer changes in qualification needs to curricula and syllabuses at the required level and within the required response time.

Some steps have been taken by the World Bank Skills Development Programmes, but it must be ensured that the capacity to assess training needs is available at most TVET institutions and that it covers all economic sectors in the labour market.

## **Levers in HRD and related labour market policies through which sustainable system reform can be triggered**

Intervention by donors under the European Neighbourhood Policy Framework and National Indicative programme 2005 – 2006 could include giving assistance to the Egyptian government to improve HRD and TVET provision in the following areas under the main heading of improved quality and relevance.

### **Supporting the streamlining and coordination of the many institutional actors in HRD and TVET**

With many authorities having a role in HRD in Egypt, one of the most important restructuring tasks will be to simplify the governance and management structure of the education and training system in order to make the policymaking process more transparent, to make implementation of the many important policy initiatives taken during the last years more effective, and to involve the private sector more openly in the governance of HRD at national, regional and institution levels.

A number of new coordination bodies have been established in recent years, including the Supreme Council for Human Resource Development and the TVET Reform Council. These bodies, which have been assigned the task of enhancing effective implementation of reform measures, could be assisted through exposure to best practice in reform implementation in EU countries, capacity-building measures for Egyptian experts and support staff, and the provision of timely and targeted expertise in the management of reform processes, policy development and institutional development, as required.

### **Supporting the development of an Education Management Information System (EMIS)**

Donor intervention should address the issue of the collection, coordination and management of information relevant to the development of education and training for labour market needs. This will involve EU assistance for developing and establishing a model for the EMIS system, in cooperation with relevant Egyptian institutions and authorities, developing the interface between the various levels of providers and users and assisting in the analysis of equipment needs. The Egyptian Bureau of Statistics would be the main cooperation partner and the main target for capacity-building measures, but the main authorities involved at national, governorate and institution level should also be actively involved in the development process. An important partner would be the private sector, which needs to be involved in producing data relating to employment and training as a basis for the dynamics of the TVET sector.

### **Restructuring teacher and school manager training**

The restructuring of teacher training should be supported by changing the focus of teacher-training programmes from an approach that imparts academic knowledge to one that practises student-centred and labour-market-relevant methodologies, and by improving the provision of relevant didactical instruments in the technical vocational schools. Without a serious and major reform initiative directed towards the teaching profession in Egypt, most other reform initiatives will fail to achieve the desired effects at school level. This represents a challenge to higher education institutions providing teacher training to restructure and take into account labour market needs in the way teacher training is organised and the methods that are used. This also has major implications for the career path of teachers and the way teachers are assessed.

EU support could assist the development of an initial and in-service teacher training model, train a critical mass of key staff at universities, pilot the model and support the necessary institutional restructuring process.

## **Improving the model for financing of TVET and HRD institutions**

Support should be given to the creation of a financing system for HRD at institution level that rewards innovation, efficiency and high quality. This will require an effective monitoring system to regulate the accreditation of training providers and reform the assessment of teachers and school managers.

Donor intervention should involve capacity building at policy level, exposure to best practice in the region and in EU member states, and the development of a new financing model for TVET institutions that will enhance the cost effectiveness, innovation, decentralisation, flexibility and overall quality of the delivery of labour-market-relevant initial and continuing training. It is important for the model to be piloted in a number of locations, involving a variety of sectors and geographical locations.

## **Supporting the upgrading of skills in the informal micro-enterprise sector**

Because of the unregulated nature of this sector it will be difficult to target interventions towards the traditional structure, such as ministries, governorates and institutions.

The importance of involving this large employment-generating sector in training measures should be obvious, but the way in which support is organised will require non-traditional methods, approaches and partners.

The NGO sector in Egypt is quite active in supporting the IME sector through micro-credit instruments, and could become a vehicle for linking financial support to skills development.

EU support would necessarily involve careful stocktaking and research initiatives with the relevant partners, such as NGOs, the National Bank for Development and the Credit Guarantee Corporation, who would also be in a position to become involved in pilot projects and capacity-building measures in order to secure a viable and realistic model.

## **Analysing training needs**

The huge exercise that Egypt must undertake in order to increase the relevance of training to labour market needs will require that training needs are reassessed and translated into flexible curricula that are designed to meet the needs of both the individual and employers.

The establishment of a specialised institution to develop methodology and the provision of training and capacity building in this field will be an important contribution to the creation of modern curricula and links between the world of education and the world of work.

## **Instruments**

Egypt's many donors and the complex nature of its HRD system suggest that sector approach methodologies should be introduced; this appears to be a feasible option, particularly with regard to large systemic reform projects.

The EU/World Bank experience has shown that it is possible to pool and complement resources while engaging local actors as active partners in development processes. In order to make sector approaches work, it will be necessary to engage in a major capacity-building exercise in the relevant beneficiary institutions, and for donors to study carefully examples of best practice from Sector Wide (SWAP) approaches practiced around the region. Recent initiatives by the government to coordinate the management structure for HRD and make it more transparent are developments that support this approach.

Other instruments, such as pilot and twinning approaches, will be appropriate in, for example, institutional development projects for which the development and assessment of models is a main feature of the intervention. This could be the case in projects experimenting with such concepts as new models for teacher and management training, and new financing models.

In particular, support to the micro-enterprise and informal sector could include NGO-led instruments or cooperation models in which NGOs play a more prominent role in programming and implementation than they have done previously.

In the field of secondary education, the TVET reform programme, which is funded through EU MEDA II and was expected to commence in June 2005, is a major support effort. It is expected to be an important element in the development of a VET system that meets the needs of the labour market and that leads the way towards increased relevance and quality in the provision of VET.

# GEORGIA



## Country profile

**Capital:** Tbilisi

**Population (2003):** 5.1 million

**GNI per capita PPP (2004):** 2,895 int'l \$

**Labour force participation (2003):** M 79.5 %, F 67 %

**Years of compulsory education:** 8

**Enrolment in upper secondary:** 98,812

**Enrolment in technical/vocational programmes:** 9,296

**Vocational training as a percent of enrolment in upper secondary:** 9 %

## Summary

Georgia's transition to a market economy was accompanied by high internal and border instability that worsened the country's economic perspective for sustainable growth. Georgia's economic make-up is characterised by a predominance of micro individual enterprises with low productivity, a high share of self-employment, and individual subsistence agriculture. Georgia has still to build and invest in a strategy for competitive economic activities.

Annually, about one-third of graduates of complete secondary education (38% in 2003/04) enter directly into the labour market or simply fall out of the education and training statistics. These figures indicate a relatively high proportion of young people unprepared for employment and in a precarious situation after secondary general school, partly due to a lack of acceptable, flexible and attractive alternative (to higher education) educational paths. The ongoing reform of the higher education system puts particular pressure on the reform and modernisation of other educational pathways after compulsory and complete general education to absorb the growing number of youngsters not admitted in accredited higher education establishments.

The new authorities rightly raised the priority level of VET reform in the education development agenda. Clear signals of this renewed importance can be seen in measures adopted in 2005, namely the creation of a stakeholders' working group with a consultative function and the approval of a Concept of VET Reform with far-reaching innovations and recognition of the European education dimension. However, implementation of the Concept will require serious work on policy and on various institutional and technical issues, including clarification of horizontal and vertical linkages in the proposed system, mechanisms for proper functioning of the proposed lifelong learning perspective, a revised qualifications framework, development of teachers and learning methods, competence-based learning and assessment, and differentiation of vocational curricula. Technical and financial assistance from international partners is important, as is the coordination of such assistance within a coherent sector strategy.

Adult learning has only recently emerged, and many aspects require further development (namely policy and regulations, learning methods, financing and linkages with a qualifications framework) before its essential input into solving the skills mismatches of the labour force can be fully deployed.

## **Main challenges for HRD and labour market-related reform and modernisation processes in underpinning European Neighbourhood and Partnership Instrument objectives**

With the new political options and social priorities set out in 2004–2005, Georgia benefits from a friendly positioning of many important international partners. Recovery from deep economic decline, particularly in rural areas, will need serious efforts in terms of strategy and consistent implementation. Georgia needs to build on its potential (political and economic) with determined policy and measures to ensure the sound and equitable development of its human resources. It must recover from the effects of the technical and scientific brain drain that has eroded the quality of its labour force, and from the effects of the shifts in education choices during the transition that have led to excessive growth in holders of higher education diplomas deprived of effective market value and employability while the labour force with middle-level qualifications (recognised skills) is lacking in numbers.

The competitiveness of the Georgian economy will depend on the continual availability of:

- personnel with modern technical skills and core competencies, with sound qualifications across various levels, for agrobusiness, industry and services;
- personnel with business and management competencies;
- effective innovation and research linkages between businesses and education and training institutions; and
- effective collaboration between the economic sectors and social partners on the one hand, and the relevant players of the training market and education policy makers on the other.

Active policy is needed to reverse the established trend towards higher education irrespective of the quality and market value of the awarded diplomas. This objective has acquired high priority in the higher education reform process and in the completion of the first phase of the accreditation process. With the resulting reduction in the number of available places for enrolments in 2005–2006, the country faces a situation in which almost half of the 30,000 graduates of complete secondary education will not be admitted to higher education, while the vocational education system remains last on the list of chosen alternatives.

Reform of VET has just started. VET suffers from a long-term position as the “poor parent” of the education and training system; an irrelevant offering of vocational profiles, outdated curricula associated with low quality of learning, and a lack of methodological developments in line with international practice are the result of inconsistent and superficial reform attempts in the 1990s that focused more on the legal framework than on the need to revise the concepts and objectives of VET for a new economy. Meeting the new skills needs of the predominant small employers while remaining responsive to the skills needs of the new economic activities represents a challenge that VET reform needs to handle strategically, in a way that is integrated with alternative training forms and based on sound information and analysis.

The reform processes started in VET will not yield the expected overarching effects (improved employability and better job–skills matching) without the appropriate complementary employment policies, investment in new economic options and more dynamic job creation in the non-agriculture sectors. With a predominance of self-employment and small individual firms, the Georgian economic fabric has evolved towards low productivity, informality and a subsistence-based character. Under these circumstances employment and enterprise promotion policies need to address issues of upgrading of informal enterprise and self-employment through multi-level instruments including financing, regulatory simplification, access to relevant training, incentives for cooperation among rural enterprises, and access to technology. The rural economy will remain trapped in subsistence activities as long as industrial processing and marketing fail to bring in incentives for higher productivity. Unfortunately, the employment promotion agenda is currently a lower-priority item in government policy, and the employment bodies and public agencies rarely deliver labour market-related services. Measures linked with targeted social assistance have gained higher immediate priority while active labour market policy has moved into the background, as evidenced by lower resource allocation and understaffing of employment offices in 2004–2005.



## Levers in HRD and related labour market policies through which sustainable system reform can be triggered

Employment and enterprise development: The technical assistance provided to the Employment Agency by donors needs to be enhanced and should continue to embrace the policy and technical capacity areas, with a perspective on the current job creation and employment improvement challenges. The government's priorities need to include a revised employment agenda that will contribute to the poverty reduction strategy with new tools and policy. This needed reorientation requires donor support via medium-term technical assistance.

Measures to build the capacity of the Employment Agency and its regional offices are needed to improve the effectiveness of active labour market policies and introduce new and creative forms of cooperation with education and training institutions.

Measures to support partnerships with education and training institutions aimed at providing labour market information and input into vocational and career guidance are likely to be attractive and effective for both sides, and will contribute to the much-needed institutional and intersectoral dialogue.

