

TORINO PROCESS 2014 A CROSS-COUNTRY REPORT

**MOVING SKILLS FORWARD TOGETHER
TRENDS, CHALLENGES AND SUCCESSES IN
VOCATIONAL EDUCATION AND TRAINING IN
THE ETF PARTNER COUNTRIES**



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PREFACE

In recent years, governments around the world have started to prioritise skills development as a strategy for competitiveness and growth. Today, an investment in human capital is widely recognised as an investment in the success of policies that aim at boosting the economic and social progress of nations.

The level of training and education of learners and workers largely determines their level of skills and, consequently, their potential contribution to economic competitiveness and social cohesion. It also determines their chances of well-being through employment.

Through their contribution to the development of skills and competences, vocational training institutions are a source of comparative advantage for first-time students and lifelong learners alike. Vocational education and training (VET) providers do not stand alone, but are players in a broader continuum of skills delivery in which a multitude of actors is expected to contribute to a common goal – prosperity through forming, maintaining and using human capital.

This cross country report has been prepared on the basis of information from the regional and country reports of the Torino Process. It also draws on evidence from the Torino Process database and on the European Training Foundation's (ETF) strategic projects for its thematic orientation.

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EXECUTIVE SUMMARY

A new generation of strategies for the future of VET is gaining momentum across all partner regions. In Chapter 1, the cross country report opens with a call for VET to be emancipated from its blue-collar past, recasting the sector as the leading carrier of hope for delivery of the much-needed skills of today and tomorrow.

How well VET providers will meet these hopes and let visions translate into reality will depend on policies that enable them to redefine their offer, but also on the extent to which the suppliers of skills (the providers), the carriers of skills (the learners) and those that demand the skills (the employers), all contribute their share in a new paradigm of joint responsibility for human capital.

In order to unfold the full potential of their VET systems and emancipate them as a state-of-the-art skilling alternative, partner countries will need to invest in better VET and at the same time forge better partnerships with all sides involved in the skills development continuum, most notably employers.

For partnerships to work, they must be built on openness. Chapter 2 suggests that the new paradigm of joint responsibility for human capital implies a new type of involvement of beneficiaries in VET delivery and planning: one that will require VET systems to open up to consultations and influence every aspect of their formal operation, from funding, through policies for teachers and trainers, to setting standards of achievement and quality.

Today, how far are the VET systems of partner countries from the vision of partnership they aspire to realise for the future? To what extent are they able and ready to integrate a wider range of partner and stakeholder interests in their policy planning and decision-making processes?

Chapter 2 takes stock of the extent to which partner countries resort to consultative decision making¹ in key areas of VET management. It concludes that most countries still largely cling to centralised approaches in operating their VET systems, and that in many of them this is also the dominant pattern of cooperation between national, regional and local levels of governance. Partner countries are also trying to move away from a centralised way of decision making. Sector skills councils are gaining recognition as a promising solution for external involvement in VET planning and delivery.

The involvement of diverse partners and stakeholders in skills policies, and the monitoring of progress towards the goals they share, can be greatly facilitated by the use of shared sources of evidence and analysis. Chapter 3 describes an emerging requirement for sources of information that are both sector-specific and accepted across sectors, and points out the need to build capacity to use evidence irrespective of its sector of origin.

Most partner countries for which there is information have monitoring systems in place to track labour market developments and education system performance. Chapter 3 concludes that the evidence generated by each system is not readily used by the other sector. If anything, education policies are more likely to be informed by labour market data than labour market policies take into consideration evidence on education.

The chapter concludes that much remains to be done for monitoring at sector level to be integrated in a well-coordinated, multi-stakeholder system of monitoring and analysis. Partner countries are advised

¹ Decisions that are reported to involve at least two line ministries and/or their subordinate agencies, including those with responsibility for labour market policy. The data and information available do not allow for the capture of other, more in-depth forms of participation.

to work on skills and VET indicators and analysis drawing on sector knowledge but transcending sector boundaries in a way that can be understood and used by all parties involved.

Ability to read and work with evidence from diverse sources is important also because the future of VET depends on its responsiveness to the demands of its environment. Chapter 4 looks at data from the 2014 round of the Torino Process and suggests that, if VET is to complete successfully a transformation into an attractive skilling alternative, it will have to inject new life into the old argument that it is close to the labour market and thus has the potential to boost employability.

The chapter outlines strategic ways in which this can be done with a view to fulfilling national visions for an emancipated VET. Firstly, it suggests that the relationship between VET and general/tertiary education should be considered as one of complementarity and partnership, rather than competition for enrolments. It then discusses the need for optimisation of VET providers and the largely unused potential of continuing VET (CVET) and of entrepreneurial learning as boosters of competitiveness and growth.

The proximity of VET to the labour market draws, among other things, on the ability of VET systems to address the demand for skills in the national economies of partner countries. Chapter 5 notes that in 2014, small and medium-sized enterprises (SMEs) were the main contributors to growth and employment across all partner regions. A key driver of job creation, in many of the countries the SMEs also employed the biggest share of the workforce. The views of SMEs on skills needs and shortages tell a great deal about the potential contribution of VET to economic development and present a strong argument in favour of repositioning VET as a viable skilling alternative. Chapter 5 further points out that, in all partner countries for which there is data, policies for skills development are in place, but, owing to implementation constraints, these largely fail to translate into action beneficial to SMEs. This suggests that there is ample scope for improvement, but also that the contribution of VET depends not only on the providers, but also on the regulatory frameworks that bind them.

A major obstacle in this respect is the limited autonomy of VET providers to adjust their offer in response to immediate demand for skilling in their environment. Imperfect quality assurance arrangements are part of the problem. One of the solutions is to boost proactivity and responsiveness through matching and anticipation of skills. A majority of partner countries is already investing in developing the corresponding mechanisms.

Last but not least, Chapter 6 argues that, for partner countries, social inclusion is a common, but somewhat understated aspect of the overall responsibility of their VET systems. Understated, because there seems to be little systematic reflection on how VET copes with the double burden of heightened expectations for high quality skills, and the responsibility to provide effective remedies for socio-economic disadvantage.

Chapter 6 confirms that learners in VET are on average more disadvantaged than their peers in general education, and that actual demand for VET across all partner regions will continue to be driven by vulnerable youth. Plans for the future of VET that do not take this into consideration, are not realistic.

Partner countries are aware of this and many of them are working on bridging competitiveness ambitions and socio-economic disadvantage, and much can be learned from a closer analysis of their stories and experience. In the same vein, first time analysis of PISA data for students enrolled in VET and in general education reveals that some partner countries are considerably better than the OECD average in avoiding segregation between the VET and general streams in their education systems. In such countries, despite the concentration of disadvantaged learners, VET is not far from being a genuine alternative to general education.

Last but not least, Chapter 7 provides a summary of pointers for future policy action.

1. SETTING THE STAGE FOR VET – A NEW PARADIGM OF SHARED RESPONSIBILITY

From its inception in 2010, the Torino Process is keeping track of the aspirations of partner countries regarding the trajectory and destination of change of their vocational education and training (VET) systems. The evolution of these aspirations reveals how governments and stakeholders plan to respond to new priorities, changing socio-economic circumstances and major international trends, and what role they attribute to the VET system in these plans. Despite the diversity of countries participating in the Process, their visions of the future offer a common starting point to understand what factors will shape that future, and how.

The Torino Process reporting suggests that in the relatively short time since 2010, the strategic thinking about VET in all partner regions has started to change. Today, in all² partner countries VET has been granted, or is in the process of being granted, its own, emancipated vision for development. Unlike traditional sector reform plans, this vision is not confined to the limits of the system it refers to, but sees VET as a part of a broader continuum of skills delivery in which a multitude of actors are expected to contribute to a common goal – prosperity through the formation, maintenance and use of human capital³.

Quite in line with the recent call from the European Commission for a ‘new start’ and a ‘new boost for jobs’ and ‘growth’ (European Commission, 2014), these developments signal readiness for a new beginning and emancipation of VET from the outdated legacy of its own past – a past that in most partner countries dates back to the mid-20th century and long-gone industrial developments.

