Methodological Notes

Euromed Observatory Function
Objectives, results, instruments and evolutions
EDUCATION AND TRAINING FOR EMPLOYMENT (ETE) IS AN EU FUNDED INITIATIVE IMPLEMENTED BY THE EUROPEAN TRAINING FOUNDATION (ETF). ITS OBJECTIVE IS TO SUPPORT THE MEDITERRANEAN PARTNERS IN THE DESIGN AND IMPLEMENTATION OF RELEVANT TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) POLICIES THAT CAN CONTRIBUTE TO THE PROMOTION OF EMPLOYMENT THROUGH A REGIONAL APPROACH.

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1. INTRODUCTION TO THE OBSERVATORY FUNCTION CONCEPT

From the start of the Barcelona Process in November 1995 to the new European Neighbourhood Policy defined in 2004, new challenges have arisen with regard to relations between the countries and territories bordering on the Mediterranean.

The Barcelona Process laid the foundations for an extensive framework intended to establish political, economic and social relations between Europe and the countries and territories to the south of the Mediterranean. It was stated in this context that one of the objectives was the creation of a shared prosperity zone, based on durable and balanced economic and social development. In the programme which followed this transcendent agreement, it was said that ‘the Euro-Mediterranean partners must contribute towards improving the level of education in the region; […] to this end, a regular dialogue will be organised regarding educational policies, which initially will focus on vocational training, education technologies, universities and other centres of higher education and research, and meetings are planned for this purpose between representatives of the vocational training sector’.

The incorporation of the Euro-Mediterranean Partnership into the new European Neighbourhood Policy has increased the scope for action and has created new objectives and new instruments for action by way of Action Plans and new financial instruments.

A five-year work programme was established at the 2005 Barcelona summit. This is intended to promote closer regional cooperation, and the Action Plans signed to date have included proposals intended to support reforms in the Mediterranean countries and territories, among others – and as a priority – education systems and the employment market. At the eighth Foreign Ministers’ meeting at Tampere in November 2006, an important report that gave shape to the Barcelona agreements of the previous year was approved. Education and employment are expected to be priority questions, and meetings in the region are planned for 2007 and 2008.

For the countries and territories in the region covered by the MEDA programme, the education and employment systems are among the main elements that are relevant in terms of closer Mediterranean cooperation. The need to integrate their economies into the world economy to a greater extent requires a fundamental refocusing of the economies of the region, which involves making them more competitive through the development of human resources that have greater capacity for innovation, competitiveness and entrepreneurial spirit. However, in spite of the growth in employment in most of the countries, this drive is insufficient in terms of quantity and quality to meet the increase in the demand for employment on the part of the young population. This increase in demand is caused by demographic tensions and the substantial investment in education which has occurred in recent decades; for these reasons the levels of unemployment, underemployment and emigration are still higher than is desirable.
In this context, education systems face a major dilemma: on the one hand, they must contribute to the training of large numbers of young people leaving the education system and prepare them for work, so as to improve the skills of the human resources needed for the current economic reforms in order to internationalise economies. At the same time, they must retrain the adult workforce so that skills are adapted to new production requirements. However, on the other hand, they are faced with a lower than expected level of job creation, particularly in the sectors that should be making use of the skills of the new professionals required by the production infrastructure.

This imbalance between the differing educational and economic cycles creates great tension for the education systems, requiring difficult decisions to be made. Difficulties can be avoided if considerable efficiency and transparency are shown in management. In this context, improving the effectiveness and efficiency of education and employment systems is becoming a major priority.

From this point of view, cooperation between the European and Mediterranean countries and territories in relation to their education systems – cooperation that is intended to support current reforms and the exchange of experience, good practice and instruments for bilateral, multilateral and especially regional cooperation – assumes a fundamental contribution to the objectives agreed at the time of the Barcelona Process.

Existing cooperation with regard to the observatory function for the education and employment systems in the region must be placed in this context.

In Europe the development of the observatory function assumes a reference point as an instrument for improving the efficiency of education systems. As one progresses in the knowledge-based society, awareness of the importance of possessing effective information mechanisms to support decision-making also increases. Nowadays, the observatory function constitutes an advanced function which is necessary for a systemic conception of education and employment.

The new requirements have also led to new ideas about observatories. From the old observatories of the 1960s to more recent developments, there has been a long search for more useful information to support decision-making processes.

European experience helps to define three generations of the evolution of the observatory function1.

1. **Informal generation.** This is characterised by the fact that no institution that is responsible for the observatory function exists. Existing information and data about education and employment are generally administrative and unreliable, even where ad hoc studies have been carried out. This stage corresponds to the situation before the 1960s, and to the situation in countries and territories in which the observatory function has not been properly established.

2. **Institutional generation.** This is the stage in which conventional observatories have begun to be created. In this case, institutions and bodies – inside or outside the respective ministries – have been given responsibility for the systematic monitoring of developments in the employment market and/or in the education

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1 Homs, O., *Structures and mechanisms for information and needs forecast on training, qualification and employment (Observatory function)*, ETF, Turin, 2001.
system. This was the stage between the 1960s and the 1980s during which the large observatories were created, for example Céreq in France, Isfol in Italy and BIBB in Germany. It was a period of development in terms of planning in public administration. This is the style of observatory which exists in most European countries. Their area of observation is generally specialised in a specific field, depending on the planning needs of the institution which created the observatory, but with very little or no coordination existing between the employment structure and the education structure, as the information in these fields is generated by different bodies. The information produced by these bodies is rarely distributed, except to the experts or institutions involved. The format in which the information is presented does not make it easy for it to be used or interpreted by the main parties involved in education and employment. Moreover, the distribution cycles do not coincide with the times when the parties involved are making decisions.