VET reform: The debate on VET reform has only just started, prompted by the immediate need to enhance the educational pathways alternative to higher education. The consistency and credibility of further development of the reform strategy, implementation planning and acquisition of support and funding from various international and domestic sources will determine the success of the initiated dialogue. Previous failures in the 1990s have eroded the credibility of the system and cannot be afforded again in the context of the present momentum.

International assistance to the VET reform process will go beyond the work on legal instruments and investments in new training equipment and premises to embrace the much-needed debate on the conceptual basis of the new VET, which offers broader profiles and is better integrated with the education system and more responsive to economic players. Assistance to enhance the interaction of local practitioners with international developments in VET, and familiarisation with European dimensions (the Copenhagen process, the debate on the European Qualifications Framework), are essential elements for donor support.

Georgia needs to develop a new generation of education researchers and practitioners with solid and current knowledge of VET and lifelong learning policy, monitoring and practice. At present the MoES is experiencing a shortage of knowledgeable staff in VET-related areas. Institution and people exchanges, as well as participation in international projects, contribute to building national capacity.

Fields relevant for the VET modernisation process where technical assistance is necessary will be clarified with the development of the VET reform strategy. Likely areas for donors' technical assistance include:

- preparation of the priorities plan for VET reform and modernisation, within a sector approach;
- lifelong learning mechanisms to support attractive and flexible pathways across the education system to provide incentives to enrol in a more open VET system;
- renewed content and methods;
- revision of the qualifications system and adoption of a new conceptual basis in line with international developments leading to a national qualifications framework;
- elaboration of broad occupational and educational profiles based on sound methodology, and revision of the catalogue of occupations;
- improvement of curriculum development and assessment (including institutional setting);
- quality assurance policy and mechanisms;
- reliable and accessible information and guidance in support of education choices;
- personnel with modern technical skills and core competencies, with sound qualifications across various levels, for agrobusiness, industry and services; and
- observation, information and analysis in support of policy and programming.

Technical assistance and institution-to-institution contacts are needed to support further development at education policy and programming level (capacity building), and at school level (partnerships with

local and school networks in partner countries, exchanges with local training and employment networks, capacity building for school management).

Development and expansion of the adult learning area – policy, offering, renewed curricula and learning methods, quality assurance and recognition – is key to ensuring that education reform embraces an effective and operational lifelong learning framework. To respond to the short- and medium-term challenges of an economy whose main resource is human capital, adult learning needs to have a strategic position in future development exchanges.

Measures to support the development of policy, curricula, effective combination of training methods (structured and non-structured, formal and informal) and quality assurance concepts are needed via technical assistance and exchanges on international practice. Financing, recognition and validation are important aspects for which technical assistance is necessary.

# ISRAEL



## Country profile

**Capital:** Jerusalem

**Population (2003):** 6.7 million

**GNI per capita PPP (2004):** 23,775 int'l \$

**Labour force participation (2003):** M 78.9 %, F 58 %

**Years of compulsory education:** 11

**Enrolment in upper secondary:** 356,404

**Enrolment in technical/vocational programmes:** 124,629

**Vocational training as a percent of enrolment in upper secondary:** 35 %

## Summary

A number of factors have contributed to increased pressure on the technological and vocational education and training (TVET) system in Israel. Due to geopolitical and security considerations, Israel is forced to manufacture products of a very high standard. As a relatively small country, Israel finds it difficult to compete on the world markets in mass-produced goods, but it is able to compete in technology-intensive industry with a high demand for skilled manpower.

It is recognised that Israel has one of the most skilled workforces in the world, but at the same time the gap between the best and weakest students is widening, and Israelis are becoming increasingly dissatisfied with the level of skills and qualifications that the TVET system is able to deliver.

The Israeli government initiated two major studies aiming at analysing current TVET provision and making policy recommendations: the Dovrat Commission and the Preiss Committee. Both of these delivered reports in 2004.

Israel is outside the scope of most donor funding instruments for TVET reform due to its GDP. However, within the processes of upgrading its TVET system and related labour market policies, Israel could greatly benefit from exposure to other countries' policies in education and training, and notably also those of European Union.

## Main challenges for HRD and labour market related reform and modernisation processes

It appears that a major portion of the TVET system, both in subject matter and in teaching and learning methodologies, is not keeping up with contemporary developments in industry. The transformation from the industrial economy model to the information economy model is at present the main challenge for the provision of TVET in Israel.

There is a need for a well-coordinated, structured and integrated national effort involving the MoE, MoITL, Industrialists Association and trade unions aiming at addressing issues such as curricula upgrading, introduction of new methodologies and didactics, designing in-service and pre-service courses for teachers and trainers in technological and vocational education, or upgrading equipment within education institutions.

## **Levers in HRD and related labour market policies through which sustainable system reform can be triggered**

The main levers for systemic reform would be through long-term investment and multi-year annual planning for education and training, which would imply a national policy promoting the development of human capital.

There should be a national strategy for the development of education and training. Implementation should include public and private institutions, organisations and companies. Israel has bodies with a great deal of experience in education and training, such as the technological school networks; in accordance with government guidelines, these bodies can focus their activities on the current and future education and training needs of the economy.

The most relevant cooperation instrument in TVET and labour market development is the opportunity for Israeli policymakers to become exposed to best practice in education and training in EU Member States. Topics for making such cooperation relevant to the continued development of HRD in Israel include:

- VET teacher training systems;
- cooperation between the government and social partners in TVET and the labour market;
- systems for forecasting HRD needs;
- financing of TVET;
- lifelong learning instruments.

# JORDAN



## Country profile

**Capital:** Amman

**Population (2003):** 5.3 million

**GNI per capita PPP (2004):** 4,765 int'l \$

**Labour force participation (2003):** M 79.7 %, F 30.3 %

**Years of compulsory education:** 10

**Enrolment in upper secondary:** 177,887

**Enrolment in technical/vocational programmes:** 34,855

**Vocational training as a percent of enrolment in upper secondary:** 20 %

## Summary

Jordan is a recently born, developing country with limited natural resources, including water. It is a country facing geostrategic developments that are influencing an influx of population from neighbouring countries, the movement abroad of its own educated population, and a rapid increase in newcomers to the labour market. Currently 70% of the population are less than 30 years old.

Some 98% of Jordan's economy consists of small and medium-sized enterprises (SMEs). Its economy, disrupted by recurrent regional instability, is heavily dependent on external aid, and while its success rate in terms of education is remarkable, the development of a significant informal sector in the economy, particularly in the craft and service sectors, makes it difficult for the officially stated aim of making the country a knowledge society to be achieved.

Jordan is one of the few countries in the world in which relatively high levels of human capital have not been translated into significant progress in gross domestic product (GDP) per working-age adult (OECD, 2002). One of the reasons is the limited capacity of the labour market to absorb the increasing proportion of young people in the population (with 40,000 new entrants into the labour market each year). Another may be the relatively low level of employment among educated females, which represents a serious waste of potential.

Human resource development (HRD) is a priority in Jordan, where the population is seen as the country's main resource. Jordan is well advanced in terms of the Millennium Development goals relating to the universal completion of primary schooling and the elimination of gender disparities (in 2000 the primary completion rate was 99% for both boys and girls). Furthermore, investment in education in the private and public sectors by both the state and families is increasing, particularly in basic and higher education. Nevertheless, little has been done to develop coherent labour market and employment policies. Although considered one of the tools for facilitating Jordan's HRD in a lifelong learning context, technical vocational education and training (TVET) lacks effective support to enable it to adapt to rapid changes in the economy. Developed from a model designed in the 1970s, with a high level of centralisation and a supply orientation, TVET has a low status in Jordanian society and continues to be perceived as the 'last resort' educational option.

Given the high level of support allocated by public, private and international contributors to basic and higher education, with successful results, and the fact that from 2005 onwards international donor assistance will be practically nonexistent in the TVET sector, substantial assistance is needed in order to support the development of the TVET system to assist Jordan's efforts to fight poverty and become more competitive in the global economy.

## **Main challenges for HRD and labour market related reform and modernisation processes**

Jordan is facing a dual economic and social challenge which requires that on the one hand it reaches macroeconomic stability and that on the other hand it fights poverty and unemployment. This double challenge requires substantial efforts in the field of HRD, which in Jordan is considered to be one of the main tools for reducing poverty in the context of the development of a knowledge society.

In order to face the macroeconomic challenge Jordan has implemented a structural reform agenda that has included privatisation schemes and the signing of partnership agreements with the United States and the European Union. Several pilot projects, such as the Qualifying Industrial Zones (QIZs), have proved to be successful within a protective environment. Evaluation of these experiences is necessary in order to verify whether the initiative should be extended more widely. However, little importance has been given in the reform process to supporting the microeconomic level, and particularly in enabling SMEs, which dominate the economic set-up at both formal and informal levels, to become effective actors in the HR field.

In facing the social challenge Jordan has initiated a series of important reforms in the field of education and poverty alleviation. However, it has neglected to put in place a comprehensive labour market and employment strategy which would allow the development of a coherent framework within which passive and active measures could be used to promote HRD and improve the employability of the Jordanian workforce.

## **Levers in HRD and related labour market policies through which sustainable reform can be triggered**

Jordan authorities are placing HRD at the centre of the major reforms in order to satisfy Jordan's economic needs. Support needed implies a systemic approach that includes building the capacities of its main actors (from both private and public sides) at all levels. This should be carried out within a legislative framework including both labour market/employment and education/training policies.

A systemic and sustainable reform of TVET calls for intervention in at least three specific areas, all of equal importance: governance and financing, rationalisation of existing resources and an HR information system.

### **Involve SMEs in HRD decision making**

Identifying the qualifications that need to be produced by the training sector requires the involvement of the SMEs (representing 98% of economic activity), which is one of the most important stakeholders in the HR system while having little impact on formulating and implementing education and training policies. It is proposed that SMEs be given support to organise their efforts and develop their capacities to become major actors in the development of policies, at both macro and micro levels. One method of stimulating their contribution is to facilitate their access to professional organisations active in HRD, and to support their direct involvement in the management of training institutions.

Mechanisms to Involve SMEs in HR projects elaborated and financed within the framework of the TVET Fund should be elaborated as well.

### **Develop capacities of Ministry of Employment**

Jordan has not as yet developed a comprehensive labour market and employment policy. Support should be given to the Ministry of Employment to take the lead in developing an appropriate policy. Links with TVET strategy development and implementation should be clearly established. Another issue relates to building the capacity of the MoL labour offices (LOs), which are equipped with neither human nor technical competences and which are not responsive to the needs of jobseekers and enterprises. An evaluation of the present situation is necessary, and a possible first step would be a feasibility study to analyse the conditions for support. Particular attention should be given to an analysis of the capacities of the LOs to become centres providing guidance and labour market data.

## **Governance and financing: Making full use of the existing governance and financing tools**

Improving the governance process is the key to the reform's success. The TVET Council does not currently lead the TVET reform as a whole, mainly because of a lack of structured support for implementation of the 1999 reform strategy. Support should be given to the TVET Council to elaborate a national vision for TVET through the secretariat in charge of assisting its activities. In order to rationalise the existing structures it would be advisable to place the secretariat under the responsibility of the National Centre for Human Resource Development (NCHRD). The vision to be developed should encompass the development of a flexible model that is able to address both initial and continuing TVET, to offer equal access, without distinction of gender or nationality, to newcomers and enable them to become employable within the labour market and through the updating of current workforce competences.