In essence, the emancipation drive is about maximising the value of VET, mostly by pushing and redefining traditional sector boundaries. While in 2012 the planning of skills delivery through VET was still widely treated as a ‘prerogative of governments’ and the VET system itself (ETF, 2013b), the 2014 round of the Torino Process suggests that the majority of partner countries has moved on to expect this guidance to emerge in a purposeful convergence of policies from all sectors contributing to national development.

Education, and VET in particular, are now being placed at the centre of this new, multi-stakeholder environment. In South Eastern Europe and Turkey (SEET), for example, governments have adopted far-reaching policy documents. They articulate comprehensive, holistic visions for the mid to long-term development of VET systems, and embed them in a broader national development context⁴. Partner countries in the Southern and Eastern Mediterranean (SEMED) region have also committed to economic competitiveness and inclusive growth through skills and VET⁵ and have reflected this commitment in all strategic documents and action plans (ETF, 2015d). In Eastern Europe and Central

² Countries for which there was information in 2013-14.

³ Forming, maintaining and using human capital is a priority formulated in the ‘Employment and Social Developments in Europe 2014’ report of the European Commission, DG Employment, Social Affairs and Inclusion.

⁴ The vision of VET as a key part of the national skills generation systems has been further strengthened since the Torino Process 2012 round as result of the FRAME (Skills for the Future) initiative, implemented by the ETF in 2013 and 2014 in South Eastern Europe and Turkey under the 2013 IPA multi-beneficiary envelope. FRAME has supported the development of comprehensive long-term visions for skills development for 2020 and roadmaps for their implementation (ETF, 2015c). See Box 2.1 in Chapter 2.

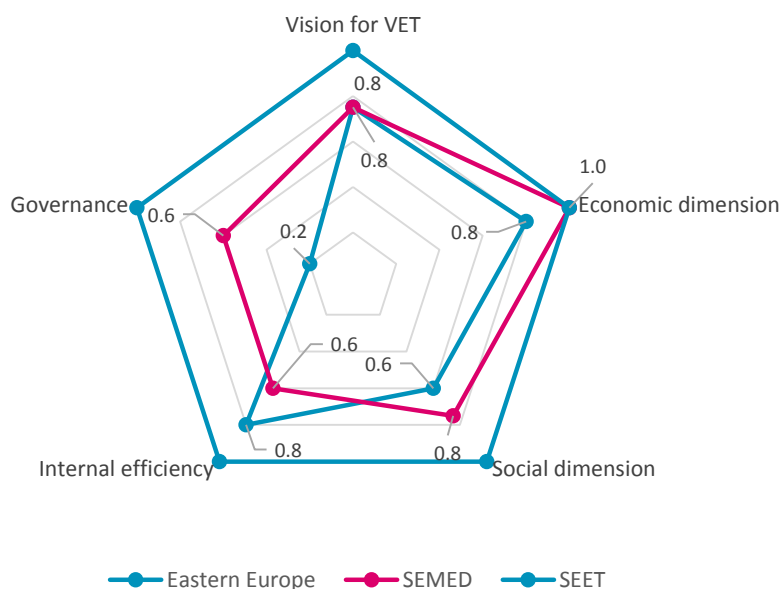
⁵ Declaration from the Dead Sea Conference, Jordan, 2012.

Asia too, the strategies for VET have emerged as declarations of how education and training will be key contributors to economic and social development (ETF, 2015a; and 2015b).

The new visions for an emancipated VET advocates not only crossing traditional sector boundaries but also national borders to seek inspiration from international developments. In all partner countries for which there is information, framework documents of the European Union (EU) have played a role as a source of orientation for long-term strategic planning.

FIGURE 1.1 demonstrates the extent to which VET planning has benefited from the normative work of the EU in the areas and regions covered by the Torino Process in 2013-14. It shows the extent of referencing to EU documents per region and Torino Process analytical area, based on information taken from the narratives of the Torino Process country reports. Referencing is most common in the SEET region, where EU framework documents are a routine point of reference in all areas. The design of VET responses to economic and labour market demand is the second most important area where partner countries resort to normative ‘inspiration’ from the EU, with the SEMED region referring fully to EU work in this area (1.0), while Eastern Europe does this slightly less (0.8).

FIGURE 1.1 REPORTED EXTENT OF REFERENCING TO EU FRAMEWORK DOCUMENTS, PER TORINO PROCESS ANALYTICAL AREA



Note: Not applicable for Central Asia. A value of 1 (=100%) in a given area means that all countries in a given region have referenced to a framework document of the EU in that area at least once. A lower value indicates a lower percentage share of countries per region with such a reference. The values presented in the figure do not factor in the intensity or relevance of referencing.

Source: Torino Process 2014 country and regional reports

Figure 1.1 also suggests that in the SEMED region the extent of referencing to EU work is greater on matters of social and demographic demand for VET (0.8) than on issues concerning the internal efficiency of the VET system (0.6), while the opposite is true in Eastern Europe. For both regions, the share of countries reporting reliance on EU sources is lowest in the area of governance (0.6 for SEMED and 0.2 for Eastern Europe), possibly because governance reflects country-specific history more than any other area of Torino Process analysis, and perhaps also some degree of rigidity that is slow to open up to external influence and change.

For all partner countries, the new, multi-stakeholder environment brings a new notion of shared responsibility that goes far beyond the traditional concept of stakeholder involvement for the provision of more relevant VET content, delivery and output. This concept stresses that the true value of skills

depends as much on their delivery as on their use. More than ever before, the new strategic setup reported in the 2014 Torino Process sees the suppliers of skills (the providers), the carriers of skills (the learners) and those demanding the skills (the employers), as bearers of an equal responsibility for individual and national prosperity.

While partner countries are very articulate regarding expectations and strategic objectives, their national visions and policy plans are less clear on how the multitude of actors, all engaged in advancing their own sector agendas, can be integrated into one united skills development continuum and contribute their share in practice. In 2014 all Torino Process regional reports continue to note (albeit to a lesser extent than in 2012) the presence of what can be aptly called an 'implementation lag', described as a situation in which long-term planning remains considerably more advanced and nuanced than long-term oriented policy action.

Despite implementation lag and the absence of clarity on how the new paradigm of multi-stakeholder responsibility will translate into practice, the majority of partner countries have attributed education, and VET in particular, a central role in achieving the new goals. Effectively, this gives VET systems the challenge of serving as a focal point and clearing house for very diverse agendas: economic ambitions, labour market needs, individual aspirations and difficult social inclusion mandates.

Concurrently, the VET and skills strategies fail to draw a line between goals that VET as a segment of education can achieve on its own, and those where success depends on external factors and actors. For example, despite the high hopes that VET will be a solution to youth unemployment, the problem may in fact persist not only because of inadequate supply of skills, but also because of economic developments, labour market failure, and/or oversaturation with university graduates.

The call for a new, multi-stakeholder responsibility for the skills agenda is not only a challenge, but also an opportunity to reinvent traditional partnerships with VET, most notably with employers and other segments of education, and where necessary to introduce new ones. What seems to be missing are good sector development plans that would clearly address the needs of stakeholders, while distributing responsibilities for implementation among them.

The developments described so far suggest that the emancipation of VET is not just an expression of aspirational thinking, but also a necessity. The extent to which partner countries will be able to harvest the promises that come with the envisaged new role for VET, will depend on proper planning and the speed and effectiveness with which they delineate responsibilities and address the selection of key issues described in the next sections of this report. Many of these issues are already logged as priorities on the policy agendas of decision-makers.

Success will depend on the ability and political will of partner countries to quickly translate plans into action in the following areas:

- governance through better and more focused involvement of stakeholders, especially employers and workers, in every aspect of the formal system of human capital formation;
- monitoring of progress through improved capacity for monitoring developments and anticipation of trends;
- internal efficiency through optimising and increasing attractiveness of VET to potential learners;

- external efficiency, in particular through:
 - empowering VET for a more proactive role vis-à-vis the people participating in the labour market and the competitiveness of their respective businesses and industries, as well as the national economy;
 - strengthening VET capacity to offset socio-economic disadvantage.

2. REDEFINING INVOLVEMENT

Chapter 1 noted that the new multi-stakeholder paradigm laid down in visions and strategic plans promotes the emancipation of VET into a key player in the domain of skills provision. If VET is to take up this prominent role it must become more open to external involvement and more proactive in anticipating the needs of potential partners.

