

TORINO PROCESS 2012

A CROSS-COUNTRY REPORT

MOVING SKILLS FORWARD: FROM COMMON CHALLENGES TO COUNTRY-SPECIFIC SOLUTIONS



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FOREWORD

I am delighted to present this cross-country analysis of the 2012 Torino Process. Twenty-five countries participated in the 2012 round of the Torino Process. The feedback from the partner countries and international organisations after the first round in 2010 enabled us to redesign the analytical framework of the process, making it more comprehensive. The new framework now covers multilevel governance, an area essential for vocational education and training (VET) to become a real driver for local development and territorial cohesion.

With the support of national statistical offices and other stakeholders, we also reinforced countries' capacities for the creation and use of the evidence for VET reform. Together, these changes were designed to make the Torino Process a holistic, in-depth sector analysis tool for the policy makers in the partner countries. The Torino Process, which in 2010 started as an ETF initiative, is now being used more and more in these countries as a tool for informing national policies.

The number of countries that took part in the second round of the Torino Process is significantly higher compared to the 2010 round. There is also greater ownership of the process – fifteen countries carried out guided self-assessments, compared to seven in 2010. This reflects the increasing capacity for autonomous policy analysis, which in itself is one of the principle objectives of the Torino Process. The buy-in of the countries encouraged us in turn to bring ETF activities in line with the findings of the process.

The Torino Process makes sense when it leads to a clear and prompt follow up. Since 2011, we have used the findings of the Torino Process to prioritise our activities. We have also introduced regional meetings where the preliminary findings of the process are used to identify ETF regional priorities and projects areas. The needs of the policy makers, which have come to the fore in the process, have also been used to guide the investments in our own thematic expertise – in new methodologies and approaches in the critical fields like governance and skills matching.

The VET policies and systems in partner countries struggle to anticipate or even follow the pace of economic, social and organisational change. The alarmingly high number of unemployed young people in partner countries and the EU proves that graduating from a vocational school or even a higher education institution is no longer a guarantee of employment. The key challenge for the policy makers, which emerged from the current round of the Torino Process, is innovation.

Innovation is needed in teaching and learning to empower young people, and unlock their creativity and energy. This type of learner-driven innovation will lead to new forms of self-employment. Innovation is needed also in policy making and governance to integrate VET in lifelong learning, and to make it a force for economic and social development.

I would like to take this opportunity to thank ETF staff for their contribution to the process. Thanks to their professional and personal commitment we have been able to keep VET at the forefront of the partner country policy agenda.

Above all, I must express my thanks to the partner countries. They took an active part in the 2012 Torino Process, which is a unique policy learning initiative monitoring systematically the progress in VET and I very much look forward to working with them in the coming years.

Madlen Serban
ETF Director



PREFACE

The Torino Process is a participatory process leading to an evidence-based analysis of vocational education and training (VET) policies in a given country. It is carried out in order to build consensus on the possible ways forward for VET policy and system development, considering the contributions of VET to enhanced competitiveness, and sustainable and inclusive growth. This includes determining the state of the art and vision for VET in each country and an assessment of the progress that countries are making to achieve the desired results. More specifically, the Torino Process is a vehicle for:

- developing a common understanding of a medium/long-term vision, priorities and strategy for VET development, exploring possible options for implementing this vision and/or making further progress;
- designing and evaluating home-grown and affordable VET policies, based on evidence or knowledge and collaboration;
- updating the analyses and achievements at regular intervals;
- providing opportunities for capacity development and policy learning within and among partner countries and with the European Union (EU);
- empowering countries to better coordinate the contributions of donors to achieving agreed national priorities.

The European Training Foundation (ETF) launched the Torino Process in 2010 and the first round was concluded in May 2011 at an international conference entitled 'The Torino Process – Learning from Evidence'. Among the outcomes of the conference was the establishment of the Torino Process as a biennial policy learning exercise founded on country ownership, participation, and a holistic, evidence-based policy analysis. The second round was launched in 2012.

The Torino Process overall is open to all ETF partner countries. This report draws on the lessons learned by the ETF. Its overall objective is to present the progress that has been made in VET policy and system development, and identify constraints and future priorities for the further modernisation of VET policies and systems in ETF partner countries. It is addressed to policy makers and practitioners in the partner countries, but also to officials, researchers, experts and the donor community who are interested in learning more about the partner countries in the field of VET or related policy fields.

This report was prepared by Manfred Wallenborn, ETF expert, who analysed the information in the regional reports for the preparation of this document. Valuable support was provided by Dorian Monteleone, ETF statistical officer. This report and the Torino Process are the result of a team effort. The ETF would like to take this opportunity to thank all the counterparts from the partner countries who contributed to the national reporting process in 2012, as well as the ETF country teams which facilitated the process in the countries. The ETF is also grateful to the statistical team and the internal peer reviewers who provided valuable input, comments and suggestions on the final draft of the document.



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EXECUTIVE SUMMARY

This report covers the Western Balkans and Turkey, the Southern and Eastern Mediterranean, Eastern Europe and Central Asia.

The objective is to present the progress that has been made in vocational education and training (VET) policy and system development, highlight remaining obstacles in relation to the performance of VET systems, and deduce recommendations for future ETF priorities in the partner countries. In addition, the report presents the ETF's opinion on how partner country VET systems could be further developed to increase the efficiency and effectiveness of VET policies and systems from a lifelong learning perspective. The report presents the lessons learnt by the ETF regarding the process of reform and modernisation of VET policies and systems thanks to the high level of commitment and substantial efforts made by the partner countries during the 2012 round of the Torino Process.

This report is addressed to policy makers and practitioners of VET systems in the partner countries, but also to officials, researchers, experts and the donor community who are interested in learning more about the partner countries in the field of VET or related policy fields¹.

There are positive key trends and areas of progress as well as remaining issues for the further development of VET within the four regions with which the ETF cooperates. The countries are inspired by the international debate² among experts on VET: VET matters in both an educational and an economic context, being an instrument for short- and long-term employability. The countries are aware of the important contributions of VET to social inclusion and to socio-economic progress in terms of growth and competitiveness. Moreover, they know from their own experience of reforming other educational sub-systems that VET reforms must be in line with the national context, that they take time, and that there is a need for persistent efforts in a number of different areas of VET systems in order to convert VET into a valid instrument for skills development.

The countries and regions analysed in the Torino Process 2012 round vary greatly. However, there are many common issues on which substantial progress has been made since the Torino Process 2010 round, such as the further development of national VET strategies that are coherent with other sector policies, the adoption and implementation of new laws and instruments, such as qualification frameworks (including new professional standards and curricula), decentralisation, greater involvement on the part of the business sector, and the beginning of rationalisation of the VET school networks. This progress is consistent with the seven priorities for further action formulated by the participants in the 2011 Torino Process Conference.

Policy makers in the partner countries are aware that VET reforms must be designed in line with the specific socio-economic and cultural contexts of the countries concerned, and that VET reforms must be linked to capacity building for implementation. However, the main conclusions of the 2012 Torino Process round highlighted five key areas for further action, which are common to all partner countries, if VET is to contribute in an effective manner to economic development, the employability of individuals and their social integration:

- creating shared, long-term visions³ for the development of skills from a lifelong learning perspective which effectively integrate education, training and employment with economic and social development;
- enhancing the labour market relevance of VET through a closer integration of learning and work, in learning environments that either are already available or could be created in schools, post-secondary institutions and the workplace;

1 This cross-country report is complemented by four regional reports focusing on the individual countries in more depth and containing more figures, tables and graphs (partly also used in this summary). This executive summary emphasises the cross-cutting themes and trends and issues that the regions, and countries within them, have in common.

2 See, *inter alia*, UNESCO Shanghai Consensus, May 2012.

3 Visions are condensed into a long-term strategic outline that formulates objectives and an action plan for better VET system performance in terms of sustainable growth, greater competitiveness and social inclusion through better employability.

- reinforcing awareness of the contribution of VET to social cohesion, through greater attention to the needs of vulnerable groups, both in initial VET (IVET) and by enhancing access to adult education and training opportunities;
- improving the quality of IVET and continuing VET (CVET), supported by improvements to elements of VET systems, in particular teacher training, teaching methodologies, qualification frameworks and the innovation of educational infrastructure/rationalisation of school networks;
- strengthening the effectiveness of public policy by sharing responsibility for VET governance and delivery between the state, the business sector and other social actors.

This represents an integrated, innovative agenda for sustainable reform in effective and efficient VET policies and systems. In this context, the term ‘integrated’ comprises a joining up of policy measures bridging VET and national and local development; it embeds VET in lifelong learning; and actively involves key stakeholders in shared multilevel governance. ‘Innovative’ brings the sense that VET policy is at the state of art – anticipating, rather than reacting to change. It suggests a VET system with the capacity to adapt and which provides the learner with the creative competences that are fundamental for long-term employability. ‘Sustainable’ brings into the concept both the dimension of green skills serving green economies and communities, and the need for long-term incremental effort to connect vision with implementation. While ‘effectiveness’ and ‘efficiency’ remain key principles for modern, accountable public policy.

According to the five building blocks of the analytical framework for the 2012 Torino Process (vision, external efficiency and demographic trends/labour market needs, external efficiency and social demand/inclusion, quality/labour market relevance and governance) the main findings from the 2012 Torino Process can be summarised as follows.

The country reports show that all countries are aware that visions and VET system reforms could make a considerable contribution to societal objectives such as increased competitiveness and employability, and inclusive growth if VET reform is part of integrated and holistic country policies. Hence, the countries have developed or are currently developing strategies for VET reform.

In the Western Balkans and Turkey these strategies are closely linked to EU standards and good practice, because the region comprises five candidate countries for EU accession.

The Southern and Eastern Mediterranean shows a more disparate picture in terms of the countries’ visions for the design and performance of VET systems. As a result of demographic pressure in many countries, the most important issue is employability for young graduates. However, political instability has generated short-term priorities other than VET reforms.

The need for new visions and reforms in Eastern Europe and Central Asia are currently being discussed intensively. In the early years of transition most of the countries dedicated more of their attention to general education and higher education. Meanwhile, the countries are convinced that a well-performing VET system strongly reinforces their position in a globalised economy and also supports regional mobility. Hence, visions and strategies have been formulated more coherently with other sector strategies, and many countries in Eastern Europe aim at placing more emphasis on the design of lifelong learning strategies, as a result of their ageing societies.

VET reforms that aim at greater efficiency, economic growth and competitiveness are underpinned and justified by socio-economic developments in the regions, such as the increasing numbers of young people looking for work opportunities in precarious labour markets in many of the countries. Whereas in the EU the proportion of the total population aged 15-24 is 11.7%, it ranges from 11.7% to 19.3% in the Western Balkans and Turkey, from 14.7% to 21.4% in the Southern and Eastern Mediterranean, from 14.0% to 20.8% in Eastern Europe, and from 18.7% to 23.5% in Central Asia⁴.

Demographic development is one driver of high unemployment rates. In the most recent years for which data are available, the average unemployment rate in the EU was 9.7%, while the corresponding figures were between 9.0% and 44.9% in the Western Balkans and Turkey, between 5.4% and 18.7% in the

⁴ Data from Eurostat, UNDP and national statistical offices from 2010–11.

Southern and Eastern Mediterranean (however, with extremely high youth unemployment rates in Egypt 30%, Jordan 30%, Palestine 36%, Syria 32% and Tunisia 42% in 2011)⁵, between 5.5% and 19.3% in Eastern Europe and between 5.4% and 11.6% in Central Asia⁶.

In many countries the outcomes of different education levels are not always appropriate either for current demands or for the challenges of the future, including the successful social inclusion of all learners, which is more related to the labour market relevance rather than to the level of educational offers. The countries of the former Soviet Union are still characterised by a significant amount of formal education but not always with sound levels of employability for the learners. In the EU the proportion of the total population aged 15+ that has completed at least upper secondary education amounts to 67.5%; the same proportion is between 69.2% and 93.9% in the Eastern European countries and between 71.2% and 90.2% in the countries of Central Asia. However, in the countries of the Western Balkan and Turkey region the proportion is lower, at between 28.8% and 70.1% and in Southern and Eastern Mediterranean countries between 17.0% and 74.7%⁷.

The situation in the Western Balkan and Turkey, and Southern and Eastern Mediterranean regions is linked in part to low levels of educational expenditure as a percentage of gross domestic product (GDP), exacerbating the problems faced by those from vulnerable groups and ethnic minorities. In the EU the percentage of GDP is 5.4%, but between 3.5% and 4.3% in the Western Balkans and Turkey and between 1.8% and 5.8% in the Southern and Eastern Mediterranean. The picture is more positive in Eastern Europe, where the percentages range from 3.2% to 9.1%, and in Central Asia, with percentages between 3.1% and 8.3%⁸.

The quality and labour market relevance of VET programmes are key challenges for innovation and reform in all VET systems. This includes the acquisition of key competences as sound foundation skills and tools for adaption to future challenges – suitable for both short-term employment and longer-term employability. In this respect, the country reports describe policy improvements in particular in the field of entrepreneurial learning⁹. This is seen by policy makers as having a high potential to generate a more dynamic culture among young people, business and communities and a fertile environment for job creation. The remaining problems are twofold: the need for improved employability and hence, inclusion, for learners is still a key priority, as is the need for increased competitiveness and sustainable growth. A great deal remains to be done through more effective practice-oriented modes of learning that are relevant to the labour market, and supported by better educational infrastructures in schools and enterprises, increased vocational guidance, improved training for teachers in new methodologies, updated textbooks and curricula, and more effective management on the part of school directors under the guidance of school boards with local community representation.

Such innovations in the elements of VET systems must be supported by new governance modes that involve all relevant social actors at different functional levels in future VET policy outlines. Ministries of education are also on their own transition pathway from bureaucratic administrators to intelligent moderators of social processes leading to improved VET system performance that is relevant to the labour market. A certain diversification of VET provision supports such trends: private training providers and enterprises that are working at the forefront of technology or dealing with international standards increasingly perceive VET to be an appropriate tool for business development through the updating of human capital. Traditional, publicly driven vocational schools are to some extent losing their prevailing position in human capital development in certain economic sectors, while private providers are gaining ground. Moreover, public schools have also started to cooperate with the business sector in order to better cover new learning outcomes and foster more work-based learning for increased employability.