Low attainment in the TVET system, and the low esteem in which the system is held by civil society (there is a lack of interest on the part of families and enterprises), indicates the need for the development of a marketing and recruitment strategy by the TVET Council. This may include strategies and marketing tools at both the national and local levels to raise the profile of TVET (such as positive media messages), a greater focus on gender issues in the development of strategies and programmes, and improved vocational guidance and career counselling practices to encourage students to choose TVET.

Jordan has developed a financing mechanism (the TVET Fund) that has the potential to bring the training supply and demand sides closer together. Effective management of the TVET Training Fund is a key to the success of the reform. It is proposed that support be given to the Training Fund team to build a comprehensive and equitable strategy that will efficiently produce profits for project developers. Money is already being collected, and a rapid start is expected, though careful monitoring will be needed to ensure that funds are used efficiently. Modalities to support quality project development and to train and inform potential project developers must be established.

## **Rationalisation and decentralisation of the TVET system as a whole**

The quality of delivery of public TVET is considered to be low in Jordan. Coordination among the three main providers (MoE, VTC and BAU) and the social partners is needed in relation to the development of national standards, in order to ensure that levels, competences and qualifications attained are comparable and that students and workers attending initial and continuing training are able to meet international standards with broader competences. Overall methodological support should be provided with a view to giving Jordan's stakeholders complete ownership of the process.

Management structures within the three main TVET providers are heavily centralised, with little autonomy being given to the training centres. In view of the high cost of equipment and human resources necessary for the delivery of high-quality training, it is proposed that the possibility be considered of rationalising education and training resources at 'economical area' level in order to put training institutions at the centre of the reform process. Where possible, a reduction in the number of specialisation, particularly those that are no longer in line with market needs, should be planned. This would also allow efforts to be concentrated on providing a limited number of institutions with up-to-date, fully operational equipment, with private sector support.

Efforts should be focused on developing procedures to assist the centres to become more autonomous and to be active at both initial and continuing training levels. Stronger management and budget autonomy should allow them to become local research and development institutions for their economic environment. This may be achieved through increased cooperation among key actors at local level in the fields of education and employment/unemployment, particularly through TVET Fund projects. Support for pilot schemes in both rural and urban areas is proposed as a first step. The experiences of the QIZs should be further analysed so that lessons can be drawn and the experience extended.

The success of the reform will require a comprehensive HR plan. A national teachers' and trainers' training programme needs to be developed. Its aim will be to propose a comprehensive set of activities that will enable trainers and teachers to become change agents who are active both inside and outside the training centres. One way in which this objective can be achieved is to involve trainers and teachers in continuing training activities for their local environment, in curricula development and in cooperating with enterprises. Another is to set up networks (for the exchange of practice and experience) at national level combined with a structured trainer-training system using the capacity of

the National Trainers' Training Institute (NTTI), currently under development with EJADA support. Modules should cover cooperation with the private sector and should provide new competences for teaching active pedagogical methods.

Specific training for school managers to enable them to comply with their new responsibilities needs to be developed. Particular attention should be given to the management of human resources, marketing and financial capacities. Training on project design should also be developed in order to assist managers to establish projects through the TVET Fund.

### **Systematise the human resource information system and its analytical capacities so as to serve the needs of all decision-makers**

A comprehensive human resource information system (HRIS) involving a wide range of producers and users of HR information is in the process of being developed, with ETF and Canadian support. The type of labour market data currently required by the major stakeholders is not available at an appropriate level of detail, particularly with regard to the informal economic sector, the role played in the economy by foreign workers and the impact of training on trainees and enterprises. Efforts may be made to build public and private capacities in collecting labour market data, and to strengthen the analytical capabilities of the HRIS in order to support decision-making and the identification of sectors with a high potential for development.



# LEBANON



## Country profile

**Capital:** Beirut

**Population (2003):** 4.5 million

**GNI per capita PPP (2004):** 5,547 int'l \$

**Labour force participation (2003):** M 80.9 %, F 33.8 %

**Years of compulsory education:** 9

**Enrolment in upper secondary:** 148,821

**Enrolment in technical/vocational programmes:** 39,773

**Vocational training as a percent of enrolment in upper secondary:** 27 %

## Summary

Lebanon has a population of just over 4 million people. By 2000 its war-damaged physical infrastructure had been substantially reconstructed. The economy, however, is still facing significant difficulties, with the overall deficit in 2004 reaching almost 16% of gross domestic product (GDP) and the public debt amounting to one and a half times Lebanon's GDP. Lebanon's economy is currently in difficulty and the political crisis is aggravating the economic situation and worsening the business climate. 'Signs of the end of Paris-II financial dynamics are obvious.' ('Lebanon Quarterly Update', World Bank).

The unemployment rate is estimated to be 14–18%. Unemployment is a particular problem among new labour market entrants. In 2001 the unemployment rate for the 15–24 age group was 22%, a figure made up of a rate of 19% for young men and an alarming 30% for young women. Other striking features of the Lebanese employment situation include the influx of foreign workers into the country's labour market and the large number of Lebanese people seeking and obtaining employment abroad.

The increase in unemployment among educated workers suggests that the education system is failing to adapt the skills of the future labour force to the needs of the labour market. Learning achievements and the links between education and the labour market need to improve markedly if Lebanon is to have the necessary skills to compete in the global knowledge economy. The two main issues for the sector are: (i) the low levels of efficiency and quality; and (ii) the weak public institutional, steering and management capacities.

Future donors support in the field of human resource development (HRD) should include interventions dealing with the quality and sustainability of the education and training system. It should aim to (a) improve the quality of the education system by improving the effectiveness and efficiency of educational institutions, enhancing the training of teachers and trainers and improving the educational research and development function; (b) enhance the capacity for steering and evaluating the education system by supporting institutional development and implementing mechanisms to evaluate public and private institutions; and (c) promote continuing training by fostering well-designed cofinancing arrangements and creating the structural preconditions for reaping the benefits of such training.

A range of instruments could be utilised. This would include (a) catalyst/pilot activities, with the aim of obtaining tangible results that could be used as a benchmark and success story for the whole system; (b) a bottom-up approach through educational institutions and non-governmental organisations (NGOs), which are more responsive and open to development than central administrations; and (c) with some preconditions, SWAP intervention phased in two stages. The first phase should prepare the ground for successful implementation. The second phase could then be dedicated to the implementation of a sector programme within the conducive environment created during the first phase.

# Main challenges for HRD and labour market related reform and modernisation processes

The increase in unemployment among educated workers suggests that the education system is not tailoring the skills of the future labour force to the needs of the labour market. Learning achievements and the links between education and the labour market need to improve markedly if Lebanon is to have the skills to compete in the global knowledge economy. The two main issues for the sector are: (i) the low levels of efficiency and quality; and (ii) the weak public institutional, steering and management capacities.

## Quality of education and training

### *Effectiveness and efficiency*

The general education sector is faced with a need to address issues of weak institutional and management capacity and low levels of efficiency and quality. Furthermore, complex political, religious and community relationships interfere in decision-making regarding school facilities and their location. Low levels of internal efficiency are mirrored by a great deal of repetition and high drop-out rates at all levels of education (18.9% at the elementary level, 22.8 % at the intermediate level and 10.6% at the secondary level). The recent performance of Lebanese students in international standardised testing was poor, reinforcing concerns about the declining quality of education.

With regard to the VET sub-system, the success rate in the national examinations for official degrees, as prepared and administered annually by DGVTE, can be used as an indicator of the performance of the present VET system. In 2000, 9,616 students successfully passed and graduated, representing about 55% of the total number of candidates. It should be noted that the practice of lowering the examination pass marks in some fields and for some degrees was widely used in the past to maintain the success rates at acceptable levels. However, these rates indicate that the young people leaving the formal education system are not equipped with any particular skills or competences that are validated by schools and DGVTE. The current system is not based on a modular structure that would allow such validation. On the other hand, employers in the private business sector complain that technical school graduates are not adequately equipped with technical knowledge and managerial skills.

Research by the ETF in 2001 and 2003 indicates that there is an evident mismatch between the output of the VET provision and the skill needs of industries and services. This results in a supply-driven model with low levels of internal and external efficiency. It leads to a growing imbalance between the overall supply of and demand for labour and to an increase in unemployment. Among other causes, three key problems contribute to this mismatch, and need to be addressed: (i) insufficient knowledge of the actual labour market, which creates unfavourable conditions for the promotion of skills and employment; (ii) the weak institutional framework of labour institutions; and (iii) the lack of labour market information.

### *Curricula reform*

The lack of labour market information has produced outdated curricula in terms of both the occupations for which individual education programmes exist and the vocational and technical content taught within a given programme, which has not kept pace with technological developments. Furthermore, the relationships between the main components of the curricula need to be reviewed, i.e. between general education, vocational and technical education and the practical components. The lack of labour market information has not been addressed through a partnership between the productive sector and the VET system, and the revision and development of curricula are still to a large extent driven by educationalists. A major criticism of VET in Lebanon is the low level of practical training. There is no existing mechanism that provides structured workplace training for students and trainees, and most school workshops are inadequately equipped for ensuring that students and trainees are able to gain relevant practical skills.

The weak role of the Center for Educational Research and Development (CERD) in the educational research and development field, and particularly in the area of VET, is a major constraint for the successful design, implementation and evaluation of curricula reform. The VET unit within CERD is understaffed and has a low level of expertise in the field.

### ***Teacher and trainer training***

The level of training for teachers and trainers entering the profession is considered to be inadequate for the delivery of modern VET programmes, and initial teacher training implemented by the Institut pédagogique national de l'enseignement technique (IPNET) has not been adapted to the revised VET curricula. Furthermore, trainers often do not have sufficient experience in industry to enable them to deliver training of the appropriate quality. This situation is not addressed through continuing staff development for teachers and trainers. Less than 10% of teachers and trainers currently participate in upgrading courses every year. Moreover, the career path of teachers and trainers, with its low salary levels, is not seen as sufficiently motivating.

### **Institutional and steering capacities**

A Higher Council for TVET was established in 1960 with a mandate to provide long-term advice to the Minister of Education. The Council comprises 11 members representing public administration, social partners and private VET providers. While a body of this nature can potentially play a valuable role, it is understood that no meetings have been held for a number of years, leaving all decision-making in the hands of the minister and advisers.

Furthermore, the participation of the social partners in the steering of TVET services is constrained by the lack of a private sector strategy for HRD and limited capacity to contribute to the steering of the system.

The capacity of MEHE is also at a low level, partly because it is grossly understaffed. In the VET sub-system the DGVTE continues to have problems in terms of its ability to absorb the technical assistance provided by donors and to manage the system. The lack of capacity is also mirrored in the inadequate licensing system for private training providers and the absence of evaluation tools for public ones, resulting in a lack of information on the quality of training provision in both the private and public sectors.

The Ministry of Education's insufficient institutional capacity to design and implement systemic reforms is a major issue that should be addressed in the future.

### **Summary**

*As the analysis of the two sub-sectors (general education and TVET) shows, it is apparent that there is a series of core issues that are interconnected and common to both sectors: low quality, inadequate institutional and steering capacities, and slow reform processes.*

## **Levers in HRD and related labour market policies through which sustainable system reform can be triggered**

### **Fields of cooperation**

It is evident that significant 'hard' investments that will incur a high level of recurrent cost have now been made (the building of schools and VET institutions). International support should therefore include interventions dealing with quality and sustainability, for both the public and private sectors, including NGOs.