This emancipatory development creates a pressure to open new channels of exchange and involvement between VET and its context, and reinforce existing ones. The Torino Process reports in 2014 suggest that in addition to traditional, important interfaces between the worlds of labour and training, such as work-based learning or national qualification frameworks, the demand for coordination and mutual responsiveness is gradually penetrating almost every aspect of VET systems in partner countries: from funding, through policies for teachers and trainers, to the setting up of standards of achievement and quality.

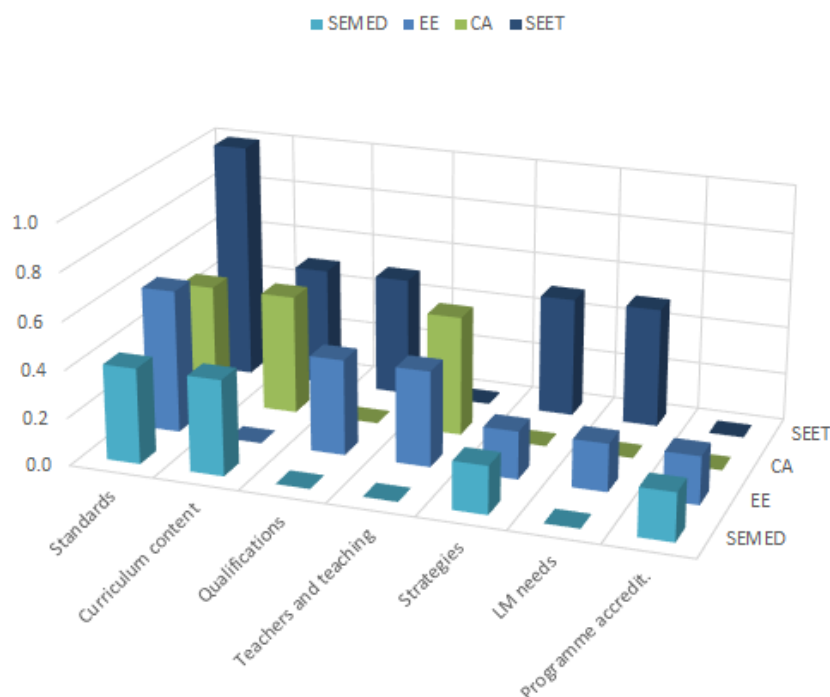
In Central Asia, for example, the need to adjust VET content and deliverables in consultation with employers is well known, and the development of policy plans for reshaping VET commonly involves considerable inter-institutional effort (ETF, 2015b). In countries of Eastern Europe, the development of qualification frameworks has consolidated a pattern of lively consultations with the business community, and some have gone on to establish sector skills councils to formalise external involvement in shaping VET outputs (ETF, 2015a). In the SEMED region, a wide range of pilot projects has been launched to test ways of bringing the business sector closer not only to the design, but also to the delivery of VET (ETF, 2015d). Last but not least, the regional report for the SEET region notes that progress has been made in ensuring a participatory, collaborative process of elaboration of strategies, and that improved curricula, new occupational profiles and qualification standards developed with the involvement of employers are now piloted in view of country-wide implementation (ETF, 2015c).

All of these important steps aim to reduce the aforementioned implementation lag, but progress to date is still uneven across policy areas and ETF partner regions.

As a proxy of the degree of adaptation, **FIGURE 2.1** visualises the narratives from Torino Process country reports about the extent to which, in each partner region, VET systems resort to consultative decision making⁶ in seven operational dimensions: setting of achievement standards, definition and update of qualifications, curriculum design, teacher policies and teaching, strategic planning, accreditation of new programmes, and serving labour market needs.

⁶ Decisions that are reported to involve at least two line ministries and/or their subordinate agencies, including those with responsibility for labour market policy.

**FIGURE 2.1 REPORTED EXTENT OF CONSULTATIVE DECISION MAKING IN VET
PER PARTNER REGION AND POLICY AREA**



Note: A value of 1 (=100%) in a given area means that all countries in a given region for which there is information are reporting to have a consultative modality of decision making. A lower value indicates a lower percentage share of countries that report of such modalities.

Source: Torino Process 2014 country and regional reports

Strikingly, in most countries⁷ the area where central government departments or agencies in charge of VET tend to hold centralised decision-making power, is the accreditation of programmes (in each partner region this area has the lowest share of countries reporting consultative approaches), followed by decisions on how to best serve the needs of the labour market. Regarding the latter, Central Asia and the SEMED region seem considerably less prepared to meet the new realities their strategic documents aspire to than the regions of South Eastern Europe and Turkey (SEET) and Eastern Europe. Consultations are more common when it comes to setting achievement standards or taking decisions on curriculum content, except in Eastern Europe, where countries still seem to stick to a tradition of centralised design of training content by a single line Ministry. Across the board, the definition of qualifications in countries of the SEMED and Central Asian regions, and of teacher policies in the SEET and SEMED regions, are still taking place in a less consultative manner.

The centralistic approach to VET system operation is not limited only to shortcomings in the horizontal engagement of actors in VET – understood as interaction between actors on the same level of governance (ETF, 2013d), but is also a dominant pattern of cooperation between national, regional and local levels of governance in a number of partner countries (ETF, 2013d; and 2014b)⁸. In practice, the centralised governance systems mean that territorial (i.e. sub-national) and local initiatives for VET require approval from the central authorities before taking off. This severely hampers the potential of

⁷ Countries for which there is relevant information.

⁸ These findings come from the ETF projects 'GEMM – Governance for Employability in the Mediterranean' and 'Effective Multilevel Governance' which in sum covered Algeria, Azerbaijan, Croatia, Egypt, Israel, Jordan, Kazakhstan, Lebanon, Libya, Morocco, Palestine*, Serbia, Tunisia and Ukraine. (*) This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the EU Member States on this issue.

VET to address local and regional needs in a proactive manner, and its credibility when attempting to do so.

BOX 2.1 REDEFINING INVOLVEMENT: FRAMING SKILLS FOR THE FUTURE

Flagship projects of the ETF such as FRAME map out the potential of focused and forward-looking multi-stakeholder consultations to increase the responsiveness of skills delivery systems to changes in demand, including exploring ways to equip individuals not only for new jobs but also for jobs that do not yet exist.

FRAME helped countries to shape a strategic approach to developing a vision for human resource development, with a particular focus on the skills likely to be needed in the medium term until 2020. FRAME also helps to guide pre-accession assistance and design result-oriented interventions tailored to the specific needs of each country, with clear targets and indicators for progress and achievements.

With the objective of strengthening local capacity to use specific methodological instruments such as skills foresight, institutional assessment and monitoring of human resource development, FRAME worked on four strands: foresight; review of institutional arrangements; monitoring; and regional peer learning.

Source: ETF, 2014a

A promising, but still largely under-used means of involving VET beneficiaries (in particular employers) in re-thinking, re-designing and operating VET are sector skills councils (SSCs). Their primary advantage over other means of engagement is their focus on particular economic sectors (ETF, 2013c). This brings them closer to the specific needs and know-how of those involved. The combination of sector-specific communication with sector-specific insights is likely to result in more reliable projections of future developments in employment and skill needs, and to a better understanding of the drivers of change.

In all partner regions for which there is information, SSCs are recognised as vehicle for private sector involvement. They are working structures used to identify or analyse skill needs or otherwise contribute to education and training for the benefit of specific sectors of the economy (ETF, 2013c). In Central Asia SSCs were set up on all levels of governance already during the 2012 round of Torino Process reporting. Today, progress is hampered by an implementation lag in the form of a persistent challenge to make the work of SSCs relevant and owned by SSC members (ETF, 2015b). Countries in Eastern Europe are still not past the planning stage for SSCs (ETF, 2015a), and in the SEMED region the 2012 trend to set up SSCs appears to have ebbed in favour of more traditional links between state institutions in charge of various sectors of the economy (ETF, 2015d).

3. MONITORING PROGRESS IN MULTI-STAKEHOLDER ENVIRONMENTS

The new paradigm of multi-stakeholder responsibility strengthens the role of each sector involved and with this also the importance of the evidence it commonly relies on. To an unprecedented extent, the monitoring of progress with the new generation of priorities for forming, maintaining and using human capital will depend on the ability of those involved to look beyond the limits of their own sector and see the bigger picture, while keeping their attention on familiar details.