3. *Network generation.* This new concept of the observatory function has arisen with the development of new technologies, in particular the Internet, and also with the development of the assessment function in public management since the 1990s. Permanent networks are being created, with varying degrees of institutionalisation and coordination between the institutions and the bodies producing information, as well as between the main parties involved in the education and employment systems. The products are widely distributed, or are easily available on the Internet, sometimes directly online, and they are used by the partners when they make their decisions. The French model of the OREF\textsuperscript{2}, particularly the Nantes model, and the Portuguese Employment and Vocational Training Observatory\textsuperscript{3} are good examples of this. This model expands rapidly at territorial level by means of regional or local observatories, or in accordance with the main issues or action programmes of the public authorities, as in the case of the European Employment Observatory.

This new type of observatory extends the observatory concept by interpreting it as a function of a system rather than in terms of the simple production of information.

In the context of education and employment, ‘observatory function’ now means a network for producing and distributing information that is relevant for decision-making by the main parties involved in the education and employment system. This function also aims to establish better cooperation between the different parties involved. The main characteristics of this new concept are presented below.

- **Networks of parties.** It is an essential condition for all the parties, suppliers and users of the information to be involved. Organised in a network for the circulation of information, they gather and offer the information that is available.

- **Institutionalisation.** The legitimacy and the agreed recognition of the quality and relevance of the information supplied to the network constitute one of the key elements for incorporating information in decision-making. The institutional formalisation of the form in which the observatory function is organised supplies the necessary legitimacy and creates the formal channels for the distribution of the information which guarantees its reliability over time. The forms of institutionalisation vary greatly according to circumstances. In some cases they

\textsuperscript{2} See Carif-Oref, Pays de la Loire (www.cariforef-pdl.org).

\textsuperscript{3} See Observatório do emprego e formação profissional (www.oefp.pt).
are public or private bodies regulated by law, in which the social partners participate; in others, they are consortia combining various public or private bodies; in others again, it is the network coordination of various bodies; they may also be associations. The form varies depending on the person who takes the initiative, the institutional and legal tradition of the country, and the location of the observatory.

- **Integration of the education–employment relationship.** Although most European countries originally created observatories that separated employment and education, experts now recognise that this was a mistake which needs to be corrected. Nowadays, education is always seen as being intrinsically integrated into the employment market as one of its constituent elements, and also subject to the requirements of continuing education throughout people's lifetimes.

- **Permanence and continuity.** The observatory function acquires its full meaning if it maintains continuity and permanence over time and is capable of leading and following changes, such as developments in the education and employment systems.

- **Priority focus on the needs of decision-makers.** The new observatories created in recent years have the same direct focus which is intended to provide information that is useful for decision-making by the parties involved in a given topic, thus going beyond self-centred and academic ideas about the production of information for its own sake.

- **Transparency of information.** The network concept, focused on decision-making, requires a guarantee as to the transparency of the information at all levels, from the gathering of data through to the final distribution of the various products created. Without this, legitimacy and trust in the network will soon disappear.

- **Precision and rigour in information processing.** Through the experience gained in the processing of information, increasingly rigorous and precise processing becomes possible, based on a high capacity and the professionalism of the technicians involved.

- **Analysis and reflection on the basis of the information.** Assisting the network in the analysis and interpretation of the information produced is becoming an increasingly important priority. A good example of this is the Portuguese Employment and Vocational Training Observatory, the activities of which give special attention to discussions between all participants on the interpretation of data in relation to the main problems that have appeared in the diagnoses.

Many observatories have been established in Europe in recent years, both third-generation observatories and those designed on more conventional lines. Their main features are as follows:

- the subject specialisation (such as observatories of the tertiary sector, of change or of innovation);
- the various levels (European, national, regional, local, sector);
- the use of information and communication technology to distribute their activities and products;
- the more practical focus, intended to facilitate decision-making;
- the participatory and multi-institutional structure, involving a whole range of public and private institutions;
Observatories have to some extent become a work methodology aimed at creating knowledge centres for the knowledge-based society⁴.

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⁴ A number of examples of this type of observatory can be given:
- Telecommunications and Information Society Observatory, promoted by the Spanish Ministry of Industry, Tourism and Trade (http://observatorio.red.es);
- Andalusian Childhood Observatory, which is regional in nature and promoted by the regional government of Andalusia, Spain (www.juntadeandalucia.es/observatoriodelainfancia/RIA/esp/index.aspx);
- Observatory of Cultural Policies, promoted in France by various public and private organisations (www.observatoire-culture.net);
- Observatory of the Midi-Pyrénées region, another French observatory, promoted by the region of the same name (www.obs-mip.fr/omp);
- European Industrial Relations Observatory (EIRO), created by the European Commission and managed by the European Foundation for the Improvement of Living and Working Conditions (www.eurofound.europa.eu/eiro);
2. INITIATIVES IN THE MEDITERRANEAN REGION

The European Training Foundation (ETF), which has acquired considerable experience in creating observatories relating to education and employment in the new Member States of the European Union (EU), encourages the development of the observatory function in the Mediterranean region, focused on education and employment systems.