5 For further information see the 2012 Torino Process Southern and Eastern Mediterranean report.

6 Data from national statistical offices, Eurostat and ILO (latest available years).

7 Data from national statistical offices, Eurostat. Bosnia and Herzegovina, Montenegro, Serbia, Lebanon, Morocco and Syria include lower secondary education.

8 Data from national statistical offices, Eurostat and UNESCO Institute for Statistics.

9 Inspired by the European Small Business Act, the ETF and its partner countries carried out small business act assessments in three out of the four regions in which the ETF is currently working in order to support entrepreneurial learning and small businesses.

Such processes imply the involvement of the social partners in VET policy development and implementation, and the support of additional modes of learning at the workplace in professions. These measures require capital-intensive learning environments, and are not generally available in vocational schools. A number of effective arrangements are already in place. However, the countries concerned still face challenges in installing new modes of governance according to their specific contexts.

The influence of EU policy is strongly felt across the partner countries in all education and training sub-systems. While the Western Balkans and Turkey, and in particular the candidate countries, are engaged in Enhanced EU Cooperation in VET, in other regions the European influence on VET refers to national qualifications framework (NQF) development, quality-assurance procedures and European models of VET governance.

1. BACKGROUND

This report draws on the country reports drafted under the 2012 Torino Process, which is a participatory process leading to an evidence-based analysis of VET policies in a given country. It is carried out in order to build consensus on the possible ways forward for VET policy and system development, in view of the potential contribution of VET to enhanced competitiveness, sustainable and inclusive growth. This includes determining the state of the art and vision for VET in each country and assessing the progress that countries are making in achieving the desired results.

The Torino Process was launched in 2010 as a biennial exercise with the participation of 22 partner countries. An ETF conference in May 2011, which discussed the results of the 2010 round with a broader audience, brought together some 250 policy leaders and experts from all ETF partner countries, from EU institutions, EU Member States and the international community. In the final declaration of the event, conference participants welcomed the Torino Process approach, endorsed the findings of the first exercise and encouraged the ETF to build capacity in evidence-based policy making in future Torino Process rounds. In particular, the following policy priorities were confirmed in the Torino Declaration:

- ensuring the relevance of skills provision and increased employability;
- providing an integrated lifelong learning approach to education and training;
- supporting the changing role of the teachers, trainers and managers of VET institutions;
- improving opportunities for access to education and training for all;
- investing in quality and improving the attractiveness of VET;
- reinforcing anticipatory, inclusive and effective multi-level governance, including through education and business cooperation and enhanced social dialogue;
- stimulating creativity and innovation, including through entrepreneurial learning.

The ETF took these recommendations and priorities into account in new projects, which are documented in its subsequent work programmes¹⁰. Today, all the above mentioned areas are covered by the ETF's work programme and respective activities are carried out according to the needs of different partners in the countries¹¹. Chapter 2 of this report will refer to these policy priorities and report on the progress made in the respective areas.

During the conference in 2011 all partner countries confirmed their interest in taking part in the next round of the Torino Process in 2012, and 25 countries ultimately participated¹². Thus, in 2012 Croatia, Montenegro and Turkey underwent an assessment following the Bruges Process, since these countries already have the status of candidate countries. Serbia, Montenegro and the former Yugoslav Republic of Macedonia took part in assessments for both the Bruges Process and the Torino Process. In this second round in 2012, 15 countries carried out a country-driven self-assessment, an indicator of increasing interest in approaches supporting evidence-based VET policy making (only six countries underwent a self-assessment in 2010). In 10 countries the Torino Process 2012 round was ETF-led.

The Torino Process was also intended to strengthen national partnerships and peer learning opportunities. Such national partnerships were reinforced through focus groups and the validation of Torino Process results in the countries concerned. In addition, regional events for peer learning took place in Jordan in September 2012 for Arab Mediterranean countries, in Brussels in December 2012 for the Eastern European countries, in Kazakhstan in February 2013 for countries in Central Asia, and in Italy in May 2013 for the Western Balkans and Turkey. The regional events in Jordan and Italy also included Policy Leaders' Forums in which ministers of education and labour participated.

10 The ETF work programme is available at: www.etf.europa.eu/web.nsf/pages/Work_programme

11 In its next work programme the ETF will also respond to issues that will be discussed and prioritised at the Torino Process conference in May 2013.

12 This round of the Torino Process covered 25 partner countries. Syria and Iceland were not eligible. The ETF updated reports on Algeria and Turkmenistan, and provided information on Egypt and Libya (where the full Torino Process has been postponed).

The analytical framework used in the Torino Process 2012 broadly adheres to the regional reports that are listed below, and is modelled on the one used in the Torino Process country reports. It is based on the exploration of:

1. vision for VET system development;
2. external efficiency: addressing demographic, economic and labour market needs;
3. external efficiency: addressing social demands for VET and promoting social inclusion;
4. internal quality and efficiency of initial and continuing VET delivery;
5. governance and financing of the initial and continuing VET system and institutional capacities for change (ETF, 2012a).

These areas are also related to the priorities for VET system and policy development in the EU Member States mentioned in the Bruges Communiqué (2010)¹³. Whereas the Torino Process is intended as a holistic policy analysis framework for national policy and system development, the Bruges Process is designed to be a reporting tool for EU Member States on progress towards the EU 2020 vision, and the common policy priorities agreed in Enhanced EU Cooperation in VET. The close thematic and temporal relationship between the processes enables the Torino Process to act as the external dimension of the Bruges Process, for example by showing the influence in partner countries of EU policy tools and instruments such as the European Qualifications Framework, the European Quality Assurance in Vocational Education and Training (EQAVET) network and the European Credit System for Vocational Education and Training (ECVET). In practice, the two exercises are highly complementary and provide specific added value for participating countries, especially in terms of policy learning.

Compared to the analytical framework used in 2010, the 2012 framework places greater emphasis on the issue of governance and financing. This is in line with developments and trends in the partner countries: they have become increasingly aware that the complex relationships of VET systems to other educational sub-systems, to the labour market and to the overall socio-economic framework require future solutions that go beyond the monolithic dominance of ministries of education or other ministries responsible for VET policy outline and delivery.

Substantial VET reforms in Europe are currently based on evidence, promoted by applied research carried out in the countries concerned and also agreed with a wide range of stakeholders before implementation. These stakeholders mainly comprise the social partners, sector committees and learners, who are knowledgeable about the developments in the world of work and the demand for education and training. They are accurately contributing relevant input to the further development of VET systems and their respective elements.

In order to enhance the quality of evidence in the countries, and based on the experiences of the first round of the Torino Process in 2010, representatives of the countries' national statistical offices were invited to Turin to discuss the main statistical issues in holistic VET system assessment. A list of key indicators for the second Torino Process round was also discussed with the participants from the partner countries. It took into account recent developments, such as the Bruges Process, the ongoing international discussion on VET and the work of the Inter-Agency Group (IAG) on technical and vocational education and training (TVET) indicators, in which a specialised forum, chaired by the ETF, agreed on a minimum set of indicators to be used as a monitoring tool for the development of education and training systems. Other members of the IAG are representatives of the United Nations Educational, Scientific and Cultural Organisation (UNESCO), UNESCO Institute for Statistics (UIS), International Labour Organisation (ILO), Organisation for Economic Cooperation and Development (OECD), Asian Development Bank, World Bank and several bilateral donor agencies as active observers.

In order to enrich the methodological framework of the Torino Process, the ETF compared the indicators used with those suggested by the IAG and with the G20 indicators, taking into account the definitions proposed and the level of matching.

13 These domains are: quality, efficiency, attractiveness, excellence, relevance of VET; access to VET and qualifications; lifelong learning, mobility; creativity, innovation, entrepreneurship; equity, social cohesion, active citizenship; communication, cooperation; VET employment services, data collection.

There is a good correlation between the indicators used by the ETF in the Torino Process and those considered by the IAG, in particular for areas relating to the cost and quality of, and participation in, education (e.g. public expenditure on VET, proportion of VET students, employment and unemployment rates by education, etc.), despite the fact that the level of detail required for the indicators is sometimes quite different. This gap is mainly due to the fact that the Torino Process indicators also take into account the availability of the information, since the main objective is to provide an existing base of evidence for ongoing VET analysis, while the IAG list is designed as a monitoring tool for individual countries, so it makes sense to include all relevant policy indicators, regardless of their expected global availability.

There is also a good level of matching between the ETF Torino Process indicators and the proposed G20 ones in the above-mentioned areas, although the Torino Process indicators relating to participation in education are more detailed (e.g. G20 refers to enrolment rates by level and not by programme). Moreover, the G20 indicators refer to adult participation in lifelong learning; this indicator is included in the Torino Process list of indicators, but has not been considered by the IAG.

Yet the gaps suggest several areas in which the Torino Process and IAG indicators could be improved, such as apprenticeships, demand for VET, utilisation of skills, and information and communication technologies (ICT). The Torino Process indicators will be evaluated before each round, to take such international developments into account¹⁴.

The Torino Process 2012 has been carried out on the basis of four principles that build on the experiences of the first round and on the recommendations of the conference in 2011. These are fundamental for the further development of a country-specific framework and respective national capacities for evidence-based policy design for VET system development.

These principles are listed below.

- There must be ownership of the process by the countries' policy leaders and stakeholders.
- Broad participation should ensure the involvement of all main actors of civil society in the process.
- A holistic approach should focus not only on VET system elements and areas, but also on how the VET system responds to the economic and social environment in which it operates.
- The findings of the 2012 Torino Process should support evidence-based knowledge of VET systems, which is relevant for further reform and innovation.

These principles put countries in the driving seat for the 2012 VET systems assessment through the Torino Process. This is an important step forward compared with the first round in 2010, for which the ETF independently designed the analytical framework, because experience-based recommendations from the countries had yet to emerge.

14 The G20 summit in Seoul in 2010 requested that the OECD, the World Bank, the ILO and UNESCO should, by 2014, 'develop internationally comparable and practical indicators of skills for employment and productivity in developing countries, particularly [low-income countries]'. The OECD and the ILO have drafted a first proposal for such indicators and are currently in the process of assessing their global availability. The ETF has been engaged in the process by providing feedback from its partner countries, in particular Kyrgyzstan and Tajikistan, on the feasibility of the G20 indicators. Should a comparable database be operational by 2014, the ETF will avail itself of this and support its partner countries in submitting the required information.

2. MAIN TRENDS AND PRIORITIES IN VOCATIONAL EDUCATION AND TRAINING POLICIES

Some common trends, constraints and developments are evident in the partner countries, and these are presented below. However, 'copy and paste' solutions are not on the agenda for the countries concerned. Overall, and despite the inspiring nature of solutions and tools from elsewhere, there is wide consensus among local experts that VET reforms and VET reform agendas must fit the national context and should involve stakeholders in a country-specific manner.

The ETF is aware of the strong influence of EU educational policies and VET system developments in the partner countries, and systematically promotes opportunities to learn from good practice. However, such good practice is considered to be inspirational input rather than a solution that will fit other country-specific contexts. These contexts require proper solutions in VET system development, solutions that systematically take into account local circumstances, not only in terms of educational infrastructure but also in terms of the specific socio-cultural approach to the VET system. This includes the 'social configuration' of different stakeholders and the state of the art of the labour market, where recruitment might follow other criteria rather than always looking for the best skill profiles available.

Hence, one situation to be avoided is the use of a common transition formula to each country, regardless of their position on the transition spectrum. Throughout the analysis, a primary issue is that of convergence and divergence. Leney and Green (2005), for the EU Member States, argue that although there may be some convergence arising from common underlying pressures, national, regional and sectoral aspects of VET are still likely to drive national VET systems in different directions. However, the analysis presented across the four regions retains remarkably consistent and common elements.

2.1 POLICY VISION IN VOCATIONAL EDUCATION AND TRAINING

VET matters as a viable alternative to other educational offers for employment, growth and competitiveness. This functional approach to VET in the context of socio-economic development is gaining ground in the partner countries. They are aware that following the transition period, diversified economies cannot rely entirely on higher education graduates, but require middle-level qualifications at the operational level of enterprises. This demand has also encouraged appropriate human capital development efforts on the part of the business sector, which, together with private training providers, will diversify existing VET systems. This trend has already been witnessed in the higher education sector, and must be carefully observed in the near future in order to reflect the overall systemic consequences for the entire VET system.

This corresponds to the need for new approaches to policy making for lifelong learning in a diversified landscape of VET providers, which is holistic, country-owned and participatory. Such policies should avoid further fragmentation between different institutional providers and stakeholders. Visions for VET tend to include making it a more attractive option through the development of pathways to continuing education and fostering smoother transitions to work through VET provision that is relevant to the labour market. Supra-national perspectives are gaining ground in the countries concerned, since many challenges also have a cross-border dimension, caused by labour mobility or regional cooperation. However, these issues have not yet been integrated into holistic visions by the partner countries.

Many countries have adopted NQFs in a very broad sense: their implementation in the countries' VET systems is seen as a holistic approach towards innovation that should increase quality in VET delivery, introduce an approach towards educational outcomes, foster the new design or updating of professional standards, and engage the social partners in education and training.

In many countries awareness of enhanced research capacities is evident, since long-lasting reforms require country-specific tools for monitoring and evaluation. There is seen to be a direct link between applied VET research carried out by local actors and policy design to increase the quality and labour market relevance of VET programmes. Furthermore, these are a precondition for using data and evidence for the design and implementation of new VET policies.

The Western Balkans and Turkey are not only geographically adjacent to the EU: most are also preparing for EU accession, and EU benchmarks are perceived as strategic objectives and a source of inspiration for the VET reforms driven by the Copenhagen and Bruges Processes, even in countries that do not yet have candidate status. This refers mostly to EQAVET and the development of NQFs.