A good illustration of this point is the monitoring of progress through the Torino Process. Over the past few years the database⁹ it relies on has advanced to reflect partner country and EU priorities and input, the emergence of flagship activities and ideas, and the needs of the process itself. A look at it through the lens of the last round of reporting confirms a clear trend towards less strictly sector-specific use and added value of evidence. Instead, the database serves broader, more complex, sophisticated and informative array of policy monitoring purposes: labour market trends are monitored to inform analysis on employability of VET graduates; data on VET enrolment per field of training is mapped against evidence on the rise and fall of economic sectors in partner countries; economic dependency ratios serve as basis of discussion about future pressures on public funding for VET, and so on.

How do ETF partner countries do in their approach to evidence against the backdrop of these developments? Is their capacity for (and practice of) policy monitoring adequate for the new paradigm of multi-sector responsibility for skills development?

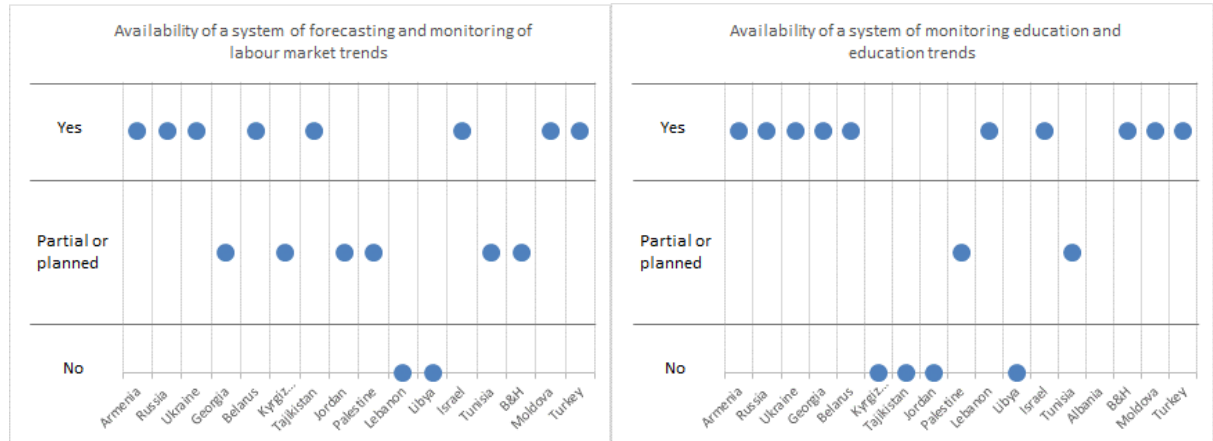
The analysis of reporting from the Torino Process suggests that a number of partner countries have labour market monitoring either in place or in planning (**FIGURE 3.1A**), and an even larger number have systems for monitoring of education developments (**FIGURE 3.1B**).

The reports also provide evidence of a trend to ‘push’ the traditional, education-centred monitoring of progress closer to the monitoring and analytical work of other line ministries, most notably of systems established to monitor the labour market. VET policy-makers and practitioners are expected to take into consideration data about economic and labour market developments, and be able to interpret it in a way that translates into better relevance and responsiveness of skills delivery through VET.

FIGURE 3.1C shows that in more than half of the partner countries for which there is information, labour market monitoring is a point of reference for other sectors, most notably education, and that the use of labour market data for education planning purposes is about to be formalised in five more partner countries.

⁹ The Torino Process database comprises evidence supplied by partner countries, institutions-members of the inter-agency group, and information obtained directly through ad-hoc surveys, workshops and focus group discussions. Its primary use is to inform the Torino Process, supply data for the Key Indicators publication, and serve as primary source of information in all analytical and planning work of the ETF with and for the partner countries and the European Commission.

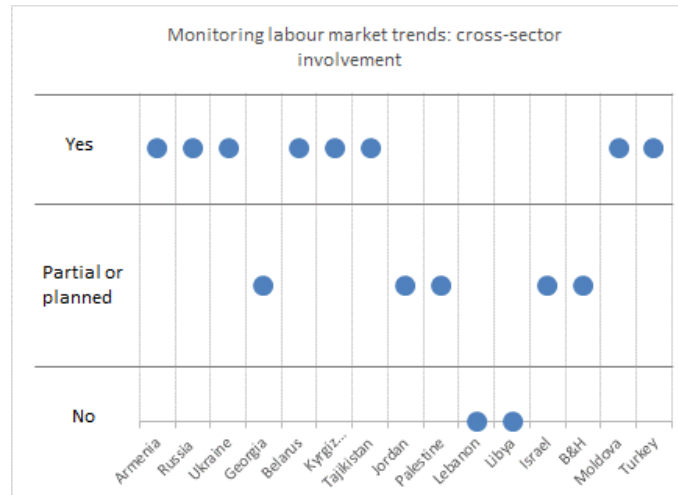
FIGURES 3.1A AND 3.1B AVAILABILITY OF SYSTEMS FOR MONITORING LABOUR MARKET TRENDS AND EDUCATION, 2014



Note: For each country, the Torino Process report narratives have been grouped into three possibilities: no systems in place; systems planned or being set-up; systems in place.

Source: Torino Process 2014 country and regional reports

FIGURE 3.1C REPORTED USE OF LABOUR MARKET MONITORING IN OTHER SECTORS (INCLUDING EDUCATION)

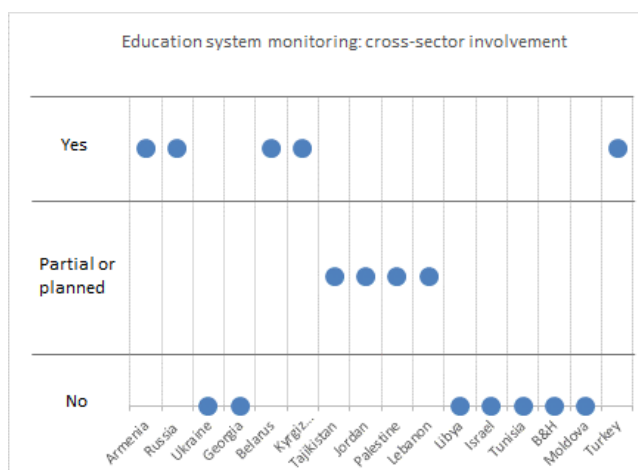


Note: Use of monitoring is defined as the reported existence of arrangements or practices of reliance on evidence from one sector for the monitoring and planning purposes of other sectors, as described in the Torino Process country reports. For each country, the report narratives have been simplified into three possibilities: no arrangements or practices; arrangements and practices are planned or under implementation; arrangements or practices are in place.

Source: Torino Process 2014 country and regional reports

The limited extent to which data on education system performance is used by other sectors is particularly striking, especially in view of the fact that education and training are frequently described as a key solution to economic and social challenges. **FIGURE 3.1D** indicates that in close to a half of the partner countries for which there is information, there is no practice of using evidence on education and training outside of the education sector.

FIGURE 3.1D REPORTED USE OF EDUCATION MONITORING IN OTHER SECTORS (INCLUDING LABOUR MARKET)



Note: Use of monitoring is defined as the reported existence of arrangements or practices of reliance on evidence from one sector for the monitoring and planning purposes of other sectors, as described in the Torino Process country reports. For each country, the report narratives have been simplified into three possibilities: no arrangements or practices; arrangements and practices planned or under implementation; arrangements or practices in place.

Source: Torino Process 2014 country and regional reports

One of the possible explanations for the imbalance between employment and education in cross-sector reliance on data might be that comprehensive systems for monitoring labour trends are either very new or are still in the process of being established. In comparison, at the time of preparation of the Torino Process country reports most countries either had an education monitoring system in place, or had no plans to set one up or upgrade what was already there.