In this context, the ETF action takes account of the concerns of sponsors in general and of partner countries and territories themselves regarding the lack of suitable and strategic information, indicators and analyses which could contribute to an effective decision-making process in the development of human resources policies and, more specifically, vocational education and training strategies meeting the employment market requirements.

ETF support for some countries in the region (Algeria, Jordan, Morocco and Syria) during the past four years has enabled the countries concerned to make strategic decisions in this field. Since 2003 the project has been, and continues to be, supported by funds from the Italian Foreign Ministry. The innovatory concept of the observatory function is well known and shared by those who produce and use the information requested, and the networking activities established enable the development of a more integrated, harmonised and coordinated information capacity. The countries concerned have developed different mechanisms with the same purpose: to be better informed about developments in human resources in order to make appropriate decisions. A number of countries at the regional level have started working together and exchanging methodologies and experience. Organised visits to EU countries have also led to an exchange of methodologies and information.

This work led to the EuropeAid Cooperation Office MEDA-ETE project, implemented by the ETF. It aims to provide technical support for the Mediterranean Partners in designing and implementing policies in respect of technical and vocational education and training (TVET) which contribute to promoting employment as part of a regional approach. Subcomponent 2.1, in the context of the Euromed network for education and training for employment, provides a specific support programme for the Euromed observatory function.

This programme requires a step forward, as it gives a new regional perspective to the national actions that are supporting the observatory function. This perspective strengthens national actions by introducing a concern for the standardisation and international comparison of information and products developed at national level. It also offers a very useful comparative viewpoint for the location and interpretation of national

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In the context of this publication, the term ‘Mediterranean’ refers to the ten Mediterranean Partners – Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey, and the West Bank and Gaza Strip – that are part of the Euro-Mediterranean Partnership.
data. These two elements – support for the observatory function and the MEDA-ETE network – constitute two pillars of a single strategy, namely to develop the capacity for thought on the basis of systematic information on employment and education systems in the Mediterranean area.

In the same context, mention should also be made of the initiative by Eurostat, the Statistical Office of the European Communities, to strengthen statistical systems, to produce better-quality statistics and to improve the visibility of statistical activities and products in the Mediterranean countries through the MEDSTAT II programme (2006-08). This programme, in which ten countries and territories in the area are involved, encompasses various sectors, including the production of social statistics (MED-SOC). Its objectives are to assist the countries and territories of the region to improve their long-term capacity to produce and distribute statistical data that are up-to-date, reliable, relevant, and in accordance with international and European standards, and to do so within prescribed deadlines. The intervention areas are: vocational education and training, employment and salaries, working conditions and poverty.

The projects of the ETF and MEDA-ETE, like those of Eurostat, complement each other to a high degree and offer an appropriate institutional framework for the development of the observatory function in the region. Although attempts were initially made to ensure that members of the ETF network and the Eurostat network were the same, in practice they differed as a result of their different institutional characteristics. However, the same institutions are often members of both networks, thus reinforcing the complementarity of the two initiatives.

In addition to and in collaboration with the ETF projects, there are projects in a number of countries promoted by the EuropeAid Cooperation Office that are intended to support reforms in the education and employment market systems. These include programmes to create and support observatories focused on education and employment, initiatives by cooperation agencies of other European countries, such as the French and the German agencies, and Canadian cooperation projects, as well as projects involving other international institutions such as the World Bank. Taken together, the efforts converging on the area by various routes mean that in future years, strong development can be expected in the observatory function in the countries and territories of the region, with an impact directed at improving the operation of the education and employment market systems.
3. MEDA-ETE OBSERVATORY FUNCTION NETWORK

The MEDA-ETE regional project includes four complementary components which are of interest to all the Mediterranean Partners.

- **Component 1**: Annual Euromed forum on education and training for employment, as an exchange area for the whole region on education systems.
- **Component 2**: Euromed network on education and training for employment
  - Subcomponent 2.1: Euromed observatory function
  - Subcomponent 2.2: comparative analyses
    - Three comparative analyses are planned: training of teachers and trainers; career guidance; and apprenticeship.
  - Subcomponent 2.3: thematic studies
    - Three thematic studies are planned: transition from education to work; recognition of qualifications; and quality in TVET.
- **Component 3**: Services to assist young unemployed people as regards self-employment and the creation of small businesses.
- **Component 4**: Development of online learning for training in the field of information and communication technologies and TVET.

In this extensive current project it is necessary to highlight subcomponent 2.1, which is intended to develop an observatory function in respect of the employment market and TVET at Euro-Mediterranean level. The planned activities are intended to provide the means to achieve two results: the creation of a regional network to implement the observatory function and the production of a set of significant indicators in respect of the employment market and vocational training in the area. The first of these is for organisational purposes, while the second is intended to provide a specific initial product showing the viability of establishing the observatory function in the region.

The main activities planned under this subcomponent are as follows.