There is also an effort in the region to further strengthen the link between VET visions and the EU policy framework (EU 2020 strategy, Education and Training 2020, the Bruges Communiqué and Rethinking Education), with emphasis also being placed on lifelong learning approaches and the possible contributions of IVET and CVET to socio-economic development. This does not necessarily mean that commonly agreed visions have been implemented coherently in reforms and innovations. Many VET stakeholders in the partner countries have observed a lack of shared visions across the institutions involved and their respective efforts for effective governance in VET. Nevertheless, Albania and the former Yugoslav Republic of Macedonia are currently outlining new national VET strategies based on a consultation process with the main stakeholders in society.

Other stakeholders still complain about the prevailing public institutional culture and performance, which is a major obstacle for more decentralisation and participation in VET system management and delivery, including local cooperation with the business sector. Nevertheless, new VET strategies are trying to foster the quality and labour market relevance of VET in a region with high unemployment, low activity rates and, in some cases, high long-term unemployment rates.

Although the need for stakeholder participation is recognised by many governments in the region, there is still no clear and consensual vision of a multi-level governance system¹⁵ that enables stakeholders from civil society to participate in the design of VET policy. This situation is exacerbated by the fact that the social partners and other stakeholders still have limited institutional capacities for participating effectively in new governance models.

The Southern and Eastern Mediterranean does not present a homogeneous picture in terms of visions for VET that are synergistically connected to other important areas of socio-economic development. Countries that experienced the Arab Spring – mainly Egypt and Tunisia – have put VET and its potential impact on employability, enterprise growth and social inclusion high on the national agenda, but are still in the process of ensuring political stability, and lack internal consolidation. Such countries currently have other, more urgent short-term priorities.

Nevertheless, VET and its importance for socio-economic development is gaining ground in the face of high rates of youth unemployment in many countries, and in view of the fact that having large numbers of higher education graduates is not a favourable solution for the overall reduction of unemployment. The vocationalisation of higher education and the introduction of employment-relevant post-secondary VET offers could in many countries be appropriate measures for reducing unemployment rates among graduates of post-secondary education. Morocco, with its low upper secondary completion rates, has even changed its constitution to make access to VET a basic right for all citizens.

In the future there will be a strong need in the region to develop shared visions for VET, rather than mere government visions. Shared visions are based on input from the stakeholders of civil society and overcome the prevailing fragmentation between public and private actors. This refers not only to the design of such strategies, for which many countries have at least consulted representatives of civil society, but also to the implementation process. Implementation capacities remain weak and do not sufficiently take into account the fragmentation among stakeholders. Moreover, coordinated participatory approaches are lacking at various levels of the VET systems. One consequence of this is the absence of a lifelong learning vision

15 Such a governance mode consists of coordinated actions of stakeholders at different levels of the system, both horizontally and vertically.

embedded in VET policies in nearly all countries. Such a vision should build on the contributions of stakeholders and learners.

Another issue is the convergence of VET policies with other sector policies in the individual countries, mainly economic, trade and employment strategies, and also linkages to other education sub-systems. Donors, who have strong influence in the Southern and Eastern Mediterranean, should contribute their resources and know-how to improving the coordination of VET policy design with the strategies in other sectors. This would include ensuring that national efforts and potential donor contributions are better coordinated by local experts, which should also avoid the multiplicity of donor-driven projects and programmes and foster more homogenous approaches to comprehensive strategies.

In the early years of transition many countries in Eastern Europe and Central Asia dedicated more attention to other education sub-systems such as basic, general secondary and higher education. Moreover, private households have tended to invest more resources in higher education, and this has had severe consequences for education streaming towards universities. In many countries the previous monolithic VET system of the former Soviet Union was neglected in terms of reform and the implementation of innovations. Consequently, in these countries the reputation of VET decreased rapidly during the transition phase, triggering even more enrolment in higher education programmes, particularly in the larger countries – Russia and Ukraine – but also in Armenia and Georgia.

In recent years Eastern Europe has experienced a turning point in terms of increased interest in the VET system, VET policy formulation, promoting reforms and increasing investments in educational infrastructure in order to respond to socio-economic challenges. All countries have recovered in economic terms after the financial crisis; they have shown robust economic growth and, over the past two years, for the first time an increase in employment. They are aware that sustainable economic development, increased competitiveness and greater social cohesion are linked to high-quality VET programmes that are relevant to the labour market. Corresponding visions have emerged that involve stakeholders (mostly employers) more effectively in the design of new strategies and important elements of VET, such as NQFs, professional standards and curricula.

Another emerging issue that requires future action is the development of lifelong learning policies and labour market-relevant CVET programmes. The problem of an ageing population in the larger countries has been partly offset by migration. However, continuously declining populations and new technological challenges in the global market require a constantly updated workforce at secondary level, as well as updated post-secondary VET programmes, which in many countries are currently complemented by the rehabilitation of technical equipment in 'resource centres' or 'centres of excellence'. Russia and Ukraine are the most advanced countries in implementation based on national resources; Armenia has been supported by donors to develop regional centres of excellence.

Future visions must link VET more closely with lifelong learning, and the intended increase in the attractiveness of VET should link the different options in education systems more closely. This would ensure that the potential of the available workforce in ageing societies is used effectively in order to avoid structural imbalances in the labour market, in which the large number of higher education graduates is not favourable for more targeted and pertinent skill recruitment in many economic sectors.

Many countries would like to increase the quality of VET research carried out by local experts. Applied research and corresponding evidence is perceived as a precondition for new policy design, and also as a complementary tool that could accompany the implementation of visions and the scaling-up from pilot action to policy mainstream, because better capacity development at various levels of the VET system is still seen as a precondition for successful implementation.

Central Asia is trying to reinforce the links between new VET strategies, the labour market and national economic development by enhancing the attractiveness of VET, with its potential for economic growth and social inclusion. Owing to the differences between the countries there is no common vision for VET in the region. However, four countries out of five have formulated education strategies (including VET), and perceive the function of VET as being within the context of economic and social development. These perspectives have been more fully elaborated and consolidated in the policy frameworks of the countries,

including better links between the education and business sectors, which is an outstanding and donor-supported issue in the booming economy of Kazakhstan.

Reskilling workers within the national development context, avoiding unemployment and improving equity through participation in VET, including in rural areas, are upcoming issues for the further development of VET policies. The region could learn from international good practice and approaches to multi-level governance in these areas. However, all visions are affected by constraints on resources in Kyrgyzstan, Tajikistan and Uzbekistan, constraints that impose short-term limits on the realisation of objectives.

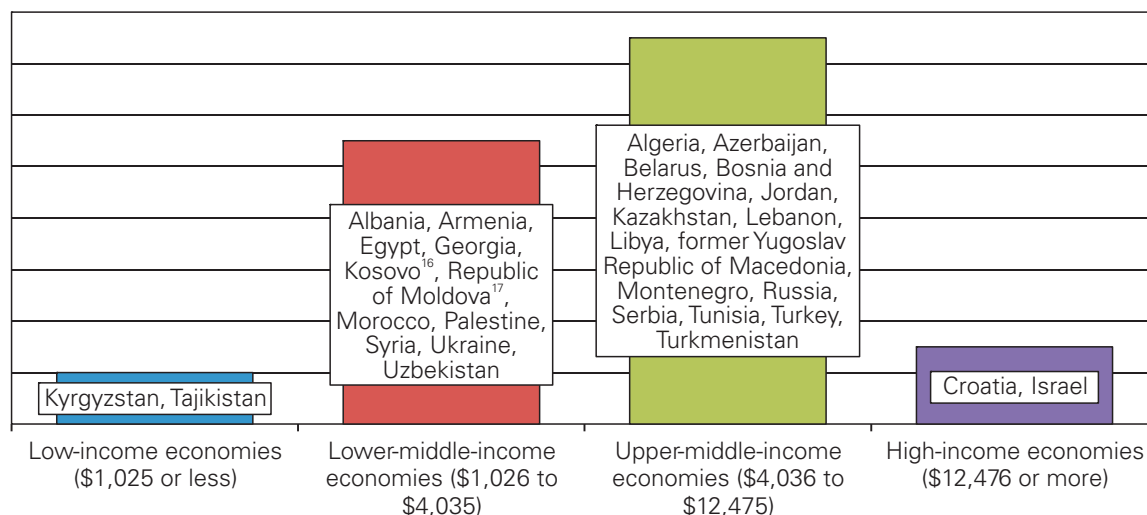
The countries of the region need broader institutional cooperation to take place among different stakeholders for the development and implementation of shared visions. EU influences have primarily driven the development of NQFs, quality assurance procedures and instruments. Such influences are also gradually becoming apparent in relation to alternative models of governance and institutional cooperation.

2.2 ADDRESSING DEMOGRAPHIC, ECONOMIC AND LABOUR MARKET NEEDS

The partner countries are all at different stages of socio-economic development. They are concentrated in the categories of lower- and upper-middle-income countries. Only two countries remain in the low-income category, while two others have already attained high-income status.

There have been only minor changes compared to the Torino Process 2010: one country (Jordan) has moved from lower-middle-income status to upper-middle-income status, while another country (Albania) has moved in the opposite direction. All other countries have remained in the same category, which is an indication that the scarce financial resources available in the countries for (VET) reforms have not changed dramatically.

FIGURE 2.1 CATEGORISATION OF COUNTRIES BY INCOME PER CAPITA, 2012



Source: World Bank

¹⁶ This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the International Court of Justice's Opinion on Kosovo's declaration of independence – hereinafter 'Kosovo'.

¹⁷ Hereinafter 'Moldova'.

Although all countries have different levels of socio-economic development, the ETF partner countries share some similarities in terms of difficult labour market conditions. Hence, relatively low activity and employment rates and high unemployment rates are observed. Moreover, international labour migration is a common phenomenon observed in most countries. The poles of attraction for increased labour mobility from partner countries include the EU, Russia and the Gulf countries in the case of the Southern and Eastern Mediterranean, but also Kazakhstan, Western Europe and the USA for other regions. Increased labour mobility across borders puts skill issues on the international agenda, as VET systems are increasingly under pressure to produce qualified and competitive human resources to meet the labour demands in both domestic and foreign labour markets. Thus, VET systems need to take into account not only the needs and developments of national labour markets, but also the trends in international labour markets and the international standards relating to the education and skills of the workforce.

IVET covers young people at the secondary and post-secondary levels, and the 15-24 year-old age group. Referring to benchmarks from EU 2020, by that date 40% of the 30-34 year-old age group should have a higher education degree and the proportion of early school leavers within an age group should be reduced to less than 10%; partner countries and EU countries must reflect on what will happen to the remaining 50% of the age group.

High-quality and labour market-relevant VET programmes are a sound alternative for the constantly increasing share of higher education graduates with questionable prospects on the labour market and modest returns on investment in their educational careers. Moreover, higher education graduates in some countries run the high risk of being unemployed after graduation, or of being underused and underpaid¹⁸. These prevailing trends are exacerbated by demographic trends in the four regions. The high proportion of young people in the population is a hindrance for smooth school-to-work transition in nearly all the countries of the Southern and Eastern Mediterranean and Central Asia (particularly Kyrgyzstan, Tajikistan and Uzbekistan).

In all the countries concerned a significant share of the population is made up of young people aged 15-24, this proportion being well above the EU average. These countries would face huge problems in terms of resources if they were to further invest and extend a school-based VET system at the secondary education level in order to better address the needs of these cohorts of young learners. This is a relevant argument for the further diversification of learning in VET, including work-based learning within enterprises. Current budget constraints and demographic pressures do not represent promising preconditions for restructured VET programmes that aim for increased quality and employability, and hence, a better school-to-work transition. **Figure 2.2** reveals the demographic challenge for many of the countries.

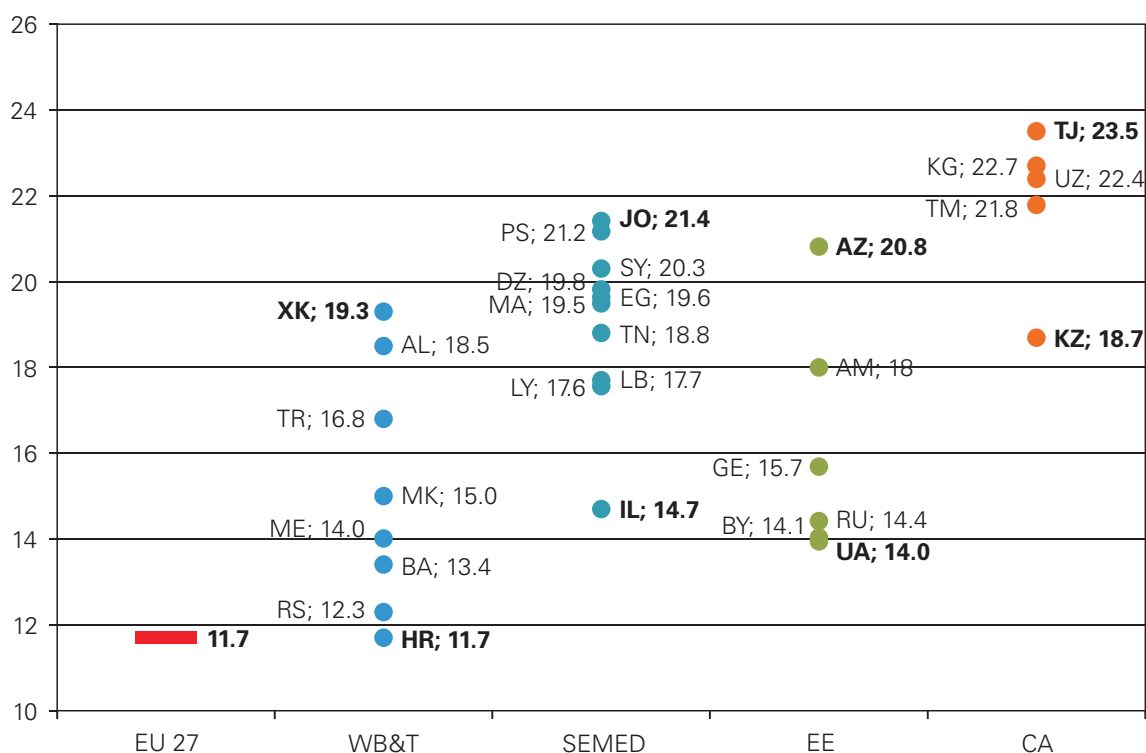
The proportions of young people in the population are high in the Southern and Eastern Mediterranean and in Central Asia, and in the medium-term a question will remain regarding how these young learners can be educated in order to give them sound prospects on the labour market of the country or the region. In three regions the demographic development currently contributes to high rates of unemployment in the workforce, ranging up to 45% in Kosovo, a country of the Western Balkan and Turkey region (see **Figure 2.4**). In such scenarios migration remains at the top of the agenda.