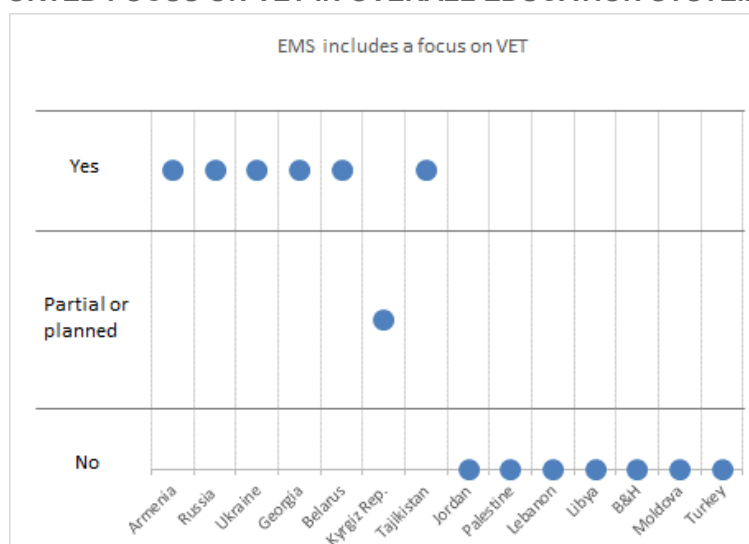
Another possible and equally important explanation for the misbalance is that, reportedly, in a worryingly high number of partner countries VET is not sufficiently (or possibly not at all) in the focus of education monitoring (**FIGURE 3.1E**). Being the segment of education that is closest to the labour market, the absence of sufficient information and data on its performance might be limiting the broader use of education system data by other sectors, most notably employment.

Finally, employment and education are sectors that change at different speeds (ETF, 2012). It is likely that, driven by private sector dynamics, the rate of change in employment far outpaces that in education, which is more resistant to transformation.

Much remains to be done before the different streams of information from sectors can be integrated in a well-coordinated system of skills and VET monitoring and analysis. Ownership by all involved is an important prerequisite. Another significant condition is an agreement on what aspects of skill development and use need to be monitored, and why.

The first and most crucial step would be the elaboration and introduction of dedicated indicators and analysis capable of drawing on sector knowledge but transcending sector boundaries, so that the results can be understood and used by all sides involved. A good example in this respect is the conceptual framework and approach for indicators of skills and VET for employment and productivity, developed jointly by the OECD and the World Bank, in collaboration with ETF, ILO and UNESCO for the G20 Multi-Year Action Plan on Development (**BOX 3.1**).

FIGURE 3.1E REPORTED FOCUS ON VET IN OVERALL EDUCATION SYSTEM MONITORING



Note: For each country, the Torino Process report narratives have been grouped into three possibilities: VET is not separately the focus of the education monitoring system (EMS); VET is planned to be the focus of the EMS; VET is the focus of the EMS.

Source: Torino Process 2014 country and regional reports

BOX 3.1 MONITORING IN MULTI-STAKEHOLDERS ENVIRONMENTS: A G20 FRAMEWORK FOR INDICATORS OF SKILLS

In response to the call for international organisations to develop a set of internationally comparable and practical skills indicators, which was made under the Human Resources Development (HRD) pillar of the G20 Multi-Year Action Plan on Development, in 2013 the OECD and the World Bank, in cooperation with the ETF, ILO and UNESCO presented a framework for indicators that can guide skill development and allow for benchmarking country performance.

The conceptual framework consists of five inter-related domains of indicators, including: contextual factors which drive both the supply of and demand for skills; skill acquisition which covers investments in skills, the stock of human capital and its distribution; skill requirements which measure the demand for skills arising in the labour market; the degree of matching which captures how well skills obtained through education and training correspond to the skills required in the labour market; and outcomes which reflect the impact of skills on economic performance and employment and social outcomes. A set of indicators is then proposed in the report using this framework and based on the criteria of: relevance, feasibility, comparability and timeliness.

Source: OECD/World Bank et al., 2013 (last accessed 27 May 2015 at: www.oecd.org/g20/topics/development/indicators-of-skills-employment-and-productivity.pdf)

4. ATTRACTING LEARNERS AND BOOSTING COMPETITIVENESS THROUGH VET

The previous chapters established the presence of a trend across all partner regions towards a new generation of holistic strategies for human capital. This new trend carries the expectations that VET can (and will) play a central role in a new context of shared responsibilities for the formation, maintenance and use of skills.

The narrative so far has largely discussed *aspirational demand* for a future, next generation of VET as reflected in strategies and other framework documents, or extrapolated from projections about future trends. Yet, it is difficult to know how far to go, if one does not know where one starts. What about *actual demand* for vocational education and training that was 'here and now' at the time of the 2014 Torino Process cycle? The future is always beginning now¹⁰. Is vocational education and training in the partner countries ready to meet it?

Whatever future is aspired for VET, its beginnings are in the capacity of VET systems to respond to a realistic array of demands that originate in their present environment: for initial VET to *form human capital* by providing a segment of the youth with the shortest possible bridge to employment; and for continuous VET to *maintain human capital* by upskilling adults into better workers or job seekers.

4.1 Optimisation and partnerships within the education sector

The 2014 round of the Torino Process is the first one in which all regional reports underline VET has ceased to be 'a neglected sector of education' (ETF, 2015b), that it has 'gained in importance' (ETF, 2015d), and that efforts to make it attractive have received 'high attention' (ETF, 2015a) and are a 'strategic goal' (ETF, 2015c). In other words, the reports concur that the first step in emancipating and rethinking VET lies in an effort to make it a better and more appealing alternative for prospective learners. Over the years, the argument on offer has remained the same: VET is close to the labour market and thus has the potential to boost personal prospects of employability.

However, data from the 2014 Torino Process suggests that, if VET is to complete successfully its transformation into an attractive skilling alternative, new life must be injected into this argument.

Firstly, the regional reports challenge the long-standing assumption that VET enjoys a special proximity to employment just waiting to be reactivated, as there is evidence to the contrary. In Eastern Europe, employers continue to prefer higher education qualifications when hiring, regardless of the job they offer (ETF, 2015a). In the SEMED region, a higher education degree is still perceived as the best possible recommendation for employment, even when not fully justified¹¹. In South Eastern Europe and Turkey a vast majority of secondary graduates from both general and four-year vocational tracks do not even consider moving directly into employment, preferring to continue to tertiary education instead in the belief that this will boost their chances later in life (ETF, 2015c).

Despite the widespread awareness that university graduates face difficulties in finding the jobs they aspire to, the trend in tertiary enrolments (**TABLE 4.1**) confirms that between 2004 and 2011 these observations remained true for all partner regions and especially for the EU. The average increase in

¹⁰ Quote by Mark Strand (a poet).

¹¹ In some countries of the SEMED region the prospects of finding a job are lower for those with higher (tertiary) educational attainment.

tertiary enrolment (students per 100 000 inhabitants) in that period was 13.3% on average for all partner countries.

TABLE 4.1 ENROLMENT IN TERTIARY EDUCATION PER 100,000 INHABITANTS IN ETF PARTNER REGIONS AND THE EU

Region	Change in tertiary enrolment between 2004 and 2011 (%)
All partner countries	13.3
South Eastern Europe and Turkey	5.8
Eastern Europe	1.6
Central Asia	7.1
Southern and Eastern Mediterranean	14.2
EU28	22.2

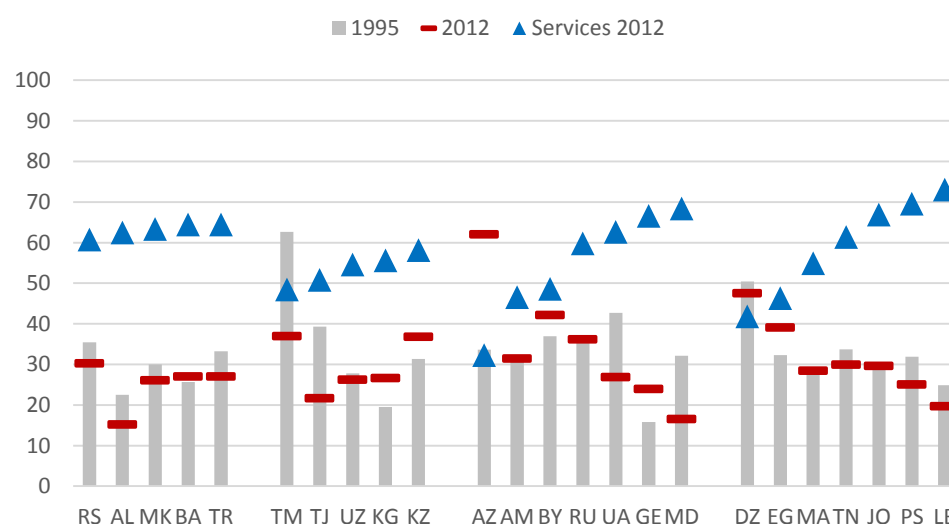
Source: ETF calculations based on UNESCO Institute for Statistics

These observations point towards a serious challenge. It seems that the personal perceptions and aspirations of prospective learners, who are persistently biased in favour of university degrees, matter more than employment data and analytical arguments.