- A permanent network of experts will be established, composed of three representatives appointed by each Mediterranean Partner (in the fields of education, employment and statistics) who will be responsible for the harmonisation of statistical information, the development of joint indicators and the preparation of analyses.
- Six methodological notes on the various aspects of statistical information relating to TVET and the employment market will be produced, with four having been prepared so far. The first two deal with the methodological aspects of the construction of indicators and with the preparation of indicators on the running of vocational training systems. The next two are dedicated to the analysis of the indicators obtained, as well as the current situation and the prospects for the observatory function in the area (subject of this paper).
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- An annual study visit will be organised to the various equivalent institutions of the EU Member States or Mediterranean Partners (the first visit was to Lisbon).
- Two workshops will be organised every year.
- A common online database will be developed and regularly updated on the key indicators and statistics relating to TVET and the employment market. This would enable an information system to be established at the level of the Mediterranean region.

The network is already fully operational, with regular meetings and activities bringing together the representatives of all the countries and territories of the area: Turkey, Syria, Lebanon, Israel, the West Bank and Gaza Strip, Jordan, Egypt, Algeria, Tunisia and Morocco. The existence of this network represents one of the main results of this project. The most important value of this network relates to two characteristics.

- **Cooperation at national level.** Cooperation at national level has been established between three types of institutions: those responsible for employment, usually employment ministries, those responsible for education and vocational training, and those responsible for statistics. For some countries, this is the first time that foundations have been laid for cooperation between these types of bodies in order to work together on producing and exchanging information about education and employment systems. The results are therefore very promising, although they involve many problems, as is always the case in relations of this kind between institutions. The foundations for the development of the network concept of the observatory function have been laid in all the countries and territories in the area. This suggests a considerable step forward, as this is a pioneering experiment at regional level which has, in other cases, needed much more time to mature and develop. This cooperation between institutions provides substantial added value at national level.

- **Cooperation at regional level.** The regional cooperation between ten countries and territories in the area, with their varying situations and problems, is one of the most interesting issues. The exchange of experience, the interest in joint work and the richness of the shared thoughts give a perspective which may be highly beneficial for other regions in the context of the European Neighbourhood Policy.

During its first two years of operation the network has created a consensus focused on a first battery of 27 indicators classified into four major dimensions: context, investment, access and equity, and participation. For each dimension, indicators have been defined in line with international reference criteria, Eurostat in particular, in order to guarantee international comparability.

Focusing the work of the network on the production of joint indicators has made it possible to detect and deal with the problems which generally arise in such an exercise. It has also helped to strengthen and consolidate the dynamic of the work of the network.

The work of the network has revealed a number of elements which give food for thought.

- **The formalisation of the institutionalisation of the network at national level.** The countries and territories which have made most progress in this direction are those that provide the most positive results in the establishment of the observatory function. However, that involves many difficulties, since it implies the
inclusion of this issue in the political and institutional agenda of each country. It is clear that the progress achieved in Jordan is a direct result of the political decision to develop a national plan for statistics on education and employment, this constituting the ideal context for the implementation of the observatory function. Other countries are moving in this direction. However, where the network is more informal the urgency of everyday management causes delays, blockages and a slow pace which may jeopardise the consolidation of the work carried out. Yet the institutionalisation of the network at national level should be regarded as a process which has to adapt to the different situations in each country, without unique models existing. Experience shows the positive contribution of a formal institutionalisation directed at achieving the desired objectives.

- **The problem between the education and employment approaches.** In addition to the difficulties of relationships between institutions, the priorities, approaches and work methodologies from the point of view of employment and education are different, and require considerable joint efforts in order to arrive at unified priorities. For this reason it is necessary, in the initial phases, to make the requirements of both parties compatible, to bring the priorities together rather than integrating them, and to seek to satisfy both types of request. The design or reformulation of basic instruments for classifying or obtaining information (such as enquiries, systems for classifying occupations or economic activities, and lists of training offers) could be one area in which there should be common ground for cooperation.

- **The complexity of incorporating new instruments to produce information.** One of the findings from the work of the network has been that gaps exist in the information from which many indicators considered essential for decision-making could be constructed. The reason is frequently that, until now, information systems have been much more centred on purely statistical production than on decision-making. In many cases, therefore, this makes it necessary to reformulate some instruments for producing information (including new questions in the questionnaires, or rewriting classification programmes and information processing programmes) which requires decisions of a political or budgetary nature and the availability of sufficient resources. This process is not always easy and takes time, to say the least. Establishing the observatory function requires sufficient human and budgetary resources in order for the objectives to be achieved.

- **The observatory function requiring a cultural change as regards the production, use and distribution of information.** This is undoubtedly the most important barrier which the work of the network has to deal with: proving the benefits of a different point of view regarding information systems, ‘systems’ being understood to mean mechanisms necessary for good public administration. This assumes rigour, transparency and participation by the parties involved as an indispensable condition for the achievement of sufficient legitimacy and recognition, without which the information cannot contribute to improving the effectiveness and efficiency of the education and employment systems.

- **The technical difficulties relating to the collection and appropriateness of the data in a context of informal economies.** The work of the network has highlighted the significance of the dysfunctions in the economic organisation of the countries and territories in the region and its consequences in respect of the difficulties in obtaining the necessary information, not to mention the relevance of some information in those contexts, for example as regards the concept and interpretation of indicators based on activity, employment and unemployment rates. This problem will have to be dealt with specifically in the future work of the network.
The technical difficulties in terms of the data comparability at regional level. In order to achieve the objective of producing comparable data on a regional basis, further intermediate steps must be taken, and these must be dealt with gradually. It will be necessary to follow a top-down approach, namely to start by understanding the meaning of the national data and then to progress towards a consistent or comparable formulation of the regional indicators. The data obtained up to now constitute the starting point from which progress can be made towards more ambitious objectives. The consensus which exists about the Eurostat references will make the task much easier.