In the labour markets across the regions there is clearly a strong association between efficiency and equity that can be primarily seen in, and influenced by, long-term unemployment and vulnerability to social exclusion. The problem of long-term unemployment is significant, and in most of the 27 countries a large proportion of the unemployed population are long-term unemployed, i.e. have been looking for a job for more than one year¹⁹.

18 The 2012 Torino Process Eastern Europe report reveals that unemployment by education level is highest for university graduates in Georgia, and also very high in Armenia.

19 For more detailed information see the Torino Process 2012 regional reports.

FIGURE 2.2 NUMBER OF PEOPLE AGED 15-24 AS A PROPORTION OF THE TOTAL POPULATION, 2010-11 (%)



Country codes: CA – Central Asia; EE – Eastern Europe; SEMED – Southern and Eastern Mediterranean; WB&T – Western Balkans and Turkey; AL – Albania; AM – Armenia; AZ – Azerbaijan; BA – Bosnia and Herzegovina; BY – Belarus; DZ – Algeria; EG – Egypt; GE – Georgia; HR – Croatia; IL – Israel; JO – Jordan; KG – Kyrgyzstan; KZ – Kazakhstan; LB – Lebanon; LY – Libya; MA – Morocco; ME – Montenegro; MK* – former Yugoslav Republic of Macedonia; PS – Palestine; RS – Serbia; RU – Russia; SY – Syria; TJ – Tajikistan; TM – Turkmenistan; TN – Tunisia; TR – Turkey; UA – Ukraine; UZ – Uzbekistan; XK* – Kosovo. (*) Two-letter code yet to be defined. The provisional code MK does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations. XK is the provisional code used by Eurostat.

Sources: National statistical offices, Eurostat and UNDP

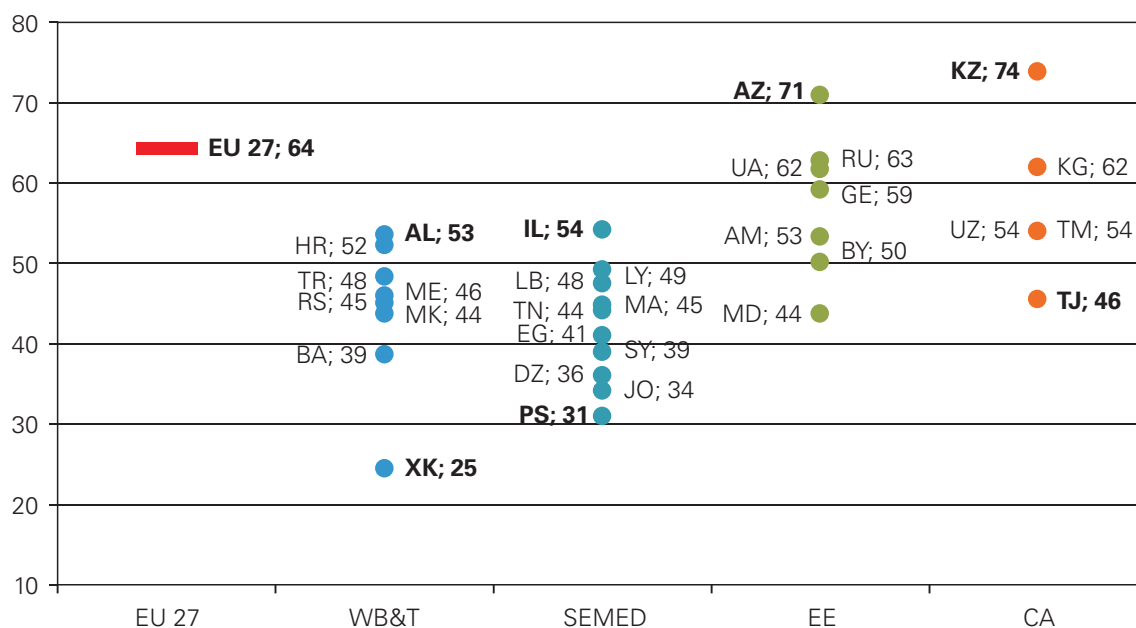
It is frequently the case that inadequate attention and/or insufficient resources are devoted to these groups, especially to ensuring improved social inclusion for young unemployed people, which often requires a mixture of targeted practical training²⁰ and entrepreneurial learning. Thus, there are difficult issues to be addressed, and these present a considerable challenge to policy makers everywhere, sometimes resulting in real crises and discontinuities, such as the Arab Spring. They are long-standing challenges that relate to both deficiencies in education and skills and behavioural and attitudinal barriers to obtaining and keeping jobs.

It must be emphasised that activity rates in most partner countries are lower than those in the EU, indicating that smaller proportions of the working-age population (usually the 15-64 age group) are economically active, especially in the Western Balkan and Turkey and Southern and Eastern Mediterranean regions. In countries with a large proportion of employment in agriculture, the activity and employment rates are artificially high, as in Eastern Europe and Central Asia, because agriculture remains a buffer against unemployment.

Figures 2.3 and 2.4 dramatically reveal that in some countries in which activity rates are higher (such as Armenia and Georgia), employment and unemployment rates are two sides of the same coin: in countries where employment remains low or moderate, high rates of unemployment are the logical consequence.

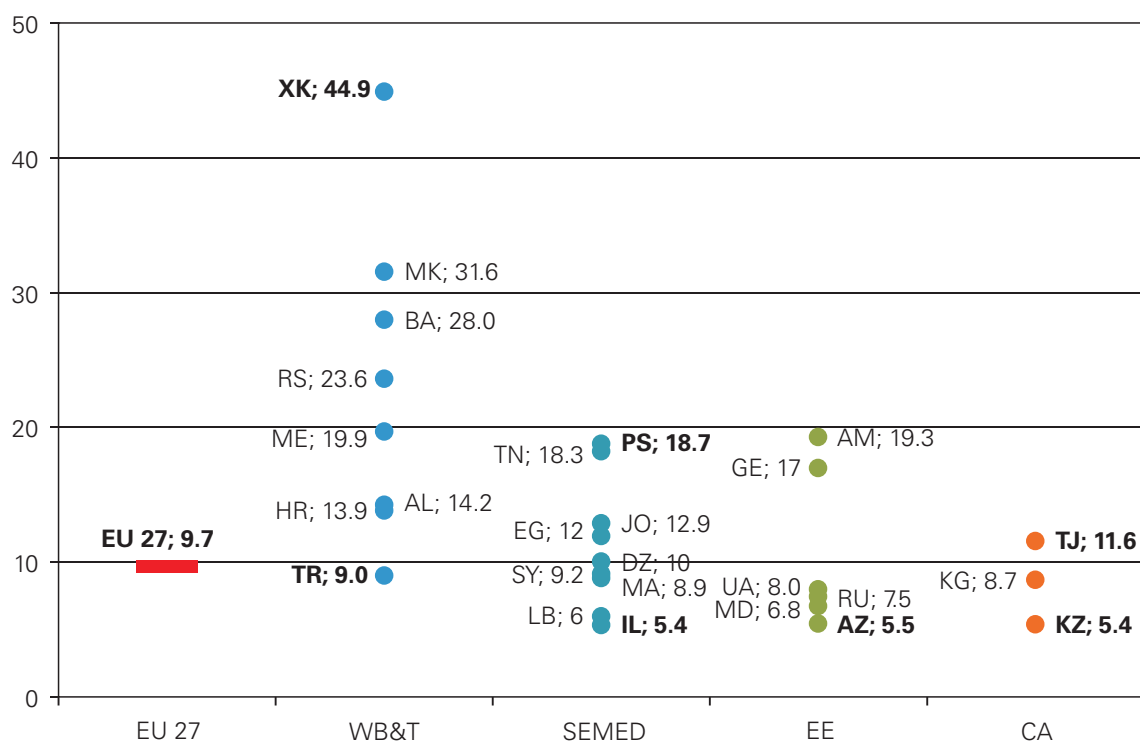
²⁰ Targeted work-based learning programmes as active labour market measures have been evaluated as 'quite effective' (Piopiunik and Ryan, 2012).

FIGURE 2.3 EMPLOYMENT RATES FOR THE 15-64 AGE GROUP, LAST AVAILABLE YEAR (%)



Notes: MD – Moldova; DZ, EG, JO, LB, MA, SY, TM, UZ and BY – 15+; RU – 15–72.
Sources: National statistical offices and Eurostat

FIGURE 2.4 UNEMPLOYMENT RATES FOR THE 15-64 AGE GROUP, 2011 (%)



Notes: LB and TJ – 2009; AL, SY, RU and KG – 2010; TN, PS, SY, JO and MA – 15+; RU – 15–72.
Sources: National statistical offices, Eurostat and ILO

The Western Balkans stand out in terms of their high unemployment rates compared with those in the other regions. However, lower unemployment rates in other countries and regions are not necessarily a positive sign; for example, many people never enter the labour market (e.g. inactive women in the Southern and Eastern Mediterranean), and in some areas (Eastern Europe and Central Asia, and in Turkey and Morocco) the high rates of agricultural employment and/or subsistence self-employment artificially hide potentially higher unemployment rates. The figures for the Western Balkans also reveal that there have been no major improvements following the financial crisis of 2008/09, whereas countries in other regions have managed to continuously reduce their high unemployment rates.

Demographic aspects are only one strand of persistent unemployment in the partner countries, which might be exacerbated by weak economic and trade policies. Moreover, the growth in joblessness is an issue all over the world (Jütting and Laiglesia, 2009), and this also contributes to persistent high unemployment rates. However, in nearly all countries there is also a mismatch between demand and supply on the labour markets. Even in countries with stagnant high unemployment rates, entrepreneurs are looking for skilled workers with up-to-date competences; such labour is not available on local markets, because VET programmes do not meet the requirements of the world of work in countries where more and more advanced technologies are constantly (imported and) applied.

This issue is less evident in the Western Balkans and Turkey but is most prevalent in Central Asia, Eastern Europe and the Southern and Eastern Mediterranean, as shown in **Figure 2.5**²¹. The results are at least an indication that one priority for these countries, defined at the 2011 Torino Process Conference as 'ensuring the relevance of skills provision and increased employability', is still high on the agenda. This was confirmed by the ETF Innovation and Learning project 'Learn', in which partner countries were asked via a questionnaire about the relevance in the country of work-based learning, a mode of learning that favours world-wide school-to-work transition and hence, employability. Some 21 countries stated that work-based learning is already of high or medium importance on the policy agenda. Moreover, 19 countries stated that work-based learning will increase over the next five years. None of the countries said that the importance of work-based learning will decrease over the next five years.

Such issues have regional implications. In many countries in the Western Balkans and Turkey the social partners are not involved in generating any labour market information. Such information comprises skill needs assessments for different sectors of the economy, including for the SME sector, which covers more than 90% of all economic activities and includes a significant number of micro enterprises. This is also relevant to agriculture, which is still a significant sector for employment. In five out of seven countries more than 20% of the active population is still employed in this sector, which also serves as a buffer against unemployment.

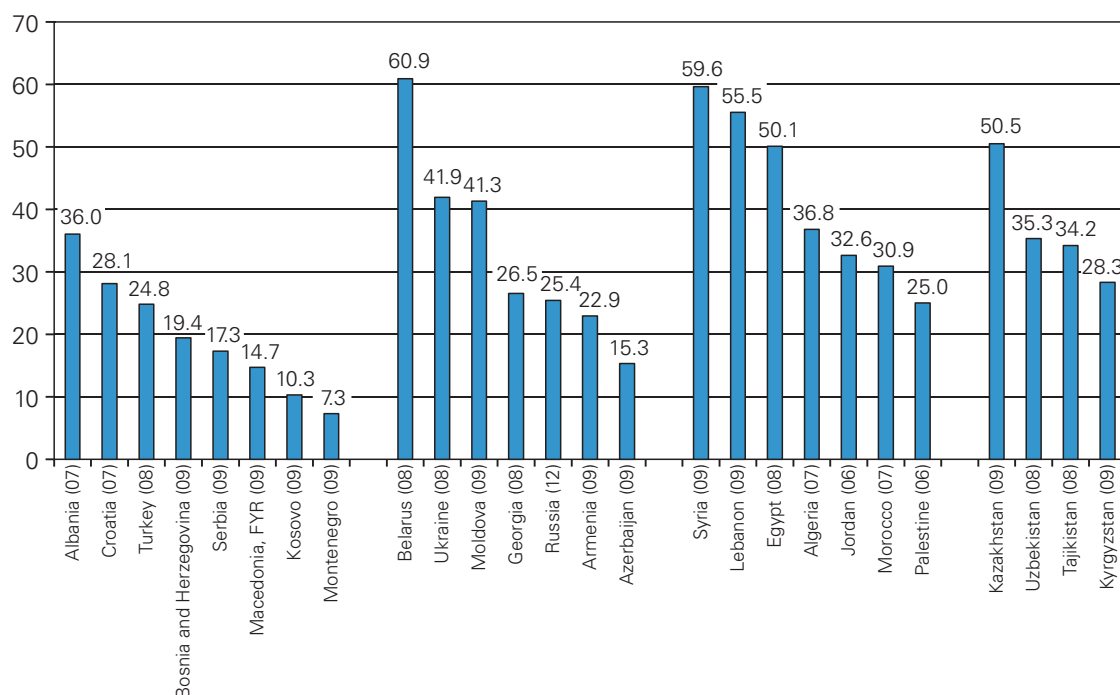
The Torino Process reports suggest that sector councils would be an appropriate tool for supporting the development of qualifications and competences. However, few such bodies exist in the region because of the tradition of centralised administrative approaches in VET and a lack of awareness and readiness for sector skills-specific engagement on the part of employer and trade union organisations.