For VET to become an attractive skilling alternative, contribute its share to the new paradigm for human capital and harvest the opportunities that come along with it, it will have to renegotiate its position vis-à-vis the tertiary education sector. The repositioning of VET as a partner in skills development means that it is time to replace the paradigms of competition for enrolment and of VET versus general education with one of complementarity in meeting educational and employment demand.

Some long-term economic trends confirm the necessity of change for the benefit of both VET and tertiary education. These trends suggest that in all regions the profile of available jobs might be changing. **FIGURE 4.1** shows that over the past two decades, most partner countries have witnessed a decline in the relative contribution of their industrial sectors to GDP. This very likely also means a significant loss of blue collar jobs – for years a traditional destination of VET graduates.

FIGURE 4.1 VALUE ADDED TO GDP BY ECONOMIC SECTOR – INDUSTRY, 1995 AND 2012; AND SERVICES, 2012



Source: World Bank, World Development Indicators

This trend implies that some traditionally strong links between VET and the world of employment might be loosening or have already become obsolete, replaced by a new labour market reality in which services are an increasingly dominant sector of the national economies, often marked by 'jobless growth'. It is a reality in which labour markets are oversaturated with job-seekers who hold university degrees (and presumably are also ready to downgrade their job expectations and go for lower-skilled employment, and in which, in the perception of employers, VET graduates have lost their competitive advantage for many of the available jobs because of outdated VET provision.

Learners have the right to make an informed choice and retain the freedom to choose what is in their best interest. This requires accurate guidance about career prospects and labour market opportunities. It also requires learning pathways that remain permeable throughout the educational career of learners so they can benefit from the best of what skills provision systems have to offer.

Entrepreneurial learning, understood as a learning framework that engages students, governments and the private sector in fostering entrepreneurship as a key competence, is a powerful source of competitive advantage for learners in any segment of the education system, and one that is still largely underdeveloped in the partner countries. A proper mobilisation of the potential of entrepreneurial learning, e.g. by adopting a more strategic approach to cultivating an entrepreneurial mind-set, has the potential to empower VET graduates to venture into creating rather than just filling jobs. The broader entrepreneurial learning concept means rethinking how schools and colleges, the teaching profession and the learning process should be managed and developed to best serve this goal (ETF, 2013a). Systematic efforts in this direction are not easy, but they can increase the added value of VET in the eyes of prospective learners and end-users by opening an additional bridge to employment or self-employment.

BOX 4.1 ENTREPRENEURIAL LEARNING AS A SOURCE OF COMPETITIVE ADVANTAGE FOR VET

Entrepreneurial learning encompasses the notion that all individuals should be encouraged to be more entrepreneurial whether or not they have ambitions to start a business. It comprises all forms of education and training – formal, non-formal (what is learnt outside standard education curricula) and informal (what is learnt incidentally) – contributing to a more entrepreneurial mind-set and behaviour.

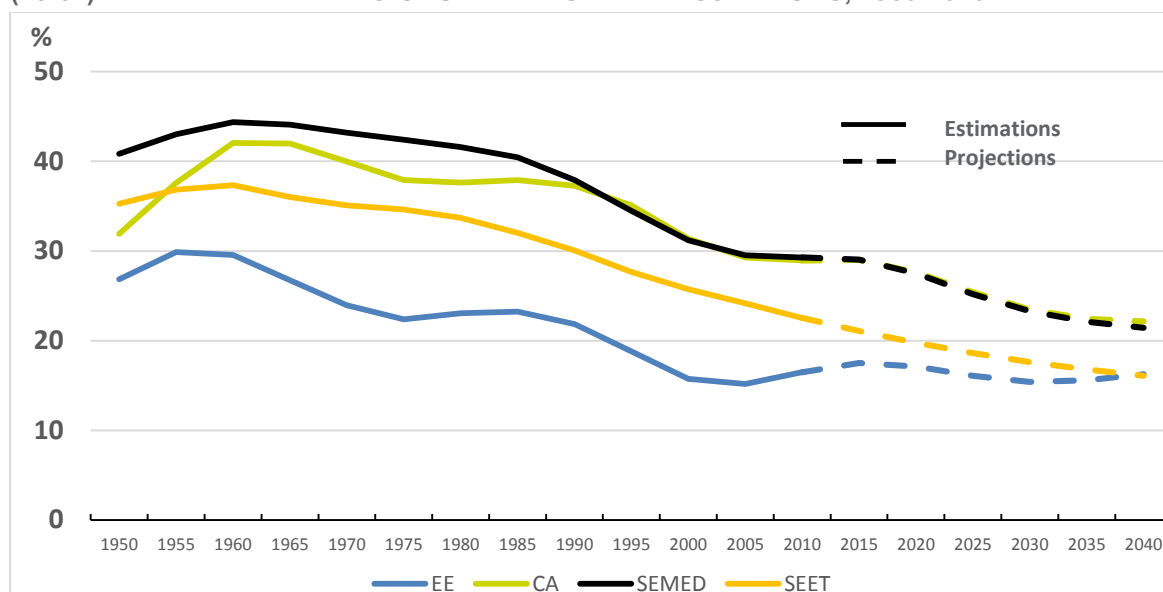
The EU has made entrepreneurship promotion a top priority. Integral to this drive is encouraging countries in neighbouring regions undergoing significant institutional and policy reforms to adopt a more strategic approach to entrepreneurial learning across their education and training systems. This is part of a wider support package, which includes the ETF services, to help economies become more competitive and inclusive.

Source: ETF, 2013a

The second source of competitive pressure on VET will come from within the sector itself, created by the combined effect of oversized education provision infrastructure and shrinking youth populations.

FIGURE 4.2 shows trends and projections from 1950 to 2040 for the ratio of dependant youth aged 0 to 14 to the working-age population. The dependant population aged 0 to 14 has been shrinking continuously in all partner countries and the downward trend is expected to continue over the next decades.

FIGURE 4.2 RATIO OF DEPENDANT YOUTH (0-14 YEARS) TO WORKING-AGE POPULATION (15-64) IN ETF PARTNER REGIONS: TRENDS AND PROJECTIONS, 1950-2040



Note: The average values were weighted by the total population of each country for each time period.

Source: ETF calculations on UNDP, World Population Prospects: The 2012 Revision; Medium variant

This will put pressure on governments to reconsider and most likely to downsize the outdated capacities of the public VET provider networks. In the long run, without viable plans for optimisation and partnerships within education and training, providers in all partner countries and on all levels of education will be forced to fight for enrolments.

BOX 4.2 OPTIMISING VET IN UKRAINE: IMPACT ASSESSMENT THROUGH MULTI-STAKEHOLDER CONSULTATIONS

Recently, Ukraine embarked on large scale changes in the set-up of its system for initial VET. Triggered by a new Law on Higher Education that requires a redefinition of school profiles and the transformation of some tertiary institutions into VET providers, the modifications span a wide range of interventions, from optimising the provider network, to devolving budgetary responsibility for VET system to the regions. The ultimate goal of the reform is to downsize the VET system and make it more efficient, sustainable, and relevant.

In the perception of VET staff, institutions and recipients of education and training, the majority of these reform perspectives are potentially disruptive. Instead of choosing a top-down approach to reform, the VET authorities have therefore opted to start a broad discussion with stakeholders on the best course of policy action in the hope that the results will influence the drafting of a new law on VET, and that stakeholder involvement will give legitimacy to these results and facilitate their acceptance.