The first collection of national data already exists on the 27 indicators which have been selected: they show many gaps in the information, and are currently being examined and evaluated. The second stage, which follows immediately, involves supplementing the missing information and starting a discussion on the meaning of the data obtained. This will be concluded in 2008 with a database and products which will provide the greatest added value in respect of the issue of education and employment in the region. In order for this to be achieved, a number of steps must be taken.

- A selection must be made from the 27 indicators of those for which data exist that are available in most of the countries and territories. During the time remaining before completion of the MEDA-ETE project, an attempt will be made to share the interpretation made of them.
- A solution must be found to the problems which, in some countries and territories, hinder the preparation of the data necessary for the construction of these indicators. The fact that the data are very much scattered, because of the proliferation of institutions with responsibilities for educational activities, frequently constitutes one of the main obstacles to obtaining a full overview of the system.
- A plan should be prepared in every country and territory in the region, comprising measures at national level to produce, in the medium term, the data necessary for the remaining indicators. This will certainly require a new agreement in every country and territory to progress towards a national plan to improve the information base with regard to education and employment. Technical, logistical and undoubtedly also financial support will be required in order to make progress in some countries and territories.
- The available information must be included on a database in order for it to be processed and consulted.
- Work must be carried out to identify, clean, verify and clarify the meaning of the data gathered. In order to do this, specialist support will be required, as well as joint work with the technical teams of each of the countries.
- The available information should be analysed in order to establish possible regional comparability, and the conditions necessary for that purpose defined.
- A report on education and employment in the region must be prepared on the basis of the information gathered.
- A joint plan for the distribution of this report at national and regional levels should be agreed.

For this work process, it will be necessary to clarify the coordination between subcomponent 2.1 of the MEDA-ETE project and the MEDSTAT II programme. Several options exist for increasing the complementarity and coordination between them.
• **Option 1:** The MEDSTAT II programme could be acknowledged as the main route intended to produce regular basic standard information on vocational education and training and on employment among the countries and territories in the region, while the MEDA-ETE project could focus on additional information so as to enlarge the area observed and improve capacity to generate information beyond regular standards.

• **Option 2:** The production of all information on education and employment could be delegated to the MEDA-ETE project. This information will be incorporated in the MEDSTAT data in accordance with Eurostat directives and criteria.

• **Option 3:** MEDSTAT II and MEDA-ETE could retain their current internal dynamics and coordinate some activities such as education activities, workshops and distribution campaigns.

The first option appears the most suitable in terms of generating the maximum synergy between MEDSTAT II and MEDA-ETE and exploiting the methodologies followed by each of them up to now. MEDSTAT II has made more progress in the formalisation of agreements with the statistics agencies of each of the countries and territories in the region in order to supply the information required. Furthermore, its more professional range in the production of information helps to make the process more reliable and permanent. MEDA-ETE, for its part, has made much more progress in the generation of the networks involved in the provision of the existing information on education and employment and in the definition of the indicators. This makes it possible to provide greater information on these topics, which is generally not easily available.

MEDA-ETE could therefore be more oriented towards supporting and implementing the observatory function in the service of decision-making on education and employment systems, as well as towards innovation and improvement in the information services. As the indicators and products are consolidated, they could be incorporated into the sphere of Eurostat in order for them to be standardised and normalised.

If that option were viable, it would require the MEDA-ETE project to be continued beyond its first period until 2008, and to be reoriented towards the new functions that have been mentioned here, as part of the development of the observatory function described in the following section.
4. NATIONAL EXPERIENCE OF THE OBSERVATORY FUNCTION

As stated above, the promotion and support of the establishment of the observatory function in the Mediterranean region goes beyond the MEDA-ETE project, with intervention in a number of countries and territories, and with specific actions and projects. Thus, the MEDA-ETE project operates at regional level, though there are other interventions that support the development of the observatory function at national level. These two actions are complementary and support one another. This implies that it will be difficult to make progress at regional level unless one relies on the national observatory capacities, which are developed and strong. At the same time, the regional dimension enriches the national observatory function by giving it a comparative perspective that helps to locate and interpret national data.

Actions have been carried out to support the observatory function in six countries and territories of the region, namely Jordan, Egypt, Syria, Morocco, Algeria, and the West Bank and Gaza Strip.

In Jordan, on the basis of the Al Manar project, a work team has existed since 2003; this includes the most important institutions that supply or use information on human resources and on supply and demand in the employment market. Its main functions are:

- the construction of an information system relating to the employment market and the education and training system;
- the development and distribution of indicators on human resources;
- the carrying out of specific studies.

The network of the National Centre for Human Resources Development has been strengthened, and study visits, training sessions and seminars have been organised. Progress has been made in the creation of a package of indicators, by establishing classification codes regarding the availability of education, economic activities and occupations which are compatible with international standards (ISCED, ISCO, NACE).

The work team is currently contemplating its long-term financial and institutional consolidation, as well as recognition of its work through the promotion of a suitable legal framework in order that it can offer its experience to other countries in the region.

In Syria, after an identification phase, the authorities decided to create an independent unit under the coordination of the State Planning Commission. This unit is made up of representatives from the private sector as well as the main institutions involved in the production of information on human resources.