### **Improving the quality of the education system**

#### ***Improving the effectiveness and efficiency of education institutions***

The objective is to enhance the participation of communities in the decision-making process at school level through capacity building, and through the introduction of greater autonomy for schools and VET institutions in financial management, personnel management and pedagogical matters. This could be achieved by, for example, reviewing and modernising the internal organisation of educational institutions in order to make them more client-oriented; improving the links, at operational level, between educational institutions, local communities and enterprises, which could lead to a better quality of teaching and training delivery. This should include equipping the educational institutions concerned with facilities appropriate to revised curricula and the use of new technologies.

### ***Enhancing the training of teachers and trainers***

The management and organisation of teacher and trainer training is an important starting point in underpinning reform efforts in the education system, particularly in the VET sub-system. International support should aim to make the Institut pédagogique national de l'enseignement technique (IPNET) a centre of excellence. The institute would be responsible for all training of teachers and trainers, including pre- and in-service training, and for constantly monitoring and evaluating the skills of teachers and trainers. Furthermore, the institute should have the resources, confidence and authority of the government, private training providers and key stakeholders of industry to become the reference point for HRD within the education system.

### ***Improving the educational research and development function***

The development of sound national capacity to undertake studies relating to skill needs, curriculum development and the assessment and evaluation of students and institutions, and to adopt innovative approaches to education. It should also support the necessary institutional restructuring and professional development of local staff. Ideally, educational research and development and sector analysis should emerge from collaborative efforts of the Center for Educational Research and Development (CERD) and universities under the auspices of the MEHE. Donors' interventions should include capacity building for the establishment of a sustainable system for educational research and development through sustainable partnerships between ECRD and public and private universities.

### ***Developing institutional capacities***

The sustainable implementation of systemic reforms requires an adequate institutional context. The Lebanese education system currently lacks the capacity to change, without substantial international support. EC support for institutional development should be long-term-oriented and should target in particular the most stable in terms of management and structure the "meso" level (DGVTE, CERD and IPNET). This should broadly cover strengthening the operations and human resources of each institution and the process of coordination across institutions.

Institutional development should also help in specifying national evaluation policies; implementing mechanisms to evaluate institutions and to establish rules for the accreditation of public and private institutions; evaluating the costs and benefits of training and education; and assessing the achievements, quality and outcomes of education and training.

### ***Promoting continuing training***

The active population of Lebanon is increasing. Given the clear evidence of market failures in continuing training in the Lebanese context, donors should support the Lebanese government in its role in developing continuing training by promoting well-designed co-financing arrangements; creating the structural preconditions for reaping the benefits of continuing training (through information, guidance and a transparent certification system); improving delivery and quality control by using the existing resources of public and private educational institutions (VET and higher education); and working for improved policy coordination and coherence between different ministries and social partners.

## **Instruments**

The following section describes a range of instruments that could be used to implement the above mentioned interventions.

### ***Catalyst/pilot activities***

The World Bank's experience in the education system demonstrated that an immediate systemic approach in Lebanon is very risky, and in most cases ineffective. The system requires more catalyst/pilot actions that can be implemented immediately, given the inadequate institutional framework and the lack of skilled administrative staff. Such catalyst/pilot activities should allow the VET system to obtain tangible results that could be used as a benchmark and success story for the whole system.

### ***Bottom-up approach***

A bottom-up approach seems to be the most relevant and effective approach for donor intervention in Lebanon. Various donor projects have demonstrated that schools, lycées, colleges and other institutions are more responsive and open to development than administrations and supporting institutions. This has also been the case for initiatives in other areas (such as the EC project for

municipalities). This approach could be used when supporting the improvement of the effectiveness and efficiency of educational institutions.

***Is SWAP relevant?***

It is clear that the situation in Lebanon, and particularly in the country's education system, is not receptive to immediate SWAP intervention, although the World Bank is planning such intervention (see the section on donor support). If SWAP intervention is to be designed, it should be phased over two stages. The first phase should prepare the ground for successful implementation, particularly through the development of institutional capacities, the elaboration of regulations guaranteeing successful implementation, and the initiation of pilot projects and bottom-up approaches that prepare the ground for more important developments. The second phase could then be dedicated to the implementation of SWAP within the conducive environment created during the first phase.



# MOLDOVA



## Country profile

**Capital:** Chişinău

**Population (2003):** 4.2 million

**GNI per capita PPP (2004):** 1,953 int'l \$

**Labour force participation (2003):** M 79.5 %, F 69.9 %

**Years of compulsory education:** 11

**Enrolment in upper secondary:** 102,623

**Enrolment in technical/vocational programmes:** 22,647

**Vocational training as a percent of enrolment in upper secondary:** 22 %

## Summary

After Romania's accession to the EU, foreseen for the year 2007, Moldova will become an immediate neighbour of the EU.

During the period 2001–2003 a sizable improvement in economic and social indicators was registered, but despite significant efforts made to establish the basic institutions of a market economy and to promote democratic values, Moldovan society was unable to achieve the strategic objectives defined in 1990; thus, in 2002, over 40% of the population still lived below the absolute poverty line. Poverty has in turn generated a range of social problems, including an exodus of 35–40% of the economically active population abroad.

With limited natural and human resources, in the context of an ageing population and a decreasing trend of labour force participation rates and the number of employed people, as well as increasing migration and economic recovery, developing the education and training system in Moldova is increasingly recognised as a priority across political boundaries.

In the first years of transition, reform mainly concentrated on general and higher education, with quite active support from the EU and other international donors. However, recent initiatives addressing the field of vocational education and training (VET) started by the Moldovan government, the Ministries of Education and Labour and other relevant ministries, show that there is a lot of concern and reflection on how to go about reforming the system but there is no systematic approach at the national level, and no systematic involvement of social partners.

At the same time, the potential for VET to increase entrepreneurial skills in the country is very high and many of the trades taught in the VET system could serve as a good basis for starting and developing SMEs and promoting local development, as vocational training remains a valid means by which to enter the labour market (LM). In this context, the ETF recommends that one of the future assistance priorities should be support for reforming the VET system to make it flexible and qualitative, responsive to the needs of the labour market and well integrated with primary, general secondary and higher education. It should be a system based on the principles of lifelong learning and social partnership. Reforms should be undertaken in a holistic manner ensuring also a cross-sectoral view that links education with poverty reduction, good governance and economic growth.

As regards the movement of workers, the main priority from an education and training perspective is the recognition of professional qualifications at the national level, within the regional area of ENP Eastern European countries and within the EU. Moreover, in relation to the possibilities for gradual opening of or reinforced participation in certain community programmes, focus should be placed on reducing the gap between the Moldova education and training system's performance and the benchmarks and indicators established for the Bologna and Copenhagen processes.

Assistance should also be given to strengthening the good results achieved so far in the ongoing reforms in the labour market system, keeping them in line with European standards in order to extend and better promote active labour market policies through active social partnership.

## **Challenges for the HRD and LM-related reform and modernisation process in underpinning ENPI objectives**

The proposed EU/Moldova Action Plan under the ENP sets out a comprehensive set of priorities in areas within the scope of the Partnership and Cooperation Agreement. Among these priorities are some relevant for human resource development in general, and others more specific to improving education and labour market systems in Moldova, such as:

- Under the heading of “Economic and social reform – improve welfare”<sup>13</sup>:
  - Adopt and progress in implementing the Economic Growth and Poverty Reduction Strategy, identifying short-term and long-term priorities, endorsed by international donors and based on the three pillars of poverty reduction identified in the I-PRSP of 2002.
- Under the heading “Employment and social policy”:
  - (23) Strengthen dialogue and cooperation on social matters. Ensure a closer approximation of the country to EU standards and practices in the area of employment and social policy.
  - Engage in a dialogue on employment and social policy with a view to developing an analysis and assessment of the situation and to identifying key challenges and policy responses (social and civil dialogue, health and safety at work, gender equality, labour law, employment policy, social protection and inclusion) gradually moving towards EU standards in this field.
- Under the heading “Movement of persons, including movement of workers and coordination of social security”:
  - Ensure full application of the best endeavour clause by abolishing all discriminatory measures based on nationality, which affect migrant workers, as regards working conditions, remuneration or dismissal.
  - Continue the process of concluding agreements with Member States on the full application of provisions for coordination of social security.
- Under the heading “People-to-people contacts, education training and youth”:
  - (75) Bring education and training systems closer to EU Member State standards and the Bologna process;
  - (76) Enhance cooperation in the field of education, training and youth with more specific preparation for possible extension of the Tempus programme to the areas of vocational training as well as adult education<sup>14</sup>.

According to the situation and initiatives taking place in the country, the main challenges for the HRD reform/modernisation process in underpinning ENP objectives could be:

To consolidate the changes in the different components of the education and training and labour market systems in a systematic, sustainable and long-term HRD strategy. Among other components of the education and training system, VET needs priority support to become modern, flexible and of high quality, responsive to the needs of the labour market and well integrated with primary, general secondary and higher education. It needs to become a system based on the principles of lifelong learning and social partnership. The reform process should include measures aimed at: (i) promoting and developing entrepreneurial skills from an earlier age and throughout the education system; (ii) ensuring that training institutions, complemented by in-house training schemes, provide lifetime training and consultancy and deliver adequate skills adapted to the needs of the labour market, and are supportive of small business, local/rural development and the country’s efforts towards economic

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13 Proposed EU/Moldova Action Plan, p. 9, [http://europa.eu.int/comm/world/enp/document\\_en.htm](http://europa.eu.int/comm/world/enp/document_en.htm).

14 Proposed EU/Moldova Action Plan, pp. 11, 16, 29.



growth and poverty alleviation; and (iii) increasing employability of the country's workforce through improved technical key competences and entrepreneurial skills adapted to the needs of the labour market. Reform of the labour market and related management institutions should be consolidated and continued in line with European standards, with a focus on better promotion of active labour market policies and social partnership.

- In relation to the movement of people including movement of workers, and the equal treatment of migrant workers (employment and working conditions), the main challenge from an education and training perspective is the recognition of professional qualifications at the national level, within the regional area of ENP Eastern European countries and within the EU.
- Third, in relation to the possibilities of gradual opening of, or reinforced participation in, certain EU programmes promoting cultural, educational, environmental, technical and scientific links (people-to-people), the main challenge is to reduce the gap between the Moldovan education and training system's performance and the benchmarks and indicators established for the Bologna and Copenhagen processes.

## **Levers in HRD and related LM policies through which sustainable system reform can be triggered**

There are three main challenges to be considered. Firstly, the best strategy for triggering sustainable education and training system reform is through a systematic approach and a better coordination of international donors acting in the field. This could be done through a mixed bottom-up and top-down approach, through building up a network of VET schools, employment services, local authorities and employers that can promote and sustain reform initiatives. At the central level, cooperation between the Ministry of Education and the Ministry of Labour as well as social partner involvement should be seen as a condition for future assistance in reforming VET and labour market systems. In order to achieve and maintain the sustainability of VET/LM reform assistance, long-term, three to five-year comprehensive projects with different components should be designed. Participation in cross-border cooperation with Member States and other regional neighbouring countries (especially Romania), thereby promoting learning from the experiences of others, is also a tool for further assistance in the field of HRD.