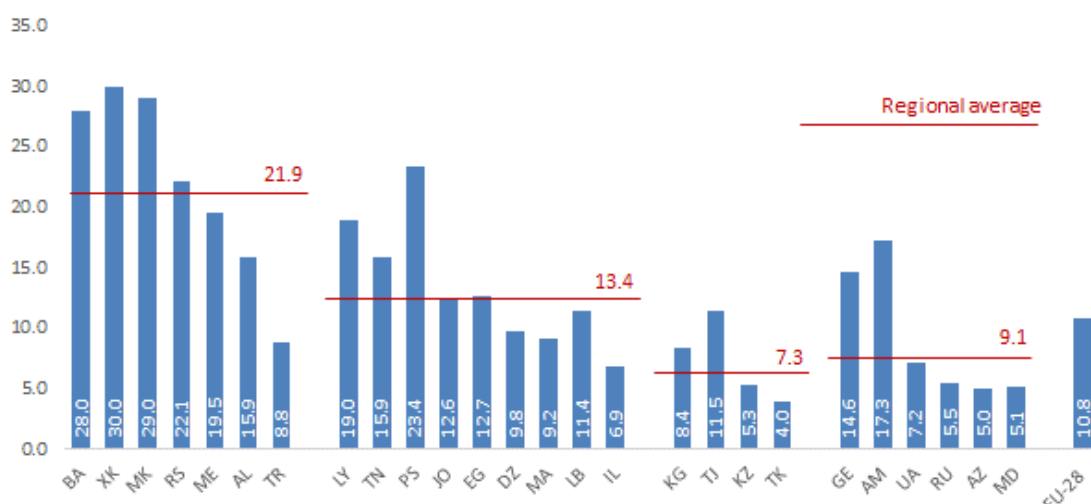
The guiding principle of these consultations is inclusiveness and reliance on structured, evidence-driven discussions which allow the stakeholder group to formulate options for action, define criteria for the assessment of these options and carry out an ex-ante assessment of the impact of each before deciding which one to put forward. The methodology which underpins the process – PRIME (Projecting Reform Impact in VET) – was developed by ETF to facilitate informed policy decisions by delivering information on the anticipated impact of policy action. PRIME is a specific kind of ex-ante impact assessment of the type used by the European Commission.

4.2 Competitiveness by reducing human capital wastage through CVET

Diversification by extending the VET offer to a wider group of potential learners, especially adults and youth not in education, employment or training (NEETs – see Chapter 6), offers a viable alternative to downsizing. One specific feature of the new generation of plans for VET discussed in Chapter 1 is their tendency to treat VET as a single lifelong learning continuum comprising initial and continuing VET. This is a welcome development with the declared purpose of increasing the capacity of the VET sub-system to respond to the expectations of an ever broader spectrum of potential beneficiaries. Ensuring a better access to relevant vocational training will enable more potential beneficiaries to take advantage of the benefits of training and re-skilling, which in turn contributes to economic competitiveness by reducing human capital wastage

A glance at unemployment figures confirms that the pool of potential beneficiaries is vast. In the latest year for which there is data, the average unemployment rate in partner countries was over 13%. In some countries the values for this indicator exceeded 25% of the working-age population, reaching 30% in Kosovo, 29% in the former Yugoslav Republic of Macedonia, and 28% in Bosnia and Herzegovina (**FIGURE 4.3**).

FIGURE 4.3 ADULT UNEMPLOYMENT RATE IN ETF PARTNER COUNTRIES AND THE EU 28, LATEST AVAILABLE YEAR



Notes: Age range 15-54 (females) and 15-59 (males) for BY; 15-64 for BA, XK and EG; 15-70 for UA; 15-72 for RU; 15-74 for MK and TR; 15-75 for TJ and AM; no information on age range for TK and UZ. Year 2013; 2009 for TJ and LB; 2012 for AM, RU, KZ, KG and LY. Regional averages are not weighted.

Sources: Eurostat, national statistical offices, ILOSTAT

In the EU, CVET is perceived as key element in adult lifelong learning and a means of increasing productivity, innovation and competitiveness, and enhancing employability, equity and social cohesion (Cedefop, 2014). To date, the progress of partner countries in this area has been uneven. In Eastern Europe more than 10% of the employed population participates in different forms of CVET yearly and the employment services of countries in this region routinely offer adult learning including CVET to unemployed and first job seekers. Enterprises are also reported as playing a role as continuing training providers on their own or in cooperation with VET institutions (ETF, 2015a). Considering the formal proximity of CVET to labour market services, it is perhaps not surprising that the unemployment statistics in the Eastern Europe region are among the lowest of those shown in Figure 4.3.

The situation in the SEMED region in 2014 stands in stark contrast to this. The region has witnessed little progress regarding availability and provision of adult learning. A lifelong learning approach to skills formation remains a neglected area without structured approaches, left to the initiative of individuals (ETF, 2015d). A possible reason for this situation is the absence of a national lifelong

learning vision in most countries of the region. The average unemployment rate there is the second-highest after SEET (Figure 4.3).

The SEET region is in a similar position, with countries just beginning to recognise the huge potential of CVET in adding value and raising the capacity of VET. This insight is in the process of being put into practice but, in the meantime, CVET provision remains underdeveloped and limited in scope (ETF, 2015c). The average unemployment rate in this region is the highest of those presented in Figure 4.3 (21.9%).

5. PROACTIVE VET

Economic growth considerations prompt much of the *actual demand* for VET. According to recent data (TABLE 5.1), in 2013 the economies of all partner regions were growing at a solid rate of around 3%, except in Central Asia where, compared to a year before, the national economies expanded by 8.4% on average. Forecasts for coming years suggest this expansion may continue in all regions except in Central Asia¹².

TABLE 5.1 ANNUAL GDP GROWTH RATES IN ETF PARTNER REGIONS, 2010-13

Region	2010	2011	2012	2013	Average share of workforce employed by SMEs
	1	2	3	4	5
South Eastern Europe and Turkey ¹	3.42	3.22	0.28	2.87	69
Eastern Europe ²	5.33	5.62	3.01	3.30	53
Central Asia	6.21	8.77	6.34	8.43	NA
Southern and Eastern Mediterranean ^{3,4}	3.95	2.63	3.08	2.98	55

Notes: (1) Data in column 5 excluding Bosnia and Hercegovina; (2) Data in column 5 excluding Azerbaijan and Belarus; (3) Data in columns 1-4 excluding Palestine and Libya; (4) Data in column 5 excluding Libya and Lebanon; NA – not available

Sources: World Bank, World Development Indicators; ETF calculations based on OECD et al., 2012a; 2012b; and 2014

It is difficult to predict how this will affect employment, but it is likely that the main contributors to both growth and employment will remain the same: across the board during this round of the Torino Process, in all partner regions for which there is data, SMEs continue to be a key driver of job creation. On average, 53% of the workforce in Eastern Europe, 55% in the SEMED region and 69% in the SEET region was employed by SMEs (Table 5.1). The perceptions of SME owners and/or managers about the skill development needs of their current and potential employees, therefore matter a great deal. They tell us about the potential contribution of VET systems to economic development, and strengthen the argument for repositioning VET as viable skilling alternative.

The closest source of comparative information in this respect is the joint OECD-EC-ETF-EBRD assessment of progress in the implementation of SME policy (SME Policy Index). The index is based on the principles of the EU Small Business Act (SBA) and the assessment is carried regularly in three of the four partner regions of ETF. One of the policy dimensions covered is enterprise skills. The assessment dimension includes enterprise training needs, access to training, quality assurance, start-up training, and training for enterprise growth.

The latest round of assessments has shown that none of the participating partner countries has reached a level where policy planning and frameworks for skills start to translate into 'concrete indications of effective policy implementation' (definition of a level 4 score, OECD et al., 2012a).

¹² See IMF's Regional Economic Outlook for Middle East and Central Asia www.imf.org/external/pubs/ft/reo/2014/mcd/eng/pdf/mreo1014.pdf and www.imf.org/external/pubs/ft/reo/2014/mcd/eng/pdf/menacca0514.pdf and for Central and South Eastern Europe and the Caucasus <http://www.imf.org/external/pubs/ft/reo/2014/eur/eng/pdf/ereo0414.pdf>

FIGURES 5.1A to 5.1C provide an overview of aggregate scores for all regions and demonstrate this point.