Cooperation between the Syrian and Jordanian networks has already produced good results in terms of exchange of experience, methodologies and information.
Morocco gave preference to the development of a sector-based approach. Following a visit to France in 2004 organised in the framework of the ETF project, the Moroccans showed their interest in sector statistical portraits based on the Céreq methodology. In 2005 the ETF project proposed the construction of sector-based statistical portraits, adapted to the country context and focused on a set of areas relating to education, employment, the employment market and the companies in a sector, which could be used as a statistical reference point for sector-based matters. Various bodies which produce data participate in the preparation of the portraits. The portraits of the hotel sector and of the metallurgical, mechanical, electrical and electronics industries have already been prepared.

In addition to the sector-based perspective, support is being given to the State Department of Education for the creation of a network covering the whole state.

In Egypt the process of institutionalising the observatory function was started in early 2006 with the creation of a work team within the framework of the Information and Decision Support Centre, the body hosting the initiative. It is made up of private and public institutions originating from the various employers’ sectors, social entities and a number of ministries.

This work team has prepared a work plan with the following priorities:

- strengthening the network;
- defining the main products to be promoted;
- establishing the coordination necessary with other programmes and other initiatives.

The network aims to consolidate the formalisation of the initiative and to gain formal recognition of its activities, to develop the operational plan for the preparation of products and activities, and to extend the coordination to other activities by enlarging the network composition to new employers’ and institutional organisations.

In Algeria, within the framework of the programme to reform vocational education and training, the European Union has started a major project to support the creation of an observatory regarding vocational education and training. There are also other ETF initiatives concerning education, and support for the capacity of the institutions responsible for producing information is in progress.

In the West Bank and Gaza Strip, the project started by identifying the parties involved, and it is to continue in the future provided that the political situation permits this.

As a candidate country for EU accession, Turkey has a specific support programme for the improvement of its statistics system. This has made it easier to develop its capacity to produce data on education and employment. The same applies in the case of Israel, a country which has a substantial system for the production of information in the sector.

Tunisia also has an observatory on employment and qualifications which comes under the Ministry of Employment and Vocational Integration of Young People.
The complicated political situation in Lebanon has made it difficult to establish specific projects in this respect.

In addition to the national initiatives supported by the ETF, other activities exist which can form part of the development process of the observatory function in the context of education and employment.

An overview of the situation of the countries and territories in the area demonstrates that in almost all these countries and territories there are current activities aimed at improving the capacity to produce relevant information on employment and vocational education and training. Moreover, in many countries, particularly those in the Mashrek area, progress is being made in the establishment of cooperation networks between producers and users of information involved in the improvement processes.
5. PROSPECTS AND FUTURE SCENARIOS FOR CHANGES TO THE OBSERVATORY FUNCTION IN THE MEDITERRANEAN REGION

It is possible to construct a table outlining the progress in each country and territory with regard to the implementation of the observatory function (see p. 24).

This table shows the very different stages of development of the observatory function in the different countries and territories. Three phases can be identified in the establishment and implementation of the observatory function.

1. A first, establishing phase is about creating the network in cooperation with the main partners and defining a work plan. Jordan, Egypt, Syria, Morocco and, informally, Israel and Turkey, are in this phase.
2. A second phase relates to starting the preparation of products or the construction of instruments to improve the quality of existing information. Jordan, Morocco and Turkey are in that phase.
3. A third phase relates to countries and territories which have succeeded in formalising and institutionalising a mechanism to coordinate the observatory function by means of budgetary and legislative instruments, human resources and techniques sufficient to consolidate the implementation of the observatory function. Jordan has made most progress along this path.

A fourth phase can be envisaged in which the consolidation of the observatory function is focused on distribution, and on the impact of decision-making on observatory activities. That phase would be the objective to be reached in future years for countries and territories that have already made progress.

As can be seen, one of the first conclusions is that the observatory function in the Mediterranean area is currently halfway through a first phase characterised by the establishment of national networks by the main parties involved. Activities are in progress to produce information products, products that essentially contain basic information, though these activities are nonetheless important in terms of training in order to improve the processes and for the work of cooperation between institutions.

The institutionalisation of the networks created in Jordan to update the internationally comparable classification instruments, as well as the sector-based products set up in Morocco and the degree of complementarity and integration in the reform processes established in Algeria and Turkey, are all examples of good practice in the work carried out. These can serve as references and models to be disseminated and exchanged in the countries and territories of the region.

A general analysis of the current results of the activities carried out to support the establishment of the observatory function at national and regional levels indicates that the joint and global approach adopted should be reinforced.
On the basis of the results of the first phase, in which the observatory function has been started at national level, it appears that these results should be made to converge so that they can be integrated better into the regional network set up as part of MEDA-ETE. In other words, the regional network should be made up of the representatives of the existing national networks, as well as those which are in the process of being established. The convergence of these two processes, the national process and the regional process, would strengthen each of their results and facilitate their future durability. To this process of convergence can be added the direct initiatives of the various projects which the European Union is developing on the same topics and in the same countries and territories.
5.1 Recommendations for the short term

In view of the above, the short-term recommendations should focus on the following.