At the same time a large proportion of the young population is enrolled in questionable secondary VET programmes, the contents of which are based on theoretical learning preferences and general subjects. These programmes are not systematically linked to business sector activities, and rely on short periods of practical learning in school workshops using poor and outdated equipment.

A rationalisation of the school network would in many countries contribute to an improvement in the quality and labour market relevance of IVET and CVET programmes. The available educational infrastructure could be concentrated in fewer vocational schools, partly updated by donors, and used to provide training in the context of a lifelong learning approach, in cooperation with the local business environment. However, in many countries where the issue of optimising the school network has been discussed, decision makers are reluctant to close down vocational schools, for political reasons.

21 Unfortunately, up-to-date figures from the new enterprise survey in 2012 were not available when this paper was being drafted.

FIGURE 2.5 FIRMS IDENTIFYING LOW LABOUR SKILL LEVELS AS A MAJOR CONSTRAINT FOR BUSINESS (%)



Notes: The calculation of the indicator is based on the rating of the obstacle as a potential constraint to the current operations of the establishment. For the Business Environment and Enterprise Performance Survey (BEEPS) 2008, firms were asked to confirm that they had applied for government contracts in the past fiscal year, while in the previous rounds of BEEPS the question was asked to all firms participating in the survey. Owing to differences in scales used in the European and Central Asian countries in 2002 and 2005 (four-point scales) and those used in the 2008 surveys (five-point scales), indicators based on business-constraint questions are not fully comparable. End users are encouraged to bear this in mind when analysing historical trends. Readers should download the raw data for additional information.
Source: World Bank, www.enterprisesurveys.org (last accessed 22 February 2013)

Moreover, if, following a process of capacity building, schools were able to cooperate at a higher level of accountability and with a greater degree of institutional freedom with the local environment, a great deal of added value would be created for learners, the business sector, the institutional reputation of the schools and the professional prospects of teachers and school managers.

The Southern and Eastern Mediterranean needs to have closely linked training and employment strategies that better support the transition of young people from VET to the labour market. Moreover, the SME sector plays a dominant role in this region, and employment strategies should take this into account in a systematic way. The existing sector organisations in some countries²² could serve as examples of good practice for others, and could be better and more intensively used in a targeted way to support skills development.

Systematically updated VET programmes should be built on better skill needs analysis tools that use a variety of methods (interviews, group discussions etc.) and that include tracer studies, enterprise surveys and sector evaluations. This could be carried out more effectively if existing sector know how was better used to extend or improve private sector involvement in traditional VET delivery and to foster more work-based learning.

Eastern Europe also has considerable gaps in terms of sound labour market information. Some of the available information is of poor quality, and little forecasting of labour market and labour force development is carried out, something that would also be beneficial in relation to vocational guidance in terms of better

²² Egypt has created sector committees for nearly all economic sectors in the country.

awareness of the main trends. Moreover, and in order to keep unemployment figures low, the labour market relevance of IVET and CVET must continuously improve.

Countries are on the way to achieving a number of ambitious goals. Quality assurance based on transparent standards, the updating of educational infrastructure, further training for teachers, sector-specific participation on the part of the business sector, and continuing developments in new curricula and NOFs in the region reveal a relatively dynamic development in VET systems. Nevertheless, links between the prevailing public provision of VET and the business sector could be constantly improved, particularly in relation to the large SME sector.

Entrepreneurial learning using targeted methods is still an appropriate approach for different groups, including entrepreneurs, unemployed individuals and young learners. Transition economies create numerous opportunities for emerging businesses, mostly in the service sector. This type of learning could be implemented even more effectively in the existing vocational school curricula.

As has been mentioned previously, most of the countries in Central Asia have formulated VET visions and strategies linked to the overall economic development of the country. However, a smoother transition to work and increased labour market relevance require more assessments of future skill needs, and these are not systematically carried out in the countries concerned at present. Such assessments must bear in mind the characteristics of the local economy, and must look systematically at the skill needs of the SME sector.

Wherever possible, more work-based learning schemes should be developed in order to further increase the relevance of VET provision and the transition to employment. With regard to this issue, those countries and regions that are economically more dynamic and advanced have an advantage in that they have a certain stock of enterprises and business activities, a precondition for work-based learning schemes.

2.3 ADDRESSING SOCIAL DEMANDS

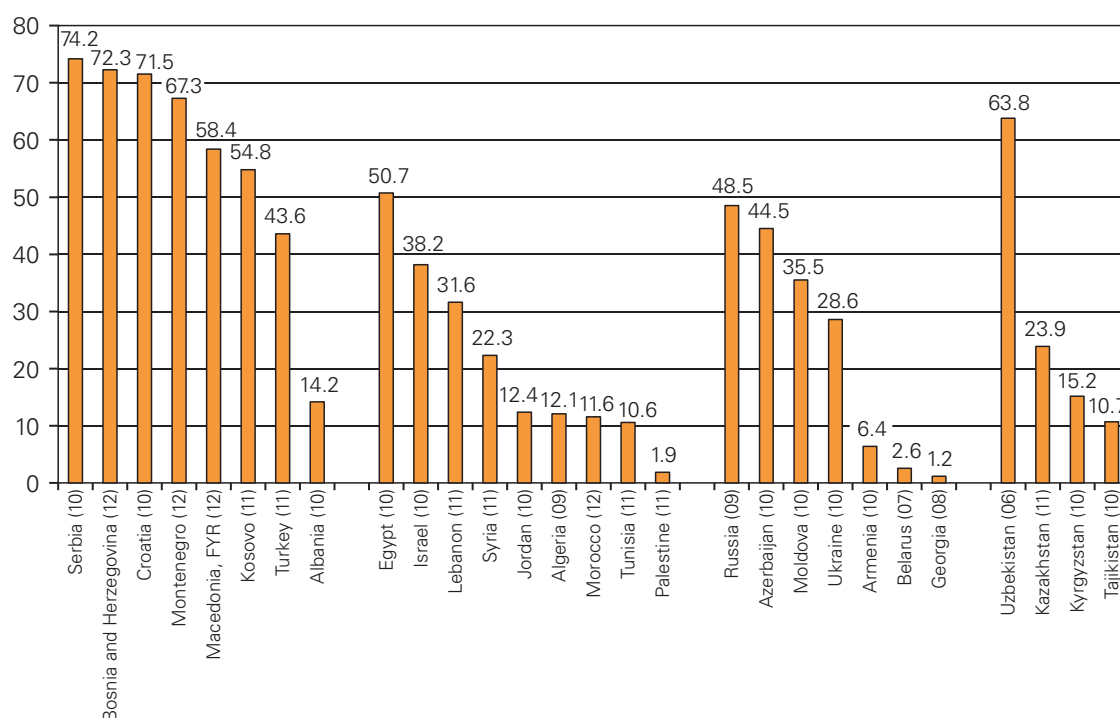
The highest enrolment rates in VET are a legacy of the former Yugoslavian state on the Western Balkans. Here, social demand follows the existing educational offers, which in general also permit access to higher education. Owing to a considerably smaller industrial sector, the vocational schools in these countries have lost their supply function for industry and currently tend to deliver more theoretical skills than practical skills for employability. As a result of this mismatch, this region suffers from high unemployment rates.

In most other countries and regions VET enrolment rates are modest, or even very low, as in many Southern and Eastern Mediterranean countries, because of a lack of attractiveness and a general trend towards higher education. During the transition period this had significant consequences for decreasing demand for VET. Nevertheless, the country reports indicate that there is currently an increasing demand for VET, which might partly be a reaction on the part of young learners to the employment opportunities for higher education graduates.

The level of educational attainment is still an indicator for human capital development in a particular country, although research in Eastern Europe and Central Asia (Sondergaard and Murthi, 2012) recently highlighted the fact that traditional approaches to teaching and learning still prevail and that new skill requirements (social skills, ICT literacy, critical thinking, foreign languages, the ability to act autonomously, etc.) are scarcely covered by these approaches.

Nevertheless, education levels remain generally high in both regions, and only some of the countries in the Western Balkans and Turkey and the Southern and Eastern Mediterranean achieve comparable results to those in Eastern Europe and Central Asia. Furthermore, the EU average for completing upper secondary education is lower than the weaker-performing countries in Eastern Europe and Central Asia. These high rates of completion of at least upper secondary education contribute to social inclusion in the two regions.

FIGURE 2.6 VET ENROLMENT AS A PROPORTION OF UPPER SECONDARY EDUCATION, LAST AVAILABLE YEAR IN BRACKETS (%)



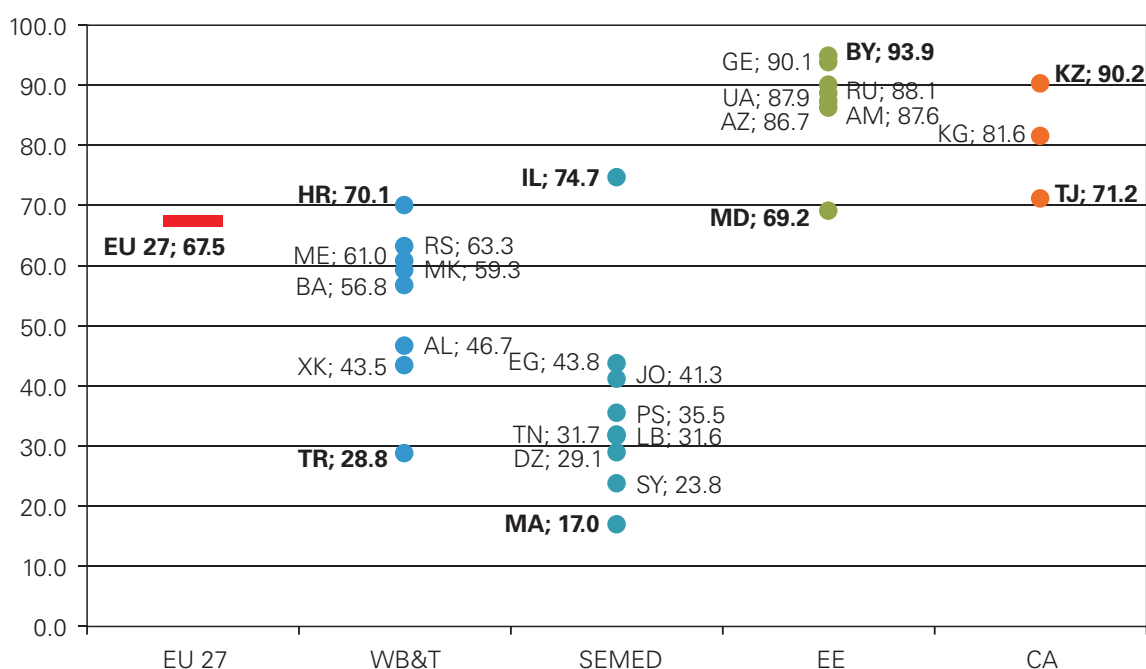
Notes: Montenegro – secondary schools; Turkey – secondary education.

Sources: UIS database; Bosnia, Montenegro, former Yugoslav Republic of Macedonia, Kosovo, Turkey, Moldova and Kyrgyzstan – national statistical offices

The low rates of completion of upper secondary education in the Southern and Eastern Mediterranean specifically, could be used as an indication of problems with early school leavers, individuals who are illiterate and those who are not in employment, education or training. More must be done in many of the countries to establish a network of institutions and measures that are able to better address the specific needs of such target groups, including improving access to and the attendance of education and training for individuals from ethnic minorities. Apart from actual training, programmes must also include vocational guidance and, for some groups, entrepreneurial learning for small business promotion in local contexts. Hence, there is still a great deal to do in order to achieve the policy priority of ‘improving opportunities for access to education and training for all’ that was formulated by the participants in the Torino Process Conference in May 2011.

The higher levels of educational attainment in the two better-performing regions (Figure 2.7) correspond to the higher amounts spent on education. Three countries in Eastern Europe and Central Asia are well above the EU average in terms of their educational spending, whereas only Croatia and Israel in the two other regions exceed the EU average. Despite recent research highlighting the quality of education as the key factor for economic growth (Hanushek and Wößmann, 2007), Eastern Europe and Central Asia still have a comparative advantage over the other regions in terms of the amount of education expenditure and the education levels achieved.

FIGURE 2.7 COMPLETION OF AT LEAST UPPER SECONDARY EDUCATION (AGE 15+), LAST AVAILABLE YEAR (%)



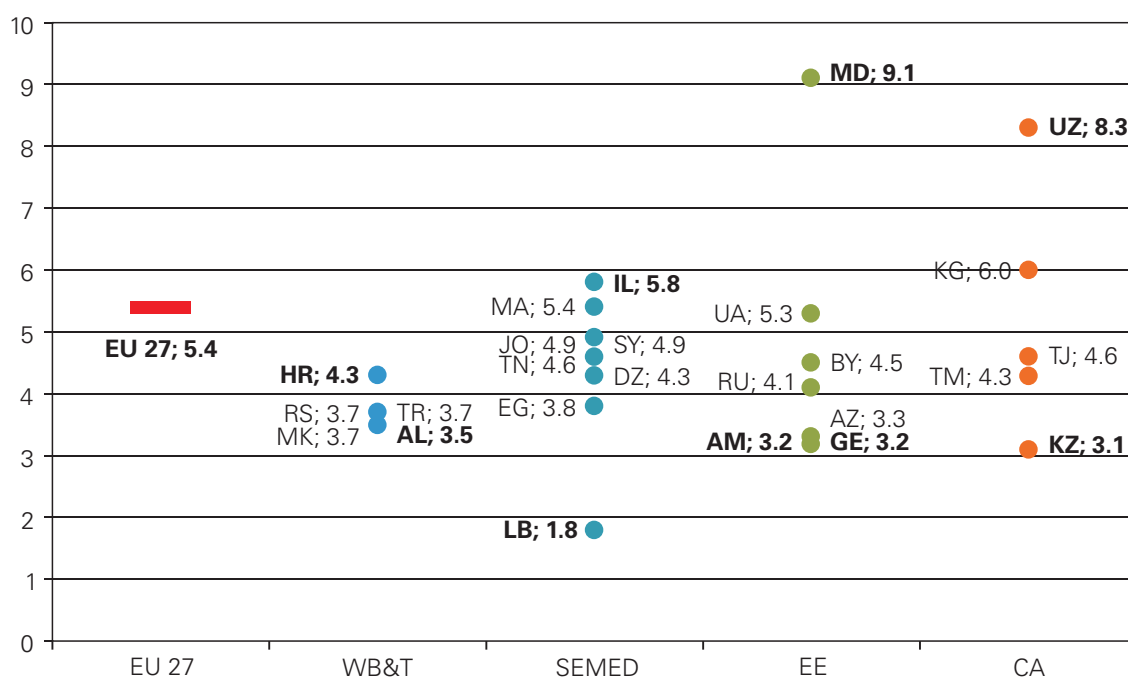
Notes: BA, ME, RS, LB, MA, SY and BY include lower secondary education; EU, HR, MK, AL, TR and TJ – 15–74; EG – 25+; UA – 15–70; RU – 15–72.
Sources: National statistical offices and Eurostat

This rather positive picture of Eastern Europe and Central Asia does not necessarily relate to secondary VET. In almost every country, albeit for different reasons, there is a perceived lack of adequate overall funding for IVET and CVET. An exception is in Uzbekistan (Central Asia), where 63% of secondary provision is devoted to professional education. A dilemma can be the relative low level of GDP allocated to education and hence, the low percentage for VET offers as such.