Priority should be given to:

- capacity building programmes (at the national and local level) in order to enhance the capacity and ownership of central/local VET institutions and social partners to develop a VET reform policy and implementation strategy;
- developing a comprehensive policy, implementation strategy and regulatory framework for VET covering both secondary VET and continuing/adult training, also including financial aspects and through the consensus of social partners. This strategy should promote entrepreneurship and local development and better integration with primary, general secondary and higher education;
- increasing the capacities of VET schools to promote local development and become training centres for local development;
- introducing labour market and employers' requirements assessment at the level of VET schools as well as at the central level, where decision makers can make the best use of data and statistics in order to better plan the VET supply;
- modernising, adapting and extending the vocational guidance services to VET schools, and developing a general framework for these types of services;
- competence development programmes, including teaching and learning methods, school management, teacher and trainer training (both pre and in-service), updating and developing curricula and improving the capacity to operate in open learning environments;
- national qualification framework development, for the different occupational families as a means to follow lifelong learning principles and enhance integration of the VET sub-systems with the rest of the educational sector. This should provide more flexibility for individuals to progress through the

VET system and more possibilities to switch between directions, between general and vocational education, or between levels;

- capacity building measures for the Ministry of Labour and/or national employment agencies (at the national and local level) in order to continue and develop reform in line with the above-mentioned priorities and EU standards (institutionalised social dialogue, extension of active labour market measures that promote mobility, entrepreneurship and SME development, preventing unemployment, modernising labour market information, monitoring and analysis systems, and so on).

The second challenge is connected with developing a national qualifications framework that can become a tool for ensuring equal labour conditions for lawful migrants to the other regional neighbour countries or towards the EU. Education and training actions to support such an objective aim at recognising existing qualifications among countries. To reach this objective, the following measures are proposed:

- In higher education, policy advice, technical assistance and capacity building are needed to enable the use of the ECTS and the Diploma Supplement and support the various strands of the Bologna process, in order to allow Moldovan institutions to meet the conditions and criteria to apply for the ECTS labels (institutions in all first and second cycle degree programmes).
- In VET, policy advice aimed at defining a national strategy for overall or sectoral mobility is needed, including (i) comprehensive (cross-ministerial) coordination structures which, although compatible with both decentralised and centralised national systems, could contribute to a more efficient approach to mobility issues; (ii) promotion of mobility measures for marketing the benefits of VET as well as providing adequate financial support and a good organisational framework, including language and cultural preparation; and (iii) measures aimed at reducing the administrative burden put on sending and host bodies, and the development of incentives for SMEs and their staff to participate in mobility schemes.
- Participation in cross-border cooperation projects with Member States and other regional neighbouring countries aimed at establishing the conditions to ensure the actual recognition of qualifications, non-discrimination in accessing and keeping jobs and observance of equal employment and working conditions, regardless of the nationality of the worker.

In relation to the third challenge, two types of lever are proposed: building national structures to follow the process of reaching the objectives and requirements for full participation in the European Education and Research Area; and measures for meeting the highest and most effective participation in the EU programmes and projects possibly open to participation on the part of Moldovan citizens and institutions.

## **National structures**

The following issues are significant as regards national structures:

- The European Education and Research Area and specific issues for the further development of higher education: (i) systemic issues (legislation, governance, finance to support academic freedom and institutional diversification); (ii) quality assurance and accreditation systems introducing a shift in emphasis from inputs to outputs, by concentrating on learning outcomes and research results; (iii) cooperation with industry and development of lifelong learning strategies; (iv) introducing the ECTS for credit transfer and accumulation more widely; (v) support for cooperation between institutions, mobility of students, joint teaching programmes and practical training; (vi) readable and comparable degrees by full use of the Diploma Supplement application of the provisions for the recognition of qualifications concerning higher education in the European region; and (vii) further changes in the implemented two-tier system of academic qualifications.
- For VET, the establishment of a task force in charge of (i) following the performance of Moldova and in comparison to the EU on the set of benchmarks and indicators established by the Copenhagen process, a statistical framework for measuring progress towards the objectives of the 2010 Education and Training Programme; (ii) similarly, for the learning practice and indicators concerning the European area of lifelong learning; and (iii) proposing to policy makers actions and

measures to improve performance on the indicators experiencing a higher gap in relation to the established benchmarks.

### **Promoting participation in EU programmes**

- Increase exchange opportunities for Moldovans through participation in the Erasmus Mundus programme.
- The Leonardo Da Vinci and Socrates programmes should be opened to allow Moldavian individuals and institutions to participate.
- Reinforce Moldovan participation in the Tempus III programme.

Enhance youth exchanges and cooperation in the field of non-formal education for young people and promote intercultural dialogue through the YOUTH programme.



# MOROCCO



## Country profile

**Capital:** Rabat

**Population (2003):** 30.1 million

**GNI per capita PPP (2004):** 4,253 int'l \$

**Labour force participation (2003):** M 82.3 %, F 44.6 %

**Years of compulsory education:** 9

**Enrolment in upper secondary:** 610,135

**Enrolment in technical/vocational programmes:** 77,755

**Vocational training as a percent of enrolment in upper secondary:** 13 %

## Summary

With a population of approximately 30 million, strong population growth (2.6%) and relatively low, highly fluctuating economic growth, Morocco's economic and social development goals and, especially, its targets for reducing poverty and regional disparity are far from being achieved.

Pressure on the labour market will intensify during the period covered by the new economic and social development plan (2005-2009) owing to constant population growth in the age bracket concerned, the higher profile of women as part of the working population and, above all, the increased competition facing Moroccan businesses, given the demands of the area of free trade with Europe and, generally, global integration.

The education system will have to confront new challenges: (i) quality will have to be improved and it will have to be tailored more to the labour market in order to satisfy individuals' and companies' skills requirements; and (ii) its ability to meet the growing need for places at all levels of education - 11 to 15, 16 to 18, and vocational training - will have to be enhanced.

On the one hand, international support for Morocco must take account of the government's priorities and, on the other, capitalise on the results of recent programmes and projects involving human-resource development. In this context, action could focus on the following areas:

- Support for policies relating to complementarity and better structuring across the various education/training levels and subsystems;
- Achievement of a balance between topic-specific actions (quality of education, engineering approach to teaching and training of trainers) and actions aimed at building institutional capacities (work on analysing, supporting the decentralisation of and developing information systems);
- Work towards enhanced coordination between sponsors, particularly regarding support for sectoral strategies.

## The principal challenges for the development of human resources and the labour market linked to the process of reform/modernisation within the context of neighbourhood-policy objectives

### Quality and efficiency of education/training

In spite of the significant changes that the education/training system is experiencing, the quantitative and qualitative objectives set by the National Education and Training Charter will not be achieved by the deadlines set. Indeed, efficiency leaves much to be desired internally, and this is reflected in the

high dropout and repeat rates. Geographical disparities and gender differences are also still extremely significant at all levels of education. More seriously still, new challenges are being heaped upon those already identified by the Charter. Morocco is also facing, on the one hand, rapid growth in demand for education in the 11-to-15 age group as a result of wider access to primary education and, on the other, financial constraints because the budget allocation to the education sector is already substantial (6.6% of GDP), which restricts the education system's opportunities for growth.

Improving the quality and efficiency of all the components of Morocco's human-resources development system is thus both a target and a major challenge. This pursuit of quality, mentioned in the Charter and in the EU's action plan for Morocco, is not without its own set of constraints: first, skilled teachers must be made available; second, financing capabilities and, in particular, recurrent costs (wages, maintenance, administrative expenditure) must be taken into account; and, third - the most complex aspect - the various components must be structured and linked in such a way as to guarantee lifelong learning.

At the level of initial vocational training, the results of skills engineering and the process of excellence have still not been capitalised upon and this approach is yet to be applied in all public and private training centres. Therefore, the system is in need of a significant number of top-quality graduates and must focus on achieving economies of scale - it is not yet achieving its full potential.

## **Continuing education**

Underpinning the development of continuing education is the solution of four principal problems: the development of a longer-term vision of human resources (the level of involvement at all levels of education and training is low, and literacy remains a problem); the relatively poor resources allocated to continuing education as compared with those for initial training (challenges of enlargement/massification); the relative lack of involvement on the part of SMEs/SMLs, low qualification levels and 'priority' targets (the system functions well for large undertakings); and the relative absence of any evaluation of quality and of the impact of training programmes on the performance levels of undertakings and individuals.

## **The education/training link**

Although the National Charter envisages the organisation of education and training establishments into networks at regional and local level and also a system of 'bridges' between general education and vocational training at all levels of the education system<sup>15</sup> (primary, intermediate and secondary education), the two subsystems (education and vocational training) tend to operate in accordance with sector-based logic specific to them, and any linkage between them will have to be improved. Indeed, for 'objective' reasons of level of urgency, actions undertaken within the context of reform of the education system and of vocational training have been implemented relatively independently, postponing issues of complementarity and linkage to a second stage.

## **Support for decision-making and evaluation**

Despite the existence of a number of sources of data on the education/training system and its link to the employment market, the current system's biggest problem is that analyses of the data produced and evaluation studies are practically non-existent<sup>16</sup>. Morocco is in fact at a stage of production and analysis of data on the education/training system, and of social data in general, that is out of step with the imperatives of overseeing a complex reform such as that envisaged by the Charter. Prerequisites for an improvement in decision-making and hence an improvement in the performance levels of the education system in general include the development of analytical capacities and the creation of the necessary infrastructures (information system, data collection, etc.).

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<sup>15</sup> Cf. Article 43 to Article 45 of the Charter.

<sup>16</sup> The Observatory Function in Morocco. ETF 2003.

## **HRD levers and policies linked to the labour market provide the impetus for a viable reform system**

Sponsors' actions should promote achievement of the Charter's objectives and provide the resources whereby the new challenges connected with implementation can be overcome. To do this, a combined approach is needed - one that associates specific education/training aspects with those of a structural nature that are linked to organisation of the Moroccan civil service.

### **Specific education/training aspects**

Support should primarily focus upon government efforts aimed at providing education of better quality at all levels of the education/training system, with appropriate funding over time.

#### *SUPPORT FOR THE DEVELOPMENT OF QUALITY AND RELEVANCE AT ALL LEVELS OF THE EDUCATION SYSTEM*

Sponsors' support should facilitate the progressive development of complementarity between the various components of the qualification system (basic schooling, secondary education, vocational training, higher education) so as to guarantee the quality of training, reduce the cost and promote the progression of the greatest number through the different levels, whilst modifying the status of vocational training and strengthening the role of the private sector in the development and financing of education and training. One action covering a number of subsectors will necessarily be complicated given the multiplicity of parties involved and of structures, but it is much-needed if inter-ministerial coordination of teaching, financial and organisational plans is to be stepped up.

Recourse to sector-based approaches to programmes (SWAP) is also justified in the light of Morocco's institutional ability to implement this type of programme and of the nature of the reforms undertaken within the context of the Charter. As mentioned above, the World Bank is currently implementing a SWAP approach to basic education, which could open up opportunities for other actions in the future.

#### *SUPPORT FOR REFORM OF THE HIGHER-EDUCATION SYSTEM*

Sponsors' support for higher education must strengthen the reform process that aims to achieve greater interaction between education, research and the labour market, thereby leading to greater graduate employability and enhanced corporate innovative capacity and competitive edge. If this is to be achieved, support for the autonomy of universities may help to give greater structure to operation of the entire higher-education system and its link to the employment market.

#### *REDUCING DISPARITY AND STANDARDISING THE ENTIRE VOCATIONAL-TRAINING SYSTEM*

As emphasised above, the vocational-training system currently operates at two different speeds. This action aims to reduce disparity and to strengthen the process of excellence embarked upon at vocational-training level and, more particularly, to expand it to other, multi-purpose local establishments (professional-qualification centres) and also the private vocational-training sector. The action will cover the principal aspects of standardisation: autonomy, skills engineering, in-company training (alternation and apprenticeship), trainer training and relations with the local community and businesses.