Consolidation of progress

The progress made by each country and territory must be consolidated, taking care to allow the interests and needs that relate to the development of the observatory function to be expressed, so that the parties become more closely involved. The main parties involved from each country and territory should, depending on their needs and priorities, be the first beneficiaries of the establishment of the observatory function. The necessary institutionalisation of the observatory function should therefore be designed as a process which takes different forms in each country, and for which progress will be more important than the final form. In the most advanced countries (Turkey, Syria, Jordan, Israel, Egypt), every effort should therefore be made to support the continuity of the existing networks and to consolidate their legitimisation with appropriate institutional forms. The formal recognition of the observatory function and its integration into national strategies for the improvement of its information systems should constitute one of the priority short-term objects.

Production of information useful for decision-making

There is a need to promote the generation of information products and analysis involving the establishment of networks of parties involved (even partial networks), and for practical orientation on decision-making, in order to meet the needs of the parties involved in each country or territory, even if it is at present no more than a first analysis of the entire education and employment system. Educationally, this will certainly lead to an awareness of the concept of the observatory function. It should not be forgotten that the benefit of this approach still has to be demonstrated.

Exchange of experience and cooperation at regional level

The exchange of experience and cooperation between the countries and territories of the region must be encouraged through the organisation of methodological or thematic workshops on the most interesting experiences in the region, presented by the members of the regional network, so as to provide opportunities for cooperation between similar parties. This is why the translation, publication and distribution of the existing national products may be very useful (with the work done by Jordan and Morocco possibly constituting a starting point).

Development of institutional capacities

Support is required to improve the institutional capacity of existing networks and institutions. It has been through the resources of outside experts that this experience has shown its present worth, and it may be assumed to be an important aid in the future. Examples include specialised workshops at national level, or with the participation of a number of countries and territories, training courses, study visits, exchanges between the institutions of different countries and territories of the region, and partnership with European centres and institutions to generate certain information products. The creation
of a Master’s or other high-level annual Euro-Mediterranean training course for technicians from the information-producing bodies should be considered.

**Integrated concept of education and employment**

Progress is needed towards a more integrated concept encompassing education and employment, with improvement in the basic information-gathering instruments and their regional and international comparability. Once the previous steps have been consolidated, this would be a leap forward. As a result of the accumulated experience and a better knowledge of the obstacles to this progress, a consensus should be reached on specific proposals from each country and territory, and commitments with the authorities of those countries and territories should be renewed in order to make progress in this respect. Convincing support to facilitate their implementation will certainly have to be offered. For example, the promotion of thematic regional studies on topics which have been unanimously decided (such as the informal sector or specific priority sectors) could stimulate progress towards a more integrated vision between education and employment.

These proposals for the short term are based on three conditions:

- better coordination in the area between all the European initiatives with similar objectives of reinforcing information-producing capacities and integrating them into the making of decisions regarding education and employment;
- greater involvement by the governments of the countries and territories of the area in establishing plans to improve their information and decision-making systems;
- greater incentives in order to achieve these objectives.

In order for these three conditions to be readily achieved, the following initiatives should be implemented.

- A permanent unit must be created to coordinate the activities of the ETF, Eurostat and the Directorate-General for External Relations/EuropeAid Cooperation Office. This unit must be capable of monitoring all the projects set up by these bodies in the area to promote the observatory function.
- A work plan, decided upon by consensus with each country and territory, should be established. It must include clear priorities and precise timetables, so as to make progress in the development of the observatory function for education and employment systems. These work plans may give rise to action protocols agreed by each party. The activities planned at regional level should be incorporated into these protocols.
- The European contribution should involve sufficient institutional, financial, technical and training support to ensure compliance with the objectives established in the protocols signed for each country and territory, by means of corresponding cofinancing.

The organisation of the ministerial conference on employment could be an opportunity to raise these questions. This conference was planned at the Tampere summit, and will take place in 2008 in a Mediterranean country.

Although these steps are the most urgent in the short term, the scenario towards which these efforts are directed should be clarified in the medium term.
5.2 Medium-term scenarios

The medium-term scenarios can be constructed from five topics or dimensions.

- **Quality.** This focuses on the quality, reliability and rigour of the information in the system regarding education and employment. Giving priority to this aspect would mean concentrating all efforts on improving the quality of the information systems of each country and territory by means of support through technical and training resources.

- **Integration.** This emphasises the progressive widening of the framework of the existing observatory devices in order to make progress towards an integrated vision of the problems of education and employment. For this aspect, the first step should be to encompass the entire education sector, not merely the elements covered by a single ministry but also those covered by other bodies, whether public or private, and not only initial education but also continuing education.

- **Participation.** This aims to promote the concept of a network between all the partners involved in the education and employment systems, going beyond the concept of observatories as isolated bodies. The creation of coordination mechanisms and joint work programmes may be one of the first encouraging steps.

- **Orientation towards decision-making.** This implies that it is necessary to work to incorporate the analysis of the information produced as a basis for the partners’ decision-making. It also assumes that activities to accompany the main parties involved in their decision-making must be developed.

- **Regional aspect.** This requires a change from a national to a regional point of view, facilitating comparison and mutual reinforcement so as to foster a shared commitment to continuously improving the education and employment systems.

These five topics cover the entire range of elements which must be borne in mind when designing a medium-term strategy for the development of the observatory function in the area, and they represent the different options to be evaluated. Is it possible to make progress on all topics at the same time? Will the problems of tackling all the topics at the same time hinder the development of the observatory function? Is it possible to go further on one topic without compromising the possibility of making progress on the others?