Linked to this is the usually relative higher percentage of GDP that is devoted to general education. The debate between investment priorities and return among general education, higher education and VET is also a major concern for donors. The further upgrading of VET requires resources that will need to be saved elsewhere in the system, notably by rationalising the network of institutions, which is possible in all regions and is to some extent already a cornerstone of VET policies.

A recent trend in this respect is the establishment of a number of better-resourced multi-functional centres that could develop into major IVET and CVET outlets for a higher number of learners of all ages. Examples of good practice already exist in Eastern Europe (Armenia, Russia and Ukraine). Such centres could be closely linked both to the communities or regions in which they operate, and to employers. They could offer courses of different kinds and at different levels of competence, and could over time develop into centres of competence for specific sectors according to the skills demands in the region. The experience of the formal and informal apprenticeship schemes that are available (Sweet, 2009) should be studied carefully and expanded to cover more sectors and forms of training. Other financing schemes to boost training provision for specific target groups, such as voucher schemes for SMEs or disadvantaged people, as well as national or sector-specific training funds for training employed people, are being trialled.

FIGURE 2.8 PUBLIC EXPENDITURE ON EDUCATION AS A PERCENTAGE OF GDP, LAST AVAILABLE YEAR (%)



Note: EU-27, GE and TJ – estimates.

Sources: National statistical offices, Eurostat and UIS

An analysis of unemployment rates²³ shows that females suffer from higher unemployment than males across most ETF partner countries, but the scenarios vary between the different regions. In the Western Balkans and Turkey the difference is small (except in Kosovo). The same situation is observed in Central Asia, while in more than half of the countries in Eastern Europe male unemployment rates are higher than female ones. In the Southern and Eastern Mediterranean, female unemployment rates are generally much higher, reaching twice the level of male rates (except in Lebanon, where the opposite is the case), despite the fact that very few women are active in the labour market. Hence, active women are usually more unemployed than men in the Southern and Eastern Mediterranean (Martín and Bardak, 2012).

With regard to youth unemployment, the last available data (except for Belarus and Uzbekistan) illustrate a dramatic picture, in particular in the Western Balkans and Turkey (where rates range from 18% to 65%) and in the Southern and Eastern Mediterranean (from 18% to 36%), while in Central Asia and Eastern Europe, although the youth unemployment rate is higher than the unemployment rate as a whole, it is in all cases lower than 19% (except in Armenia, where it is 39%).

There is a lack of available data regarding the unemployment rate by urban/rural area (data are available for only 11 of the ETF partner countries). The evidence collected shows that the urban unemployment rate is in all cases higher than the rural rate, which may lead to the conclusion that in rural areas, self-employment is in many cases a buffer against registered unemployment.

In view of the high number of low-skilled individuals, who make up the highest proportion of the inactive and long-term unemployed populations, there is a need to implement suitable measures on a larger scale in order to raise their skills and help them (back) into some gainful economic activity. However, these approaches must take into account the specific realities of each of the regions.

²³ Data from national statistical offices (last available year).

The issue of equity/equal opportunities in the Western Balkans and Turkey requires specific measures to ensure high educational enrolment rates and sound achievements, especially for those from ethnic and/or socially vulnerable groups, i.e. a focus on inclusive education. This includes targeted measures for low-skilled and long-term unemployed individuals, such as better vocational guidance and training offers for young learners and adults that correspond to local demand and that have been designed with private sector support.

Moreover, measures should be launched to provide better access to education and training. This is mainly relevant for women, who have relatively low activity rates in the Western Balkans and Turkey, but also for the population in rural communities and for specific ethnic groups.

In the future the demand for VET in the Southern and Eastern Mediterranean should also cover vulnerable groups and those requiring training to give them a second chance, including the large numbers of people who are not in employment, education or training. This requires specific measures to increase the employability of such groups, in terms of either gaining employment or becoming self-employed. Training programmes could be combined with entrepreneurial learning and could concentrate on employment-intensive local trades and crafts.

Female activity rates are still very low across the region, even among those in younger age groups. Targeted measures are required to activate women, identify employment potential and ensure that the content of training programmes is appropriate for the socio-cultural framework, thus creating improved employment prospects.

The relatively high educational attainment levels in Eastern Europe are in many countries combined with a rapidly ageing population, which creates additional needs for updating the existing human capital to use potential more efficiently. This refers to the employed workforce, but also to vulnerable groups and those seeking a second chance in rapidly changing labour markets.

Vocational guidance and targeted training combined with internships in interested enterprises are suitable measures for enhancing employment prospects. Training curricula should be developed following consultation with representatives from the local economy, who are very knowledgeable about future employment prospects.

Central Asia must make up ground in terms of providing different types of adult training, which was not offered during the early transition phase and in fact has not substantially increased in recent years. This includes provision in response to demand from employees, but also from those from rural areas and vulnerable groups, and individuals who are looking for a second chance in the labour market. There is a need for offers that are less standardised and training programmes that are geared more specifically to the local socio-economic framework in order to boost employment or self-employment. In addition, training for migration is a key requirement for Kyrgyzstan and Tajikistan.

Relatively high dropout rates in some countries could be remedied by sound VET programmes, which must be promising in terms of income and professional development.

No information is available on adult participation in lifelong learning in the Southern and Eastern Mediterranean, Central Asia or Eastern Europe. The indicator is available in six out of the eight countries of the Western Balkans and Turkey²⁴, and ranges from 0.1 to 4.3%. Comparison with the EU 2020 benchmark (15%) underlines that there is a low level of participation in adult learning in the region, with all rates being below the EU average (9%).

²⁴ Data from national statistical offices and Eurostat.

Despite the lack of data in the majority of the countries, all national experts agree on the importance of holistic lifelong learning approaches, which are still lacking, and confirm that substantially more must be done in CVET in order to cope better with the challenges ahead (globalisation, technological developments, ageing societies, skills of migrants, etc.). Looking back to the 2011 Torino Process Conference, which formulated the need for ‘an integrated, lifelong learning approach to education and training’, little progress can be said to have been made in these countries in terms of either policy outline or systematically increased activities directed towards lifelong learning²⁵.

2.4 INTERNAL QUALITY AND EFFICIENCY

All these countries are still in a continuous process of improving the performance levels of their VET systems and their respective elements. They take very seriously the policy priority of ‘investing in quality and improving the attractiveness of VET’. While there have been few advances in terms of improving the attractiveness of VET, in nearly all the countries the adoption of NQFs and the discussion, and partial implementation, of various quality-assurance approaches reveals significant national efforts and steps towards achieving better quality in training delivery.

Quality, labour market relevance, effectiveness and efficiency are key elements for improved educational attainment in VET. The countries concerned are aware that a higher level of quality in VET performance is not simply a question of new quality procedures and the adoption of new standards and benchmarks. Better education quality is less a formal or legal process and more a process that is related to improved coordination and cooperation on the part of the entire set of elements within the VET system, which can ultimately be benchmarked against new quality standards. Such elements are:

- teacher education, further teacher and instructor training, and the development of professional careers;
- curricula, textbooks and teaching methodologies;
- educational infrastructure (buildings and equipment);
- VET school–business relations to increase practical learning;
- effective and participatory school management.

Sound educational outcomes build on a process that is determined by the above-mentioned elements. Each country must find its own way of improving specific VET elements. For example, it will be difficult for countries with a population of between 600 000 and 3–4 million people to implement a proper technical teacher education system at post-secondary level. They must identify country-specific solutions for the development of teaching staff (e.g. upgrading technicians or engineers with pedagogical competences).

Moreover, further teacher (and instructor) training is a relevant issue in nearly all of these countries. Apart from Azerbaijan, where it is a compulsory part of the recent VET reform, upgrading is not sufficiently covered in most countries, and not all countries make use of links between education and business to provide technical upgrading opportunities for teaching staff through such initiatives as internships and the sponsorship of equipment. The professional reputation of teachers, trainers and school managers needs to be enhanced almost everywhere as a solid foundation for future quality in the system, supported by more recent teaching methodologies that foster the transversal skills of the learners. Hence, ‘supporting the changing role of teachers, trainers and managers of VET institutions’, which was stated as a priority at the 2011 Torino Process Conference, remains at the top of the policy agenda of these countries. An increasing awareness of the importance of the role of teachers and school managers in ensuring quality is not yet sufficiently supported by country-specific efforts in the majority of countries. There are examples of good practice across all regions in further training and capacity building. However, more must be done in the future to improve capacity building for VET personnel.

²⁵ In many countries the business sector has launched – sporadically, but in an enterprise-specific manner – further training programmes for employees in order to cope with new enterprise realities. Such activities do not fit into and are not promoted from a national lifelong learning approach.

The updating of curricula and textbooks is an important and rather expensive process. Generally, the process of designing new curricula and updating others has improved in recent years, since there is now an awareness that world of work stakeholders should be an integral part of curriculum revision and design. There are even some countries where employers have driven curricula or NQF development in order to meet global technological standards.

The educational infrastructure remains weak in many vocational schools, and work-based learning schemes offering more practical learning do not compensate. In order for this to happen, relationships between the education system and business sector would need to improve (ETF, 2011) to allow equipment in enterprises to be used effectively for learning processes. All countries are aware that their equipment is outdated, and have launched considerable efforts to further improve their infrastructures. In most cases three strategies are used, sometimes in combination, to improve the situation in VET institutions:

- rationalising and improving the efficiency of the school network, and concentrating available resources in selected institutions;
- renovating vocational schools and equipment;
- using donor funds and national donations for the updating of VET institutions.

A restructured school network could even increase the ratio of teachers to students, which remains relatively low in some countries (Sondergaard and Murthi, 2012). This would represent an institutional contribution to the process of increasing the efficiency of learning processes.

The international debate on VET (European Commission, 2012; Cedefop, 2011; ETF, 2013; OECD, 2012; Biavaschi et al., 2013) currently highlights the benefits of work-based learning for IVET and CVET in the context of globalisation and rapidly increasing technological standards. This discussion, and problems such as increased competitiveness and inclusive growth, has raised awareness of education–business relations in the countries concerned, since the structural limitations of school-based VET in modern manufacturing and the modern crafts sector have become more and more apparent.

However, in most of the countries such cooperation remains sporadic, and depends in many cases on personal links between employers and schools. Moreover, in some countries the private sector has taken the lead in pushing the development of qualification frameworks and the updating of curricula. Even when internships are compulsory for students and are regulated by law, it is not always easy for schools to identify a sufficient number of enterprises for this type of practical learning.

A huge potential for practical learning and efficiency gains remains underused as long as education–business relations in IVET and CVET are not systematically supported by coherent policies. A new societal consensus is required in order to make better use of the advantages of practical learning in enterprises, which simultaneously should increase the attractiveness of VET.

School directors are important individuals in terms of the further institutional development of schools and for relationships with the socio-economic environment. More freedom and accountability combined with capacity building would enable many of these school directors to play a more effective role in school development. This would be most relevant in terms of reinforcing education–business relations, improving links with the community and using vocational school facilities more efficiently while training employed and unemployed adults who demand further training.

In addition to these general issues there are specific constraints in the regions in terms of the further action required to improve the performance of the VET system. Most countries in the Western Balkans and Turkey have not yet systematically embedded key competences into the existing VET curricula. This, together with the need to introduce enhanced technical skills and teaching methodologies for teachers and trainers, is an urgent requirement.

In view of the high youth unemployment rates and the significant numbers of former VET students entering university, the labour market relevance and attractiveness of secondary and post-secondary VET should also be improved, including the introduction of work-based learning, in the form of apprenticeships wherever possible. Such innovations also imply changes in the legal framework.

Adult training in the region faces two main problems: it is insufficient in terms of its quantity, and it needs to be more targeted to the qualification needs of specific groups. Such groups include low-skilled adults (including long-term unemployed individuals), new entrants to the labour market and employed people who require technological updates to be able to perform their work more effectively. However, the structure of these economies, with their many small and micro enterprises, is an obstacle for further investment in training for employees.

The Southern and Eastern Mediterranean faces similar problems in that there are few or no structured mechanisms for adult learning. The integration of key competences into curricula has yet to be completed, and this needs to be linked to the further training of teachers and instructors in technical subjects and new teaching methodologies. Improved career information and vocational guidance systems could advise young learners more effectively and at the same time enhance the attractiveness of VET.

The further development and completion of NQFs and of instruments to ensure greater quality and quality assurance in VET systems are also priorities, taking into account current constraints. Both priorities should be linked to capacity building in the region.

There is a lack of overall assessment mechanisms for quality assurance in the VET system, and no links have been established between quality assessment and corresponding governance mechanisms. This problem is common to all countries of the region. However, initial efforts have been made in some countries to address the issue.

Curricula reform and the definition of new professional careers must be linked to pedagogical innovation. In many sectors this could have serious consequences in terms of updating the vocational school infrastructure, which is no longer suitable because of the changes that have taken place in the world of work.