#### *SUPPORT FOR THE DEVELOPMENT OF CONTINUING EDUCATION*

Support in the continuing-education subsector must enable the Moroccan government to devise and to implement an active policy of lifelong learning. Whilst continuing to advocate the adoption of an approach focusing on the skills requirements of businesses, greater emphasis should be placed on measures aimed at the greater involvement of adults with few qualifications and of women. This will require the creation and encouragement of initiatives designed to step up adult participation in training activities, with particular stress on improving coordination and consistency across current policies (functional literacy, special training contracts, training at evening classes, etc.).

### **Cross-disciplinary themes**

#### *DEVELOPMENT OF ANALYTICAL, INNOVATIVE, EVALUATIVE AND FORECASTING CAPACITIES*

Morocco's strategic analysis capacity is fragmented and non-uniform and cannot, as things stand, provide a solid analytical basis for the formulation of new reforms of the education/training system. Similarly, Morocco currently does not have the capacity or tools required to evaluate and measure the impact of the reforms now being implemented. In point of fact, the complexity of the structural reforms envisaged requires the creation of sound analytical capacities if political decisions are to be clarified. In the future, support for the creation of the capacities and tools that will assist strategic and analytical studies will enable sponsors, on the basis of the results of such studies, to embark upon a process of political dialogue and will thus provide the trigger for sector-based actions. The transfer of know-how will also be essential with a view to improving analytical capacities in the area of human-resource development. This is possible on the basis of support for strategic-reflection and evaluation institutions and/or information networks and twinning with similar institutions at international level.

#### *INSTITUTIONAL DEVELOPMENT OF CENTRAL AND LOCAL STRUCTURES*

Strategies concerning cooperation with Morocco must focus on capacity building. There will be two complementary objectives: consolidating the capacity for governance and providing the resources for implementation of the envisaged reforms. This will in particular involve building national capacities (the authorities and social partners) for identifying, formulating, planning, implementing, monitoring and evaluating sectoral strategies focusing on sustainable-development objectives. At the same time, Morocco has embarked upon a process of decentralisation that will especially enable decisions to be taken at a level closer to that of the final beneficiaries. Local and regional capacity building must also be targeted by cooperation and support from the various sponsors.

#### *DEVELOPMENT OF INFORMATION SYSTEMS*

Action supporting the development of information systems aims to improve governance of the education/ training system through greater transparency of results and performance levels and by monitoring the decentralisation process. In fact, the education/training system must be provided with the necessary information resources to account for the mandate it has received from the government and civil society on the one hand and, on the other, have the information it needs to take decisions and to achieve ongoing improvement of the system's quality and efficiency. Lastly, the creation of the information system would enable the authorities responsible for evaluation better to target their priorities.



# SYRIA



## Country profile

**Capital:** Damascus

**Population (2003):** 17.4 million

**GNI per capita PPP (2004):** 3,496 int'l \$

**Labour force participation (2003):** M 80.7 %, F 31.7 %

**Years of compulsory education:** 9

**Enrolment in upper secondary:** 387,940

**Enrolment in technical/vocational programmes:** 121,744

**Vocational training as a percent of enrolment in upper secondary:** 31 %

## Summary

Despite its undeniable assets, the Syrian economy exhibits structural weaknesses that have been brought about by the size of the public sector and its bureaucratic nature, the absence of a well-functioning financial and banking system and the oversized informal sector, and that have impaired the performance of the economy. Growing imbalances between the supply of and demand for labour have restricted employment opportunities. Syrian industry's low level of competitiveness reduces the general demand for Syrian products and has a strong adverse effect on the demand for labour. This has significant implications for the overall balance of supply of and demand for labour, since rapid population growth has led to a rapid increase in the supply of labour, and the labour market cannot provide sufficient employment, particularly in the context of the scarcity of matching mechanisms. The current labour protection system means that the burden of the insufficiency in overall demand falls almost entirely on those who are entering the labour market for the first time (80% of the unemployed population are under 25 years of age). Young graduates are queuing for public jobs in which hidden benefits outweigh the attractiveness of the private sector. The government has made employment a national priority, as demonstrated by reforms of laws and regulations that aim to make it easier for the private sector to invest and expand their activities and so increase the demand for skilled labour. But the challenge of the inefficiency of labour remains.

The Syrian vocational education and training (VET) system was designed for a planned economy. It is based on a supply-driven logic in almost complete isolation from current labour market needs. Access to the different components of the VET system (vocational training, secondary vocational education, post-secondary vocational education) is linked mainly to low academic achievements. The channelling of students occurs at the end of compulsory education, on completion of the ninth year. A very low level of responsiveness to the labour market, mainly as a result of a lack of effectiveness and efficiency, does little for students' employment prospects. Successful initiatives such as the apprenticeship scheme have shown the way forward, but the irrelevance of diplomas and the low quality of provision have hampered the credibility of the VET route, a fact that is illustrated by the low numbers of VET graduates in employment. Students drop out, move on to the informal sector or seek to extend their educational attainment. These problems are mainly a result of the Syrian public sector employment model, which disregards an emphasis on skills in favour of security of employment. The main challenges in human resource development (HRD) are to increase the relevance and openness of the education and training system to its environment, and to improve its quality, in particular with regard to private employment standards. Various levers for action should contribute to improvements in both respects<sup>17</sup>.

<sup>17</sup> This report is based on a forthcoming ETF study on Human Development in Syria prepared at the request of the Syrian State Planning Commission.

# Main challenges for HRD and labour market related reform and modernisation processes

The forthcoming signature of the Syria–EU Association Agreement, the preparation of the new five-year plan, social and economical changes brought about by the decline of the old public service employment model and the rise of the private productive sector are all creating new challenges for Syria's HRD policies, and will produce a new agenda for education and employment. Such challenges cut across all types and all levels of education and qualification. Two EC-funded education reform programmes will soon be implemented, one relating to the VET system and one to higher education, and will contribute to the maximisation of social efficiency of investment in education and training. But much remains to be done in relation to facing the forthcoming changes. On the one hand the education, training and employment sub-systems cannot continue to exist in isolation from each other and from their environments if they are to make a significant contribution to growth, and to capture the social benefits of further investment in human resources. This is the challenge of openness and relevance. On the other hand, qualitative issues become paramount in times of increased labour mobility within regional and Euro-Mediterranean free trade zones. Regional systems should converge and qualifications should fare better within and outside the systems. Inner mechanisms should keep the Syrian system abreast of major trends in education. This is the challenge of quality.

## The challenge of openness: to focus investment on key issues

At a time of changes in approaches to the social market economy (enhanced during the last Baath party conference in June 2005), policymakers should identify key areas in which a lack of change has rendered the system dysfunctional. Those key areas should be defined in a priority debate between all stakeholders on new objectives for education. The new five-year plan is currently setting such an agenda. Such areas are likely to be those in which the system is currently working in isolation and where fragmentation as a result of insufficient change has caused problems in the system. Too radical a departure from what has been done before might also make the system dysfunctional, but new balance must be achieved in areas of particular relevance.

## The challenge of quality

Strong criticisms of the quality of education and training are widely expressed in Syria. It is common for the quality of university graduates to be denigrated. It is difficult to appraise the quality of education when the labour market is dominated by a large surplus of labour and by rigidities of all kinds, and where the multiplicity of ministries involved prevents the development of coherent and effective training policies. Those criticisms tend to confuse the intrinsic quality of education with the unfavourable work environment. They simply state that a sound and a rational public debate on the quality of education and training has not taken place in Syria. The Ministries of Education and Higher Education acknowledge a serious quality problem and are ready to initiate and implement programmes aimed at improving the quality of the Syrian education system.

Some steps have already been taken in preparatory education (participation in an international study measuring students' achievements), secondary education (an on-going programme of modernisation of the VET sub-sector), tertiary education (a new law promoting the autonomy of universities, and the forthcoming EU programme on a sectoral approach). Further action is needed on central issues.

## Summary

*The main challenges in the field of HRD are twofold: the challenge of openness and the challenge of quality. Policymakers in the field acknowledge that serious quality problems exist and are trying to overcome the perceived deficiencies of the sector.*

## **Levers in HRD and related labour market policies through which sustainable system reform can be triggered**

The guiding principle for the formulation of education and policy proposals should be to improve relevance to the labour market and to improve quality. They should include a heavy component of institutional development.

### **Developing the openness of the education and training system to its environment**

No one component of the education system can on its own address the forthcoming challenges. Aspects of the system which require the participation of a variety of actors are at the fault lines of the system's transformation and should be given specific attention: proper governance, curricula development and continuing education.

- There is a need for strong synergy on HRD issues between the public and private actors (including social partners) involved in the field of education and employment. The main purpose in the long run is an HRD strategy that includes a new architecture for the education system to allow mobility between different sub-systems and to open the way for lifelong learning for all Syrian people.
- There is long-standing and widespread agreement that a transformation of education through the curriculum is needed in order to meet the demands of social change. The curriculum is at the heart of an education system: how the system is structured, organised, managed and resourced is derived from the curriculum. Curricula development should receive considerable attention throughout the system as a means of linking the system to its environment, particularly to the productive sector, through more open frameworks.
- Continuing education for young people and adults should be a key component of the system. The increasing importance of the private sector for employment coupled with retrenchment in the public sector will lead to labour mobility. CVET is an appropriate accompanying measure to facilitate and support the mobility of labour.

### **Developing appropriate tools to assess quality in education**

Syria needs to develop appropriate tools to monitor and improve the quality and effectiveness of its education system, at both the individual and institutional level. Actions on quality could take into consideration the following points.

- The quality of primary education is crucial for further learning experiences through life. In terms of learning achievements, Syrian students do not fare well internationally. In the context of preparatory education as foundation education, periodic assessment of students' learning performance should be developed for basic subjects during preparatory education.
- International research shows that the quality of schools is heavily dependent on several institutional variables, such as school leadership, teamwork among teachers and a positive learning atmosphere, which can only be assessed through in situ institutional evaluation. Institutional evaluation of a sample of secondary schools should be carried out.

These initiatives should contribute to improvements in the quality of education by (i) fostering a more objective debate on the quality of Syrian education; (ii) helping Syrian authorities to identify deficiencies in the teaching/learning process and translating these deficiencies into additional investment; and (iii) improving school management and identifying key factors that improve or impair learning within schools.



# TUNISIA



## Country profile

**Capital:** Tunis

**Population (2003):** 9.9 million

**GNI per capita PPP (2004):** 7,427 int'l \$

**Labour force participation (2003):** M 83 %, F 41.3 %

**Years of compulsory education:** 11

**Enrolment in upper secondary:** 524,037

**Enrolment in technical/vocational programmes:** 15,855

**Vocational training as a percent of enrolment in upper secondary:** 3 %

## Summary

Tunisia is a politically stable country with strong central government and a highly effective public administration. It was the first country in the MEDA region to sign the Agreement of Association with the European Union and since 1998 has also been a member of the area of free trade with a number of Arab countries.

With a view to its integration into the global economy, Tunisia has embarked upon a series of reforms aimed at improving its economy and governance, focusing on enhancing the competitive edge of its businesses, modernising basic infrastructures, developing private investment and making the most of its human resources. The economy performs well, which allows significant progress in economic and social terms, and the middle class is becoming increasingly involved in the development process. Nevertheless, the labour market cannot fully meet the additional demand for employment despite the economy's high growth rates. The informal or 'micro-enterprise' sector is prospering<sup>18</sup> in a context where waged employment does not live up to the expectations of a people aspiring to integration into working life, particularly those who have had no preparation for this. The development of self-employment and the creation of micro-enterprises is an attempt to palliate this to a degree.