Current experience shows that in some countries and territories there have been positive moves towards making progress on all topics at the same time. However, problems can be seen in other countries and territories which slow down overall progress, whereas partial progress would undoubtedly be possible. The strategies to be followed should therefore be evaluated on a case-by-case basis.

Must priority be given to the strategy focused on the first topic of quality and the production of useful information and products, in accordance with the line taken in the MEDSTAT project? Or should preference instead be given to the process and the overall design so as to generate a dynamic which has greater impact on the education and employment system, in accordance with the line taken by the MEDA-ETE project? Both strategies are valid, but they would both undoubtedly be strengthened if there was a balance between them. This means that priority should be given to the development of specific products at national and regional levels, provided of course that this is aimed at the new concept of the observatory function, while not necessarily making one subordinate to the other.
To what extent can the development of the regional level have a positive influence on the motivation for change at national level? European experience shows that the pressure of the European level has led to improvement processes at national level. Would it therefore be appropriate to accelerate the programme at regional level in order to foster greater involvement at national level? How far can one go? Would it, for example, be possible to envisage one or more regionally homogenous regional modules of the main instruments for gathering information, such as, for example, the household survey? Or should one instead envisage the creation of a stable regional unit shared by a number of countries and territories and aimed at producing and analysing information on the education and employment systems in the region?

Whatever may be the case, it seems necessary to strengthen the involvement of the representatives from each country and territory of the MEDA-ETE network so that the benefit of their participation in the network is sufficiently tangible that they become the main defenders of the project and its objectives. In order to do this, it would be beneficial to make progress in the short term by means of activities that have a clear professional benefit for most of the participants in the network. These might include study visits, high-level topic seminars, a course given in collaboration with a European university on technical aspects, of a statistical or analytical nature, of the systems for education and employment; exchanges of technicians with European research centres, or with Eurostat or the ETF, and the publication of relevant texts.

On the basis of these options, a number of possible medium-term scenarios can be envisaged.

**Blockage scenario**

In this scenario only a few countries and territories would have achieved significant progress in the observatory function; imbalances in the pace of work between countries and territories at the regional level would therefore occur. Consequently, for the purposes of this scenario it appears more logical to establish work at different levels and speeds according to each country and territory. Firstly, this would make it possible to maintain a minimum level of activity on a regional level, this activity being focused on cooperation. It would include a reduced package of indicators with Eurostat, as well as the maintenance of joint education and support activities for the entire network. Secondly, it would be appropriate to make progress at subregional level with the most active countries and territories, in order to establish products and instruments which could be useful in the future, with a view to generalising them, particularly as regards the homogenisation and comparability of instruments and action protocols by means of exchange and partnership activities between those countries and territories and European countries and experts.

**Progress scenario**

In this scenario there is lasting and general progress in most of the countries and territories, making it possible to envisage an advanced phase in terms of the establishment of the observatory function. In this context, a number of initiatives moving in several directions can be envisaged.

- There could be a formalisation of the regional network, with more active participation by the representatives of the countries of the area; this would be a decentralised network with topic resource units in different countries. The
transformation of the network into a regional observatory could be one of the initiatives to be tackled.

- Joint products could be formulated, in cooperation with most of the countries and territories, on topics which they considered to be priorities, particularly those which assume the homogenisation of the instruments for gathering and producing basic information (such as creating databases, specific surveys and standard classifications). The exchanges could go further, through the creation of a mutual learning area between similar parties, facilitating a more detailed production of information beneficial for decision-making in the countries and territories of the area. For the purposes of this scenario it is necessary to bear in mind that one cannot go very much further, from a technical point of view, unless there is at the same time a convergence in the consensus on objectives in the context of education and employment between the countries and territories of the region. Major efforts will have to be made in this respect, possibly taking concrete shape in the context of the MEDA-ETE Forum, at a more political level.

These two scenarios assume the consolidation of the MEDA-ETE space as a preferred area of cooperation between the countries and territories of the region and the creation of understanding leading to greater trust between the institutions and the parties involved on both sides of the Mediterranean.
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<tr>
<th>Acronym</th>
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<tr>
<td>BIBB</td>
<td>Federal Institute for Vocational Education and Training (Bundesinstitut für Berufsbildung)</td>
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<tr>
<td>Céreq</td>
<td>Study and Research Centre on Qualifications (Centre d’études et de recherches sur les qualifications)</td>
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<tr>
<td>ETE</td>
<td>Education and Training for Employment</td>
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<td>ETF</td>
<td>European Training Foundation</td>
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<td>EU</td>
<td>European Union</td>
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<td>ISCED</td>
<td>International Standard Classification of Education</td>
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<td>ISCO</td>
<td>International Standard Classification of Occupations</td>
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<tr>
<td>Isfol</td>
<td>Institute for the Development of Vocational Training for Workers (Istituto per lo sviluppo della formazione professionale dei lavoratori)</td>
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<tr>
<td>NACE</td>
<td>General Industrial Classification of Economic Activities within the European Communities (Nomenclature statistique des activités économiques dans la Communauté européenne)</td>
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<tr>
<td>OREF</td>
<td>Regional Observatory on Employment and Training (Observatoire régional de l’emploi et de la formation)</td>
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<td>TVET</td>
<td>technical and vocational education and training</td>
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