Many countries in Eastern Europe are discussing the rationalisation of the school network or have already closed down a considerable number of schools (e.g. Ukraine). A reduction in the number of vocational schools is frequently linked to the upgrading of other schools, in which new education infrastructure is acquired partly through specific programmes or through sponsorship by the private sector. Meanwhile, in some countries a level of flexibility in the system allows students studying certain modules to attend more specialised and better-equipped institutions in order to achieve better educational outcomes and gain labour-market-relevant skills.

The Eastern European countries must carry out further work on the design or implementation of NQFs. In addition, they must improve the skills profiles of teachers, both in general and in the context of NQF implementation. This could be achieved (and is currently already in place in some countries) through pre-service and in-service training.

Effective career guidance systems are either not in place or are not sufficiently efficient to give sound advice to young learners and to influence educational streaming, which is currently characterised by increasing enrolment rates in higher education. To complement the latter measure, there is a need to design more VET offers at post-secondary level in attractive and employment-relevant areas, for either general secondary or VET graduates.

Central Asia also has numerous problems in relation to the professional development of teachers and instructors. More needs to be done in order to increase teaching quality and efficiency. Further training is a key instrument for updating in technological issues and in acquiring new methodological approaches for more effective learning. All countries are aware of the low professional status of teachers. Salary increases in recent years have been designed to make the teaching career more attractive.

There has also been an increase in the number of activities and programmes in CVET. The number of short courses is increasing, particularly those under the responsibility of the ministries of labour. The different offers aim to deliver specific skills for selected groups and are not currently an integral part of higher education achievements.

Since all regions have relatively high rates of migration, developing systems and instruments for the validation of prior learning and qualification systems at national levels (both for migrants and for all adults in general) would help to support the better use of skills learnt abroad, outside school, in informal and non-formal settings. Such enhanced capacity on the part of service providers would support mobility, and would be of mutual benefit for the host country and for the country to which the migrants return.

Career guidance and counselling are important issues for the region, although these are not the only areas on the list of priorities: new pathways between traditional VET offers and other educational careers, for example the integration of further training delivered in short courses into a comprehensive lifelong learning cycle.

2.5 GOVERNANCE AND FINANCING

‘Reinforcing anticipatory, inclusive and multi-level governance’ was stated as a top priority and as a major area for future reform and innovation by the participants of the 2011 Torino Process Conference. Progress has been made in the regions, as described below. However, there is still a great deal to be done in terms of systematically integrating stakeholders of civil society into the process of outlining VET policy and the monitoring of reform and innovation. Such governance relies on institutionalised and formalised procedures and functional structures, but also on formal and informal agreements that determine the methods of operation. Hence, VET systems operate under an institutionalised framework for IVET and CVET that is divided between three separated functions and levels, which are variably reflected across the four regions:

- departments within ministries of education and labour (and other line ministries such as agriculture, industry and transport) managing the IVET and CVET programmes at national level and, in very large countries, with some presence at regional level;
- national advisory bodies or councils, usually representing government and social or regional partners;
- technical guidance and support structures providing services to both IVET and CVET managers and providers (schools and training centres); these cover areas such as qualifications/occupational standards, curriculum development, assessment, certification, teacher (further) training and accreditation, and career guidance.

The advantage of maintaining a separation between policy, management and technical services is that it avoids both ministry responsibilities becoming too complex and confusion between policy and technical implementation issues. Equally, centralised inflexibility is considered a barrier to flexible responses towards largely local labour markets.

The three functions mentioned above may be deployed towards school-based VET in a relatively simple and transparent centralised bureaucracy. However, the labour market is more complex, more subject to rapid change and more localised and therefore requires greater organisational, financial and staffing autonomy.

There is always the risk of fragmentation between the different ministries responsible for public VET and labour market training. Possible solutions include:

- bringing all provision together under a single ministry;
- creating a national agency for quality control, applying common criteria independent of the various ministries;
- creating a market situation in which different public and private providers compete.

Of equal importance to formalised institutional structures are the agreements and the *modus operandi* of restructured governance modes in VET systems – the ‘software’ of the institutionalised structures. Advisory bodies, national VET councils and other specialised agencies should follow a paradigm that confers greater responsiveness and accountability to stakeholders involved in VET. Moreover, their duties and tasks should be more clearly described than is presently the case in most of the countries.

Currently governments and ministries do not necessarily make sufficient use of formalised institutions such as national VET councils. The meetings of such councils are more formal procedures, or mere discussion rounds, rather than important events in which relevant policy decisions are taken on future innovations in VET systems.

Coherent innovations and their implementation would require a multi-level governance approach that not only recognises the important contributions of non-public stakeholders to VET system development, but also proactively supports their engagement at the three functional levels mentioned above. Formalised communication channels should simultaneously be created in order to ensure that the changes in and challenges of the world of work and the new learning needs of the beneficiaries are accurately reported. These contributions are important elements for decisions about new VET policies.

Such problems, which are evident in nearly all the countries, are combined with specific characteristics in the four regions. The different ministries and institutions involved in VET administration and delivery in the Western Balkans and Turkey remain fragmented, even in smaller countries. There is a high risk of this becoming a vicious circle, since there is insufficient capacity among employer and trade union organisations for increased and more effective stakeholder involvement in new modes of governance. Hence, overcoming fragmentation in governance and management remains a key priority for the region. One route is to involve economic actors in such processes, which might require capacity building in order to ensure effective participation. Another path towards better governance is the consultation processes launched in Albania and the former Yugoslav Republic of Macedonia to bring together input from a broader audience into the design of new VET strategies.

Reforms and the need for new modes of governance in the region are linked to the required optimisation of the school network and the creation of multi-functional centres that would empower regional actors and partnerships for employment, while simultaneously preparing for the use of resources from the European Social Fund.

VET management and governance in the Southern and Eastern Mediterranean is highly fragmented. Many ministries run VET programmes independently from other ministries and institutions. Reforms should include from the very start participation from the business sector, which can contribute to a more dynamic approach and increased innovation in VET. The general problems of governance mentioned above must be addressed in the region by implementing further decentralisation, which would empower sectoral and regional actors and increase school autonomy. Some countries are already on the way to achieving increased decentralisation, and throughout the region governance and accountability are being discussed, with a focus on the efficiency and effectiveness of public management, demonstrating that clear progress is being made towards improved governance modes.

There are already examples of good practice in relation to school–enterprise training partnerships in the region, and these could be extended to other countries. Legal mechanisms and communication channels for social dialogue should be established in all countries, following best practice and experience that are, albeit to a limited extent, already available in the region.

Similar issues are on the reform agenda in Eastern Europe. There is a need to strengthen the involvement of employers in VET, which in some countries is in progress, and to involving an even wider range of stakeholders, which should also include increased accountability. This was stated as a priority at the 2011 Torino Process Conference in the context of new governance modes. Greater autonomy and accountability for schools is another area in which partial progress has been made, and in which vocational schools in Georgia and Ukraine are cooperating with the business environment. Moreover, larger countries in the region are in the process of decentralisation and/or regionalisation of their VET systems. Such modes of empowerment may support innovations in VET institutions.

Many schools in the region generate additional income by delivering adult training for employed and unemployed target groups. Such experiences should be systematically discussed, including corresponding legislation, in order to disseminate successful practice to more schools in the region and facilitate the renovation of vocational schools.

Countries in Central Asia are very different from one another. In the low-income countries in particular there is a need to strengthen all initiatives relating to multi-level education and business relationships. Such relationships could be formalised in larger and more developed countries. Education–business links should not be restricted to IVET but should also include post-secondary VET offers and different modes of adult training.

Progress towards new governance modes has been limited. However, in 2011 a National Council for Vocational and Technical Education was established in Kazakhstan. This institution involves several ministries, but also employers at national level and representatives of the different branches, in addition to regional representatives. Moreover, 14 sectoral councils have been established to facilitate improved participation in further VET developments.

However, there are financial and hierarchical issues linked to new approaches in governance. In all countries the ministries of finance are major players, given the decreasing overall allocations for education as a whole and often have an apparently negative attitude to funding the specific needs of occupational sectors and sub-sectors that require expensive equipment and materials. This corresponds with modest educational spending for the entire VET system.

The situation might be exacerbated for school-based, publicly financed VET systems, given the challenges of globalisation and technological innovation. The modern manufacturing sector, parts of the service sector and the modern crafts sector deal with capital-intensive equipment that is not available in school workshops. Rapid technological innovation might even make it unlikely that equipment would be purchased today, since it may already be outdated tomorrow. Such structural limitations in schools require new ideas in countries where the entire education sector is underfinanced.

Restructuring the school network, concentrating available resources and identifying additional sources of VET financing are the most suitable ways of achieving better performance levels. Employers as well as learners could contribute to such objectives. Vocational schools could generate additional income by offering adult training services, supported by a corresponding legal framework.

In a few partner countries there are intelligent leasing models aimed at improving the entire VET services of vocational school programmes. In Ukraine young students on welding courses undergo a period of training at a specialised national institute in order to acquire skills in expensive learning environments, which the schools could never afford. More basic and less costly forms of welding training and theoretical learning are still delivered by the school.

Such solutions should be introduced more broadly in VET systems, using the infrastructure of enterprises more efficiently and in a more targeted way in the local environment to achieve win–win situations, i.e. by providing better practical training to address the demands of enterprises more effectively. Internships, or even more extended modes of work-based learning, provided under corresponding legal frameworks, could save a great deal of money for vocational schools, which should concentrate on parts of the curricula where they have comparative advantages. Proactive support for such innovative modes of education–business cooperation requires the involvement of the respective stakeholders, who will be able to accurately convey strong messages about work-based learning, which in companies has a self-adapting innovative function that schools do not possess: if employers operate with outdated technologies they risk their position in the market. Therefore they have to adapt new technologies and provide skills in line with developments on markets, something that schools are not required to do in such a dynamic way.

Against a background of resource constraints, the four regions have formulated slightly different priorities for the near future.

- In the Western Balkans and Turkey the allocation and use of funds should be reconsidered in order to ensure that they are used more efficiently, taking into account that only one country in the region spent more than 4.3% of GDP on education. This could be complemented by stimulating private investment. Schools should be able to generate income and retain these resources for new investments. The expansion of apprenticeships and the introduction of cost-effective voucher schemes are additional instruments for improving educational spending and the efficient use of funds in the VET system.

- The Southern and Eastern Mediterranean has similar priorities on its agenda. Increased efficiency in VET would require a re-examination of how funds are currently allocated and used. Bringing together the VET learning infrastructure into a more efficient school network combined with contributions from the private sector are seen as suitable instruments for achieving greater efficiency in VET spending.
- The efforts and priorities in Eastern Europe are aimed at using funds more efficiently, mainly through the rationalisation of the school network. Some vocational schools have already been closed, and learning infrastructure has been brought together in 'resources centres'. In addition, in some countries the private sector has contributed to the purchase of school equipment, which is why some countries are looking for more public-private partnerships in VET.
- In Central Asia decision makers have tried to invest more cost-effectively in new educational equipment. Public-private partnerships, which are in place in Kazakhstan and Uzbekistan, are another way of optimising the funds that are available for the VET system.

In all countries there is considerable room for improvement in terms of the traditional elements of VET systems, such as teacher education, curricula, textbooks and entire learning environments. However, the problem is that short-term action to improve isolated elements of the VET system will not substantially improve the performance level of the entire system in terms of quality and labour market relevance. Hence, there remains a key question, namely how to move holistically from pilot schemes (aimed at improving elements of VET systems or single training institutions) to achieving increased and sustainable performance levels in the overall system, ensuring greater equity, enhanced competitiveness and inclusive growth. The resource centres already mentioned might be a suitable instrument.

The partner countries will not find an answer to these questions by considering only internal systemic factors. Rather, the entire set of external drivers of VET systems needs to push towards the creation of a fully and consensually recognised education sub-system that operates in a different way from other education sub-systems, because of its close linkages to labour markets, technological developments and the world of work etc. These external drivers include:

- the interests, expectations and activities of the social partners;
- comprehensive VET policies within a lifelong learning perspective and in accordance with other sector-development policies;
- the norms, values and educational preferences of learners and their parents;
- structural changes in terms of professional careers, awarding systems and employment opportunities on the labour markets;
- the reputation of VET system graduates and the social status of crafts workers and blue-collar workers.

Unless such external drivers significantly change their perceptions, attitudes, levels of commitment and readiness for action, VET system reforms will not be sustainable. Such major pushes require another consensual configuration (values, perceptions, attitudes, commitment, political willingness and corresponding laws) in the societies of the countries concerned. Increased involvement of the actors, particularly the social partners (ETF, 2012b), in participatory governance modes (ETF, 2012c) at different levels of the VET system is, in the medium to long term, vital in terms of their increased influence on such external drivers and improved quality and labour market relevance.

Newly established and effectively working communication channels between governments and social actors in VET systems, consultation with the business sector (ETF, 2011), and specialised organisations such as sector committees are important in complex societies and VET systems, where everyone possesses knowledge and can contribute, but where no one is perfect, and where no individual would be able to operate the entire system alone.

Decentralisation in larger countries, shared responsibility, and greater autonomy and accountability might be suitable options for ensuring that more authentic voices can be heard in the VET system, enabling the regional and local qualification needs to be addressed by training institutions that follow lifelong learning approaches and that no longer maintain a costly separation between IVET and CVET. However, this is not simply a technical question of the optimisation of resources in such multi-functional training centres, but also a question of how communities operate and cooperate in order to meet the training needs of the learners and the demands of the business sector in the local socio-economic environment.

3. EU DEVELOPMENTS IN VOCATIONAL EDUCATION AND TRAINING AND THE TORINO PROCESS

The Copenhagen Declaration of 2002 launched the European strategy for enhanced cooperation in VET, generally known as the Copenhagen Process. This was updated in 2010 by the Bruges Communiqué, which was adopted by the European ministers for VET, social partners and the European Commission on 7 December 2010 and which reviewed the strategic approach and priorities of the Copenhagen Process for the period 2011–20.