Tunisia considers human resources to be its principal asset in terms of economic and social development and dedicates a considerable portion of the State budget to the education and training system. It posts highly satisfactory schooling levels for all age brackets and in the medium term looks set to achieve OECD-country standards in the area of higher education. All components of the education system (primary, intermediate and secondary teaching, higher education and vocational training) are in the throes of reform as part of a national policy to develop human resources and are benefiting from support from a number of donors.

The short and medium term challenges facing Tunisia are: employment, management of migratory flows, completion of an upgrade of vocational training and successful conclusion of higher-education reform, with the aim of creating a knowledge-based society. Aid from donors falls under those four headings. More particularly, as regards higher education, the success of the reform will have to be guaranteed through the introduction, in due course, of a Quality approach. In the field of vocational training, the upgrade begun ten years ago ought to be completed in order to make the system more proactive, developing continuing education that has remained largely on the fringes of the reform process.

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<sup>18</sup> In 1981 there were 100 000 establishments and 80 000 businesses, this figure increasing to 363 000 businesses in 1997.

## **The principal challenges for the development of human resources and the labour market linked to the process of reform/modernisation within the context of neighbourhood-policy objectives**

The first challenge Tunisia must take up is that of employment, which remains an established national priority and will continue to be a major concern in the medium term if economic growth tails off. Admittedly, the working population is increasingly educated, but its future employability and competitiveness are key to the fundamental problem of bringing human resources up to the mark. Closely linked with this concern is an illiteracy rate that is still around 20%, that figure representing Tunisians for whom the risks of marginalisation and social exclusion are potentially high and who require specially tailored analyses and strategies. The most vulnerable layers of society are above all young people aged between 15 and 29, both those with qualifications and those without. Within that age bracket, aside from women, there is the special category of those who dropped out of basic education (80 000 in 2003) and who, under the terms of current regulations, have no access to training that leads to a qualification so consequently they cannot move up the qualification ladder and social promotion scale once in employment. Such people often make up the informal sector or simply swell the numbers of those eager to emigrate, particularly to EU countries.

The second challenge, flowing from the first, is that of effective management of migratory flows. Whilst the Tunisian labour market cannot absorb all the additional demand for employment on the labour market each year, there will be pressure on migratory flows towards EU countries. In addition to all the measures to be taken to manage such flows, particularly those concerning legal migration or aimed at preventing illegal migration, it is important to become more familiar with the phenomenon itself in order to link up with existing EUROMED instruments and to initiate appropriate actions in regions of high emigration levels, thereby promoting local development and alleviating poverty and, consequently, migration.

The third challenge is that of completing the reform of vocational training so that the process begun ten years ago can become irreversible and genuinely help to give Tunisian businesses a competent human resource qualified to take on the challenges of the total liberalisation of the country's economy. On the one hand, this process will have to enhance complementarity between vocational training, educational subsystems and the employment sector and, on the other, consolidate the partnership with business and professional organisations, business-linked training methods, the autonomy of professional-qualification centres and the adoption of a Quality approach. The reform appears to be on track and can take pride in its undeniable achievements, but not all its objectives have evolved at the same rate: there are signs of stagnation in certain areas such as continuing education, which is still marginalised, whereas its role is just as important as that of initial training given the setting-up of the free-trade area.

Lastly, within the field of higher education, one of the challenges Tunisia must address is that of achieving OECD-country standards within the next 10 to 15 years, a prerequisite for the creation of a knowledge-based society able to promote mobility, employability, competitiveness and drawing power. In order to achieve this, in addition to the measures envisaged within the context of the EU-supported project aimed at modernising higher-education programmes, Tunisia's higher-education system needs to establish a link with the other, more developed educational systems in order to benefit from their experience and good practices. Without this, current reforms are likely to be of limited scope. As soon as the reform process is genuinely instigated in this sector, it will be possible to introduce a Quality approach at all levels so as to guarantee the quality of the results anticipated.

## **HRD levers and policies linked to the labour market provide the impetus for a viable reform system**

**Challenge No 1:** This relates to equitable preparation of all sectors of the population for access to the labour market. The problem should be addressed on three levels: (a) within the context of the future vocational-training sectoral policy programme, which should guarantee fair access to training that leads to a qualification and is tailored to suit all sectors of the population seeking socio-professional integration and should promote social inclusion of all disadvantaged categories, particularly those who drop out of basic education; (b) by means of adaptation of the national qualifications set-up, which

should offer possibilities for lifelong learning to all categories of the population by creating 'bridges' within the vocational-training system and with other educational subsystems; (c) by means of a dialogue on employment and social policy, and exchanges of experience and good practices as part of bilateral and multilateral cooperation, in order further to promote social inclusion and the integration of vulnerable groups into the labour market.

**Challenge No 2:** This relates to the monitoring and management of migratory flows. It is recommended that Tunisia, in collaboration with migrant-receiving countries (i) set up a joint observatory function to analyse and gain further information about the phenomenon of migration, (ii) identify new and acceptable forms of legal migration, particularly through targeted agreements implementing preliminary training programmes and/or actions at the level of vocational training and higher education in specific areas depending on receiving countries' surveys having identified an absence of qualified manpower, and (iii) initiate measures in regions with a high level of emigration so as to promote local development and limit migratory flows.

**Challenge No 3:** This relates to completion of the reform of vocational training. It would be extremely desirable for future sponsor support to ensure that (a) the reform process also covers the sector's intermediate structures that in the past have been responsible for managing and monitoring the vocational-training system and does not conflict with training establishments' decentralisation and autonomy requirements, and (b) institutional capacity at local level is improved in order to guarantee the success of the decentralisation process.

On another level, it should be pointed out that reform of vocational training in Tunisia was launched in 1993 as part of the MANFORME programme and has required and still requires action on the part of a number of donors and very considerable levels of funding. The development of training with business, while a very recent phenomenon, has undoubtedly reduced investment and operating costs since training adopted the practice of alternation (and not only at professional-qualification centres). However, the overall cost is still high. The problem is that of knowing whether Tunisia will still, in the long term, have the capacity to invest as massively in initial vocational training, to create new infrastructures, to acquire new equipment, etc. Restructuring of the system should in the future be more balanced and focus on two complementary aspects:

- The setting-up of an initial-training system that performs well and meets the needs of business in terms of skills profiles. This objective is in the process of being achieved;
- The development of a continuing-education system that is easy to access and more proactive as regards the immediate needs of businesses.

Indeed, irrespective of the performance level of an initial vocational training system, its ability to react still lags behind the immediate needs of the production sector, where evolution is often rapid and sometimes unpredictable, particularly within the context of an open economy. Furthermore, the cost of adapting to change, although indispensable, is still high. It is therefore important for the initial vocational training system always to be able to pass people on to a continuing-education system that itself must have sufficiently flexible mechanisms to allow rapid adaptation of human resources to new employment situations and to the constraints of competitiveness.

In other words, the sector's efforts and sponsors' support should in future also target the development of a continuing-education system - if this is not the case, even after its reform the initial training system will be unable to respond on time to all the economy's requirements in the years to come.

**Challenge No 4:** This relates to enhancing mobility, employability, competitiveness and drawing power. It is recommended that short-term higher training courses be developed, that lifelong learning be given specific form, that the system and its institutional framework be improved and the decentralisation process pushed through, and that the creation of an observatory function to monitor employability within universities be promoted with a view to adapting training to the needs of the labour market at national and regional level and engendering an enterprise culture in universities.

Given the important role of higher education in the development of human resources and that of exchanges in terms of cross-cultural understanding, it is recommended that cross-cultural dialogue, cooperation between higher-education establishments and exchanges of young people be promoted and that Tunisia be encouraged to take part in different programmes aimed at meeting this need within the context of bilateral and multilateral cooperation.

In the short term, Tunisia could endeavour to bring Tunisian higher-education reform processes more into line with the structure of study programmes based on high-performance experience. The projects to be developed in this context should, *inter alia*, promote implementation of university administrative reform and help train staff in management and decentralisation.





# UKRAINE



## Country profile

**Capital:** Kiev

**Population (2003):** 48.4 million

**GNI per capita PPP (2004):** 6,330 int'l \$

**Labour force participation (2003):** M 78.7 %, F 69.8 %

**Years of compulsory education:** 9

**Enrolment in upper secondary:** 1,570,913

**Enrolment in technical/vocational programmes:** 326,213

**Vocational training as a percent of enrolment in upper secondary:** 21 %

## Summary

In the context of a decreased total population, active population and employed population, together with an increased unemployed population, migration rate and economic recovery, the distribution of students across the education system does not match with the current sectoral structure of the economy. There is therefore a need for additional and improved vocational education and training (VET) provision more relevant to the economic and social development of the country.

Reform has begun in the education sector in Ukraine within a lifelong learning perspective, and with donors' assistance. The strengthening of reform initiatives already under way is one of the main challenges, together with the recognition of qualifications and convergence with EU standards and practices in the education and training sector.

The main levers for these challenges are: (i) a sector policy support programme for the education and training sector, (ii) a national qualification framework, the European Credit Transfer System (ECTS), a national strategy for mobility, Europass and cross-border cooperation, and (iii) monitoring of progress towards the benchmarks established for the European Education and Research Area and promoting participation in EU projects and programmes opened to Ukraine.

## Main challenges for HRD and labour market-related reform and modernisation processes in underpinning European Neighbourhood and Partnership Instrument (ENPI) objectives

Priority line 22 of the EU/Ukraine Action Plan states the need to introduce sustainable systems for education, as one of the measures for effective employment creation and poverty reduction. This is in line with the latest demographic and economic developments, recent labour market trends, current quality levels of the different education sectors, and reform initiatives in the country, led by the Ukrainian government, the EU and other donors.

**The first and main challenge** is to develop the reform action plan activities in all regions and in the various components of the education and training system, and to consolidate the changes in a sustainable and long-term strategy. Tacis support in the period 2004–06 has contributed to a basis for reform that enhances the modernisation of the system. Consolidating the reform in the period 2007–13 will require national political, managerial, administrative and financial capacity in order to sustain these changes.

Priority line 36 of the Action Plan refers to the equal treatment of migrant workers (employment and working conditions). The migration of Ukrainians is increasingly intensive both from and towards

neighbouring countries and to the EU. At present one of the obstacles to the movement of workers, and even more so to equal treatment, regardless of the origin of the individuals concerned, is a lack of transparency, portability and mutual recognition of qualifications.

**The second challenge** relates to the movement of people, including workers, and the equal treatment of migrant workers (employment and working conditions). The main issue here from an education and training perspective is the recognition of professional qualifications at the national level, within the regional area of European Neighbourhood Policy (ENP) Eastern European countries, and within the EU. The international mobility of students and staff is also one of the principles of the Bologna process.

Priority lines 66 (“Reform and upgrade the education and training systems and work towards convergence with EU standards and practices”) and 67 (“Enhance cooperation in the field of education, training and youth”) can be partially developed through participation in certain EC programmes. Since education and training is a sphere that is increasingly being developed in the EU through an open method of coordination (Bologna and Copenhagen processes), the linking of increasing cooperation with EU partners with the benchmarking approach proposed by the ENP would be an opportunity to evaluate progress in key areas of reform and against agreed targets.

**The third challenge** concerns the gradual opening of, or reinforced participation in, certain EC programmes promoting cultural, educational, environmental, technical and scientific links (people-to-people). The main challenge here is (i) to take advantage of this participation, working towards convergence with EU standards and practices; and (ii) to reduce the gap between the Ukrainian education and training system’s performance and the benchmarks and indicators established by the Bologna and Copenhagen processes.

## Instigating sustainable system reform using HRD and related labour market policies

In relation to the first challenge described in the previous section, the best strategy for triggering sustainable reform of the education and training system is through the Sector Policy Support Programme.