While the Copenhagen Process has been instrumental in defining the framework for enhanced cooperation in VET among the 27 EU Member States, it has also had an impact on ETF partner countries. There are various reasons for this. Firstly, the Copenhagen Process rationale outlined in the Bruges Communiqué recognises the influence of ‘economic globalisation which encourages employers, employees and independent entrepreneurs to extend their scope beyond the borders of their own countries’. The Communiqué notes the impact of globalisation on the demand for skills, and calls on VET providers to support the changing world of work by giving an ‘international dimension to learning content and by establishing international networks’. Indeed, the impact of globalisation by definition extends beyond the borders of the EU. Given that the EU is the largest economic area in the world, the influence is particularly strong on the economies of its neighbouring countries, as manifested in strong trading relations between the EU and ETF partner countries, the prevalence of EU enterprises in partner countries, and migration flows. This fact effectively creates a state of interdependence between the EU and partner countries which must be taken into account in VET policy.

Secondly, while the rationale for the Copenhagen Process is based on the specific current and future challenges facing the EU Member States, the Torino Process shows that to a significant degree these challenges are also shared by partner countries according to their contexts. Policy makers in the EU and in partner countries are all facing the need to develop and implement a vision for responsive, flexible and high-quality VET systems that can provide the relevant skills needed to support economic and social development. Policy makers in all partner countries to both the east and the south are concerned about the role that VET plays in responding to the changing needs of the labour market, and especially in assisting young people to find employment. Concern for VET quality and excellence is also shared by both EU and partner countries, as indicated by the number of partner countries that are working on reforms around qualifications. The 2012 Torino Process has also confirmed the importance of addressing the issue of governance for effective public policy, in particular through establishing modalities for cooperation at multiple levels between governments, social partners and practitioners that is closely related to the references in the Copenhagen Process to the shared responsibility for investment in VET. Finally, the Copenhagen Process focuses on the importance of basing policy making on good-quality data, which mirrors the priority given to raising the profile of evidence-based policy making in the 2012 Torino Process. In conclusion, there is a broad coherence between the priorities identified by the Copenhagen Process – developing an integrated or global vision for VET, quality and efficiency, creativity and entrepreneurship, equity, and good governance – and the policy initiatives and needs identified in partner countries by the Torino Process. As a consequence, the EU VET policy agenda and its accompanying tools and instruments are relevant stimuli for policy discussions in and with partner countries, with due consideration for the specificity of their context.

Thirdly, there is a strong political factor behind the influence of the Copenhagen Process on partner countries. Since 2002, candidate countries have been directly engaged in the Copenhagen Process. Indeed, the candidate countries take full part in the Copenhagen Process meetings, working groups and reporting exercises, including the 2012 interim reporting on the Bruges Communiqué. The 2010 Communication,

'A new impetus for European cooperation in vocational education and training', argued that: 'EU policy on VET should be a subject for further policy dialogue and mutual learning with [...] third countries [...] Structured cooperation could be launched with neighbourhood countries and further extended with enlargement countries [...] The European common reference tools and the policy approaches provide an important reference for the modernisation of VET systems in partner countries, including for those involved in accession to the EU. This cooperation has potential to contribute to transnational collaboration, regional development, an improved management of legal mobility and to combat illegal migration' (European Commission 2010).

This political motivation is augmented by the priorities and policy-driven approach of EU cooperation, especially in the enlargement and neighbourhood regions. The Instrument for Pre-Accession Assistance (IPA) makes specific provision for supporting human resources development, including VET (a feature that will be continued under the second IPA programme from 2013). In this respect, enhanced cooperation in VET is directly relevant for candidate and potential candidate countries, since it represents the framework in which these countries will operate as prospective EU Member States in the long term.

The European Neighbourhood and Partnership Instrument (ENPI) is focused on partnerships that do not have an EU accession perspective. However, the absence of an accession perspective is replaced by the possibility of partner countries achieving (i) stakes in the EU's internal markets and institutions; (ii) closer integration with the EU's internal market; and (iii) progressive participation in EU policies and programmes. The ENPI includes a focus on VET, inter alia through the priority on 'people-to-people' policies.

Under both IPA and ENPI, the policy-driven approach and modus operandi of the EU funding instruments is also an effective means of helping partner country policy makers to play a full role in developing national policy solutions according to their context. An important feature of this political dimension is the prospect of enhancing the level of cooperation between the partner country and the EU. This can be seen in the IPA countries through the movement from potential to candidate country, or in the neighbourhood region through the prospect of attaining the status of advanced cooperation. In both cases, this change in status increases the level of cooperation between the countries and the EU.

Beyond this, in Central Asia, where the objectives of EU cooperation relate to economic development without integration or accession perspectives, EU developments also offer partner countries a reference against which they can assess how their reforms compare with international trends. This is an important source of policy learning, as differences in approach have helped to highlight important contextual features.

In the light of the above three factors, partner countries from across the regions have been inspired by the EU VET policy agenda, instruments and tools. In terms of content, the Torino Process has captured the references to EU policy approaches, tools and instruments, either within policy discussions and/or as part of implementation or adaptation to the national context. The most widespread case remains the development of national qualifications frameworks in 27 partner countries that are clearly inspired by the European Qualifications Framework. This is seen as a way of bringing qualification issues to the centre of VET reforms and developing cooperation and dialogue among partners regarding reform issues. Other measures inspired by EU policies and captured by the Torino Process refer to interest in EQAVET network and topics of quality, excellence, improvement and quality assurance, vocational counselling and guidance, and the development of work-based learning. Closer complementarity between general education and VET and the consequent move towards integrated lifelong learning approaches can be observed in countries such as Israel, Moldova and Tunisia. Other priority areas, such as the recognition and validation of prior learning, key competences and credit transfer, are mentioned in some reports as important topics to be considered in the future. Both the Copenhagen Process and the influence of partner country involvement in the Small Business Act (European Commission, 2008) have helped to move the focus in partner countries towards entrepreneurial learning, especially in support of SMEs.

Beyond the policy content, the modus operandi of the Copenhagen Process has also inspired the analytical framework and principles of the Torino Process itself. The comprehensive analytical framework of the Torino Process enables stakeholders to consider how the different parts of the education and labour market

systems are interrelated. This approach highlights the strengths and constraints of local environments in a way that enables participating countries to assess more clearly the relevance and feasibility of EU VET policy approaches in their contexts. In particular, this is possible because the Torino Process framework incorporates the more specific priority areas identified by the Copenhagen Process.

The complementarity and specificity of the two exercises are outlined in the table below. This clearly shows that while the two processes have specific purposes, the similarities confirm the high potential for policy learning between the partner countries and the EU.

BRUGES–COPENHAGEN AND TORINO PROCESSES: COMPLEMENTARITY AND SPECIFICITY

	BRUGES–COPENHAGEN PROCESSES	TORINO PROCESS
Background	Builds on the EU experience with the Copenhagen Process, launched in 2002	Launched in 2010
Purpose	Reporting and knowledge-sharing exercise to measure progress against common policy objectives and instruments agreed at EU level	Exercise to enable partner countries to analyse national VET policies through evidence and consultation Policy-learning tool within countries, between countries and with the EU Inform the ETF's support strategy and its input to EU institutions Empower partners to coordinate donor interventions
Structure	Specific policy objectives and short-term deliverables in Bruges Communiqué	Holistic analytical framework covering VET and links with economic and social development, lifelong learning
Process	EU Member States' voluntary cooperation enshrined in soft legislation carried out through self-assessment Reporting exercise with interim report after two years and full report after four years	ETF-proposed process carried out through ETF-supported 'self-assessment' or ETF-led process Process at least as important as report Every two years
Domains	Quality, efficiency, attractiveness, excellence, relevance of VET Access to VET and qualifications Lifelong learning, mobility Creativity, innovation, entrepreneurship Equity, social cohesion, active citizenship Communication, cooperation VET employment services, data collection	Vision External efficiency: <ul style="list-style-type: none"> ■ VET in relation to economic competitiveness ■ VET in relation to social demand and social inclusion Internal quality and efficiency Governance and financing
Timing	January–October 2012	January–December 2012 leading to conference in May 2013
Scope	National exercise for Member States and opportunity for adjusting strategy and tools at EU level	Used principally at country level, though also piloted at local level in Russia and Tunisia



CONCLUSIONS AND PERSPECTIVES TO MOVE SKILLS FORWARD

The report has led to two main conclusions and perspectives for the ETF. Firstly, on the basis of information and analysis provided largely by the partner countries, it gives an indication of the priorities to be pursued to support the further reform of VET policies and systems. Secondly, it provides some ideas about the future development of the Torino Process. Both these conclusions and perspectives will be discussed with partner countries and the international community during the conference on 'Moving Skills Forward' on 8-9 May 2013 in Turin. The outcomes from the consultations in the conference will be summarised in a declaration that will serve as a reference for future ETF work.

Each Torino Process country dialogue and report shape the ETF work in the country. Taken collectively, the reports indicate priorities for the future development of ETF support to partner countries. The 2012 report encourages the ETF to support the further reform of VET policies and systems towards improved performance in terms of competitiveness and sustainable, inclusive growth. Therefore, following the Torino Process analysis, and based on constant dialogue with the partner countries, the future operational priorities for ETF support are expected to be:

- creating shared, long-term visions²⁶ for the development of skills within a lifelong learning perspective; such visions should effectively integrate education, training and employment with economic and social development;
- enhancing the labour market relevance of VET through a closer integration of learning and work, in learning environments that are either already available or could be created in schools, post-secondary institutions and the workplace;
- reinforcing the awareness of the contribution of VET to social cohesion, through greater attention to the needs of vulnerable groups, in IVET and by enhancing access to adult education and training opportunities;
- consolidating the quality of IVET and CVET, supported by improvements in the VET system, particularly teacher training, teaching methodologies, qualification frameworks and the innovation of the educational infrastructure and rationalisation of school networks;
- strengthening the effectiveness of public policy by sharing responsibility for VET governance and delivery between the state, the business sector and other social actors.

This represents an integrated, innovative agenda for the ETF to support sustainable reform in effective and efficient VET policies and systems in partner countries in the mid-term 2014-17. Within this overall framework, actions will continue to be based on the specific context and dialogue with partner countries and on EU external policy priorities.

As regards the perspectives for the Torino Process, drawing on feedback from the 2012 round, the ETF intends to continue developing the Torino Process as a support to policy making in partner countries, and as a complement to the external dimension of the EU Copenhagen and Bruges Processes. In this respect, the ETF plans to organise further rounds of the Torino Process to be held in 2014-15 and 2016-17. In order to maintain the value of the exercise, the overall format, framework and approach of the Torino Process are expected to remain the same. This will allow policy makers and the ETF to consider the 2012 round as an established baseline from which policy progress in terms of trends and developments can be measured at national and regional levels.

26 Visions are condensed into a long-term strategic outline that formulates objectives and an action plan for improved performance of the VET system in terms of sustainable growth, increased competitiveness and social inclusion through increased employability.

However, the ETF will consider how to fine-tune the framework and indicators on the basis of future developments in the Copenhagen and Bruges reporting exercise, in order to reinforce policy learning between the ETF partner countries and VET policy developments in the EU. Secondly, the ETF is considering how to strengthen the potential of the Torino Process indicators to help countries measure the rate of policy progress and institutional capacity. Finally, the ETF will continue its close dialogue with the international community to deepen the compatibility of the Torino Process with major policy analysis and policy strategy initiatives fostered by the international community. This refers in particular to initiatives undertaken by the Inter-Agency Group (IAG) members led by UNESCO²⁷, and activities within the G20 framework.

During the forthcoming round of the Torino Process the ETF intends to provide further tools and guidelines to support individual countries in the organisation of the information gathering and consultation processes as well as to support their policy analysis. In addition, the ETF is developing tools to build capacity in evidence-based policy analysis techniques for officials, practitioners, researchers, and statisticians from public and private sector institutions under the Torinet initiative. The ETF plans to consolidate policy learning opportunities through meetings at regional (multi-country) levels for policy leaders and policy makers from the four regions.

Drawing on the policy priorities and the improved tools, the ETF will launch the next round of the Process in 2014, leading to an international conference in 2015.

²⁷ Current members of the IAG are: UNESCO, Asian Development Bank, European Commission, ILO, OECD, World Bank and ETF.

ABBREVIATIONS AND ACRONYMS

BEEPS	Business Environment and Enterprise Performance Survey
CA	Central Asia
CVET	Continuing vocational education and training
EE	Eastern Europe
ENPI	European Neighbourhood and Partnership Instrument
EQAVET	European Quality Assurance in Vocational Education and Training
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
IAG	Inter-Agency Group
ICT	Information and communication technologies
ILO	International Labour Organisation
IPA	Instrument for Pre-Accession Assistance
IVET	Initial vocational education and training
NQF	National qualifications framework
OECD	Organisation for Economic Cooperation and Development
SEMED	Southern and Eastern Mediterranean
SME	Small and medium-sized enterprise
UIS	UNESCO Institute for Statistics
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VET	Vocational education and training
WB&T	Western Balkans and Turkey

COUNTRY CODES

AL	Albania
AM	Armenia
AZ	Azerbaijan

BA	Bosnia and Herzegovina
BY	Belarus
DZ	Algeria
EG	Egypt
GE	Georgia
HR	Croatia
IL	Israel
JO	Jordan
KG	Kyrgyzstan
KZ	Kazakhstan
LB	Lebanon
LY	Libya
MA	Morocco
MD	Moldova
ME	Montenegro
MK*	Former Yugoslav Republic of Macedonia
PS	Palestine
RS	Serbia
RU	Russia
SY	Syria
TJ	Tajikistan
TM	Turkmenistan
TN	Tunisia
TR	Turkey
UA	Ukraine
UZ	Uzbekistan
XK*	Kosovo

() Two-letter code yet to be defined. The provisional code MK does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations. XK is the provisional code used by Eurostat.*

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CONTACT US

Further information can be found on the ETF website:
www.etf.europa.eu

For any additional information please contact:

European Training Foundation
Communication Department
Villa Gualino
Viale Settimio Severo 65
I – 10133 Torino

E info@etf.europa.eu

F +39 011 630 2200

T +39 011 630 2222