This approach, based on the Ukrainian Strategy for Educational Sector Development (the Doctrine and the “VET Concept”) and on the improvements achieved through the 2004–06 Tacis assistance projects, would (i) broaden the Ukrainian government’s ownership of the reform; (ii) increase the coherence between sectoral policy, spending and results; and (iii) minimise as far as possible the transaction costs associated with the provision of external financing. The priority lines should be as follows:

- i. **An institutional capacity-building programme** (at the national, regional and school levels) to manage the decentralised education and training system (including competences for the new distribution of roles and functions; the management information system; planning; quality-assurance mechanisms; financial mechanisms; and the increased involvement of stakeholders). At the national level it is crucial to ensure equality of access to high-quality education and training and to facilitate continuing innovation within, and development of, the system in order to better match the needs of the economy and citizenship.
- ii. **Continuing innovation and competence development programmes** (including teaching and learning methods, pre- and in-service teacher and trainer training, updating and development of curricula, and the capacity to operate in open learning environments).
- iii. **National qualification framework** development programmes for the different occupational families. These will contribute to the integration of the three VET subsystems, both with each other and with the rest of the education sector, following the lifelong learning principle; to improved flexibility for individuals in terms of options for progression through the VET system and opportunities to switch between directions, between general and vocational education (horizontal flexibility) or between levels (vertical flexibility); to the development of credit transfer systems or measures for credit accumulation; and to the involvement of the different VET stakeholders, including social partners, in forecasting, updating and defining competences relating to qualifications.

The second challenge follows from the development of national qualification frameworks, and aims to ensure equal labour conditions for lawful migrants to other countries in the region and to the EU. Education and training actions to support such an objective are aimed at ensuring the recognition of the existing qualifications of individuals among countries.

In order to reach this objective the ETF proposes the following measures:

1. In higher education, policy advice, technical assistance and capacity building are needed to allow the use of the ECTS and the Diploma Supplement, and to support the various strands of the Bologna process. The aim is to achieve the conditions and criteria that will enable Ukrainian institutions to obtain ECTS labels for all first- and second-cycle degree programmes.
2. In VET there is a need for policy advice on defining a national strategy for overall and sectoral mobility, including (i) comprehensive (cross-ministerial) coordination structures, which, being compatible with both decentralised and centralised national systems, will contribute to a more efficient approach to mobility issues; (ii) the promotion of mobility measures, through marketing the benefits of mobility and the provision of adequate financial support and a good organisational framework, including language and cultural preparation; and (iii) measures aimed at reducing the administrative burden for both the sending and host bodies, and at developing incentives for SMEs and their staff to participate in mobility schemes.
3. Technical assistance and capacity building are necessary for the establishment of national reference points (NRPs) for vocational qualifications, aimed at providing citizens and operators with a contact point for all issues concerning qualifications. More specifically, NRPs would aim to establish the conditions to enable the Ukraine qualification system to become compatible with the European single framework for the transparency of qualifications and competences (Europass).
4. Participation in cross-border cooperation projects with Member States and other neighbouring countries should aim to establish the conditions necessary to ensure that qualifications are recognised, that there is no discrimination in access to and retention of jobs, and that equal employment and working conditions are observed, regardless of the nationality of the worker.

In relation to the third challenge, the ETF proposes two types of initiative. On the one hand, national structures should be established for pursuing the objectives and requirements for full participation in the European Education and Research Area. On the other, measures should be taken to encourage the maximum and most effective participation in all EU programmes and projects that are open to Ukrainian citizens and institutions, by identifying needs, articulating priorities and increasing interest among potential actors.

## **National structures**

- Specific issues for the further development of higher education are: (i) systemic issues (legislation, governance, finance to support academic freedom and institutional diversification); (ii) quality assurance and accreditation systems introducing a shift in emphasis from inputs to outputs, by concentrating on learning outcomes and research results; (iii) cooperation with industry and development of lifelong learning strategies; (iv) introducing the ECTS for credit transfer and accumulation more widely; (v) support for cooperation between institutions, mobility of students, joint teaching programmes and practical training, (vi) readable and comparable degrees by full use of the Diploma Supplement application of the provisions for the recognition of qualifications concerning higher education in the European region and (vii) further changes in the implemented two-tier system of academic qualifications.
- A task force relating to VET should be established, with responsibility for (i) overseeing performance in Ukraine, and comparing this with the situation in the EU, on the benchmarks and indicators established by the Copenhagen process, a statistical framework for measuring progress towards the 2010 Education and Training Programme objectives; (ii) carrying out a similar role for the learning practice and indicators relating to the European Area of Lifelong Learning; and (iii) proposing to policymakers actions and measures to improve performance on indicators that show significant divergence from established benchmarks.

## **Promoting participation in EU programmes**

- A network of offices (at the national and regional levels) should be created, with responsibility for identifying needs, articulating priorities, disseminating project opportunities, identifying actors and helping in the establishment of trans-European partnerships, giving technical assistance in project preparation, supporting potential actors, and monitoring and evaluating projects.

- Exchange opportunities for Ukrainians should be increased through participation in the Erasmus Mundus programme.
- The Leonardo da Vinci and Socrates programmes should be opened to allow Ukrainian individuals and institutions to participate.
- There is a need to enhance youth exchanges and cooperation in the field of non-formal education for young people, and to promote intercultural dialogue through the YOUTH programme.

# WEST BANK AND GAZA STRIP



## Country profile

**Capital:** Gaza

**Population (2003):** 3.4 million

**GNI per capita PPP (2004):** n.a.

**Labour force participation (2003):** M 72 %, F 11.1 %

**Years of compulsory education:** 10

**Enrolment in upper secondary:** 92,309

**Enrolment in technical/vocational programmes:** 4,283

**Vocational training as a percent of enrolment in upper secondary:** 5 %

## Summary

The West Bank and Gaza Strip (WBGS) is greatly affected by an unstable political situation and the economic and social consequences for the population that derive from it.

The intifada has hindered the effectiveness of much needed development efforts, and donor support to facilitate these efforts has also been affected by the uncertain situation in the territory.

Other factors that have had an influence on development efforts are the high fertility rate and the ensuing pressures on all public and private systems, including education.

However, there is a growing recognition in most segments of society of the importance of education and training for future development efforts. The population is highly literate; young people are keen to enter higher education in particular; and the government has introduced reform measures for the entire education system aimed at increasing the relevance of technical and vocational education (TVET) to the needs of the labour market.

In order to support the ongoing reform efforts in TVET in WBGS, the ETF suggests that donor assistance be focused on enhancing capacity at the governance and research and development levels, and on the ability of the TVET system to continually adapt to increase its relevance and attractiveness for students, teachers and labour market partners.

## Main challenges for HRD and labour market related reform and modernisation processes

Trends in recent years have shown a decline in the quality of the outputs of the HRD system at almost all levels as the system has attempted to keep up with quantitative expansion needs.

The HRD system at all levels will not be able to retain or attract highly qualified and professional staff if the working conditions of these staff (including pay, benefits and personal development opportunities) are not addressed. External 'brain drain', and movement out of the HRD system to work in the private and other sectors, will continue to occur.

There is a recognition that the HRD system cannot be left solely in the hands of the government. The establishment of the Accreditation and Quality Assurance Commission and the Higher Council on TVET, and the attempts at reforming the Council for Higher Education are indicators that social partners as well as other stakeholders will start to have more say in the development of the HRD system. This will allow greater transparency and accountability.

Three factors have weighed and are expected to continue to weigh heavily on the development of the TVET system, namely high unemployment, limited growth of new work opportunities, and high growth of the labour force

The implementation of strategies is hampered by many factors: continuation of occupation and its restraining measures, limited capacities, financial constraints, lack of real will and resistance to change, unrealistic expectations of immediate impacts, and fear of taking the right and necessary actions in a highly volatile and insecure environment. All stand in the way of timely and effective implementation of the HRD strategies.

## **Levers in HRD and related labour market policies through which sustainable reform can be triggered**

### **a) Facilitating the creation of efficient, professional, empowered and well-funded TVET governing bodies.**

It is vital that the Higher Council on TVET is empowered to become the platform on which all major TVET decisions are made. The respective responsibilities of the Higher Council and Executive Board on TVET must be delineated, and a professional and well-funded Planning and Development Centre (PDC) developed. The centre, which could tap into the various human and other resources present in WBGS and abroad, is becoming one of the most urgent needs. The PDC could also take the lead in the priority areas of flexible modular curricula development, licensing and accreditation, TVET HRD and *professionalisation*, provision of support functions, including labour market monitoring, vocational guidance and counselling and management information systems.

### **b) Increasing the appeal of TVET to students and social partners**

This can be accomplished by showing that there are returns on training for the individual, for employers and for society as a whole.

There is a need to increase the appeal of TVET to students through the introduction of new pedagogical approaches; a shift to a student-centred learning approach; giving students the opportunity to design courses themselves, for example, tailor-made internet-based learning covering a variety of courses; creating TVET programmes in higher education, for example, the BIT model, including general education in TVET; conducting an information campaign on the added value of TVET; allowing access to higher education via TVET; formally allowing learners to enter selected TVET specialisations at the age of 15 without having obtained any qualifications; and creating close partnerships with industry and social partners to enhance both attractiveness and flexibility.

There is also a need to improve the attractiveness of TVET to social partners by enhancing their direct links with education institutions in the various regions and governorates. It is also important to reduce the centralisation of governance for public TVET institutions in order to provide better opportunities for cooperation with industry and social partners and with other public institutions. However, this must be coupled with robust mechanisms for assuring the quality of provision through quality-assurance mechanisms and the transparency of learning and outcomes through qualification frameworks.

### **c) Increasing opportunities to take up continuing VET**

This could be achieved through funding incentives, the recognition of informal and non-formal learning, and the provision of learning opportunities in non-traditional ways.

Measures targeted towards individuals could include tax incentives for employees; the provision of fixed sums to fund education leave, by the Chambers of Commerce, for example; the creation of a counselling system for adults; obliging universities to develop a system for registering previous work and study experience; and having individual training rights for each employee in labour codes and laws. Measures targeted towards companies could include financial incentive schemes to encourage employers to maintain and enhance vocational qualifications for employees; providing subsidies to train employees for the purpose of higher levels of work; and finding ways to involve SMEs in TVET.

### **d) Ensuring that TVET clearly addresses social exclusion**

TVET reform policies could contribute to a range of economic and social functions for individuals, public authorities and stakeholders, among these, bridging the gap with labour market skill needs,

contributing to innovation, providing a transition pathway between schooling and work for large numbers of young people, and helping to tackle social exclusion.

TVET reform could contribute to address youth unemployment, one of the major challenges facing the Palestinian community, through, for example, the creation of subsidised work practice schemes for young unemployed people who have insufficient or no work experience (with compensation for both the unemployed individuals and their mentors), and back-to-work programmes for young women.

### **e) Supporting innovation**

The development of the TVET system is vital but time-consuming. Funding and technical assistance should be provided for pioneering ideas and projects in the area of TVET. Lessons learned should be documented, disseminated, and internalised for the benefit of the whole system.

Key dimensions of TVET innovation to be supported could include the development of broad occupational competencies through workplace learning; enhanced entrepreneurship teaching and learning; teaching and learning of ICT and e-literacy; new contexts and methods for promoting lifelong learning, assessing and validating learning as well as quality assurance measures.

The PDC could act as a platform for deciding which projects are to be supported, and more importantly for making sure that successes and failures are internalised for the benefit of the whole system.