FIGURE 5.1A ENTERPRISE SKILLS IN EASTERN EUROPE

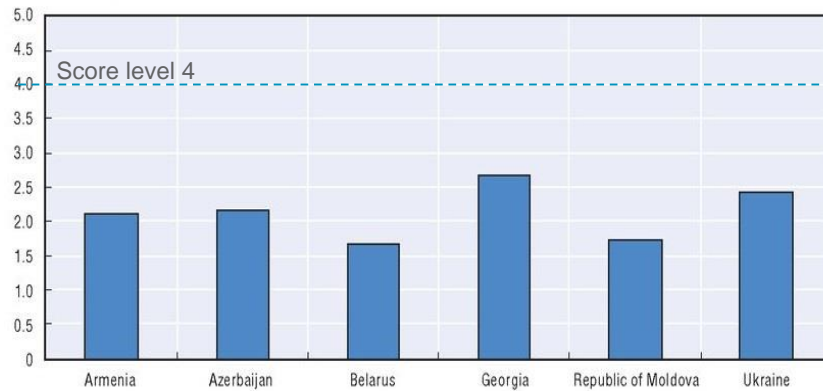


FIGURE 5.1B ENTERPRISE AND INNOVATION SKILLS IN THE SOUTHERN AND EASTERN MEDITERRANEAN

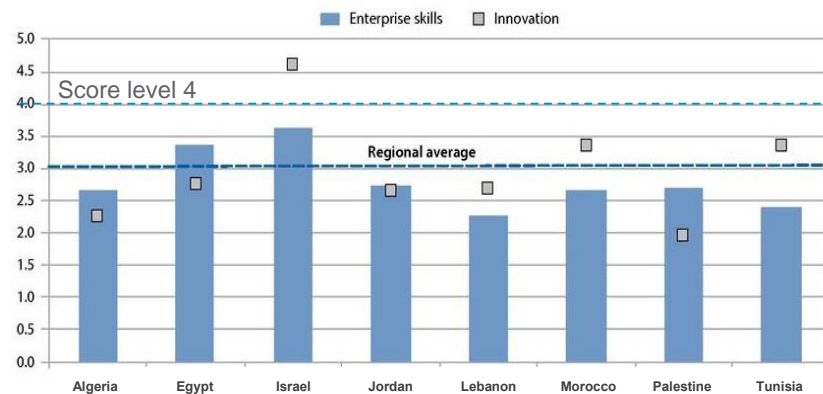


FIGURE 5.1C ENTERPRISE SKILLS IN SOUTH EASTERN EUROPE AND TURKEY



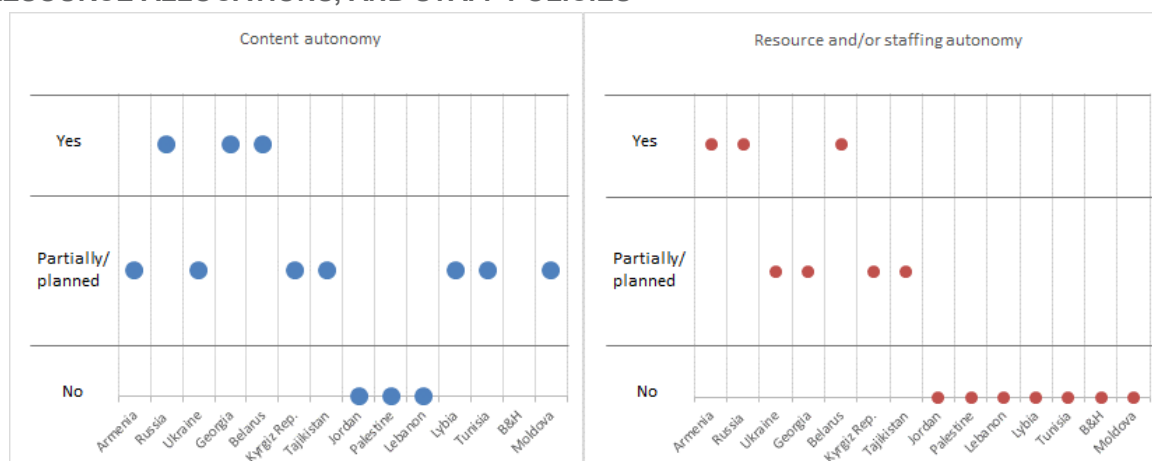
Sources of all figures: OECD et al., 2012a; 2012b; and 2014

It would be going too far to interpret these findings as a direct demand for better and more targeted output from VET. However, numerous Torino Process reports note that the VET sector is attributed a prominent role in the policy frameworks that countries have put in place to address the skills needs of SMEs covered by the SBA assessments.

Regulations matter a great deal. Some of the information collected in the 2014 round of the Torino Process suggests that meeting these needs might be less a matter of good will by VET providers, but

more an issue of limited freedom to adjust in the way and with the speed required by the labour markets. Long-hauled accreditation processes due for even the smallest of changes in programme orientation, composition and delivery can be a serious impediment to meeting stakeholder expectations. In 2014, only very few partner countries reported granting their VET institutions some autonomy to modify content and decide on matters related to resource allocation and/or staff policies. Many more were only planning to do so, especially regarding VET content (**FIGURES 5.2A and 5.2B**).

FIGURE 5.2A AND 5.2B REPORTED VET PROVIDER AUTONOMY TO INFLUENCE CONTENT, RESOURCE ALLOCATIONS, AND STAFF POLICIES



Note: For each country, the Torino Process report narratives have been simplified into three possibilities: reported autonomy to influence content, resource allocations and staff policies; autonomy to influence only two or less of these areas (partial autonomy) or planned full autonomy; no autonomy.

Source: Torino Process 2014 country and regional reports

Autonomy would normally be granted in exchange for accountability, or in other words compliance with norms and standards. Naturally, standards that concern the quality of learning outcomes and the teaching and training conditions are best placed in up-to-date quality assurance frameworks. Thus, a possible systemic reason for the limited autonomy and reactivity of VET to external needs, is the nascent stage of quality assurance for VET in all ETF partner regions. According to the Torino Process regional reports, Central Asian countries are busy setting up new institutions for quality assurance (ETF, 2015b); in Eastern Europe the quality assurance mechanisms are in the process of being designed, driven by the reform of qualifications and building of national qualifications frameworks (NQFs) (ETF, 2015a); and in the SEMED region quality assurance initiatives have so far remained limited. Those initiatives that are already in place are geared towards quality control and not towards quality improvement (ETF, 2015d).

BOX 5.1 QUALITY ASSURANCE FOR IMPROVEMENT AND AUTONOMY IN THE SEMED REGION

There is evidence to show that countries in SEMED region are becoming more committed to quality assurance, even if initiatives have been limited until now. In many countries of the region there is not yet an official definition or vision for quality assurance, though there are some bottom up initiatives that include quality assurance elements (as in Lebanon or Palestine).

Tunisia features both in the Torino Process report and in the regional report of the ETF project on *Governance for Employability in the Mediterranean* (GEMM) as an example of good practice, where there has been a careful investment in quality assurance actions linked to the competence-based approach.

Israel offers another interesting example of the possibility to combine quality assurance mechanisms with decentralisation, by keeping the national curriculum, examinations and inspection under firm central control, so as to ensure quality in provision, reforms and initiatives, while the education networks, local authorities and providers exercise a considerable degree of autonomy in other respects.

Source: ETF, 2014b; and 2015d

Skills matching and anticipation can be used as a potential driver of labour market relevance and responsiveness in VET provision. The degree of positive influence depends on the maturity of the matching and anticipation mechanisms and the degree of participation of the education sector. Most partner countries have embarked on a two-pronged approach: establishing these mechanisms and embedding them in VET-related decision-making processes, while attempting to ensure the participation of all relevant sectors in closing the ‘institutional gaps’, including those between education and employment (ETF, 2012).

VET providers can be made more proactive and relevant when empowered in various ways. Regulatory bottlenecks can be bypassed or eliminated by granting greater autonomy to address local demand, while further development of institutional mechanisms for skills matching and anticipation will facilitate communication about current and future need for skills delivered through VET.

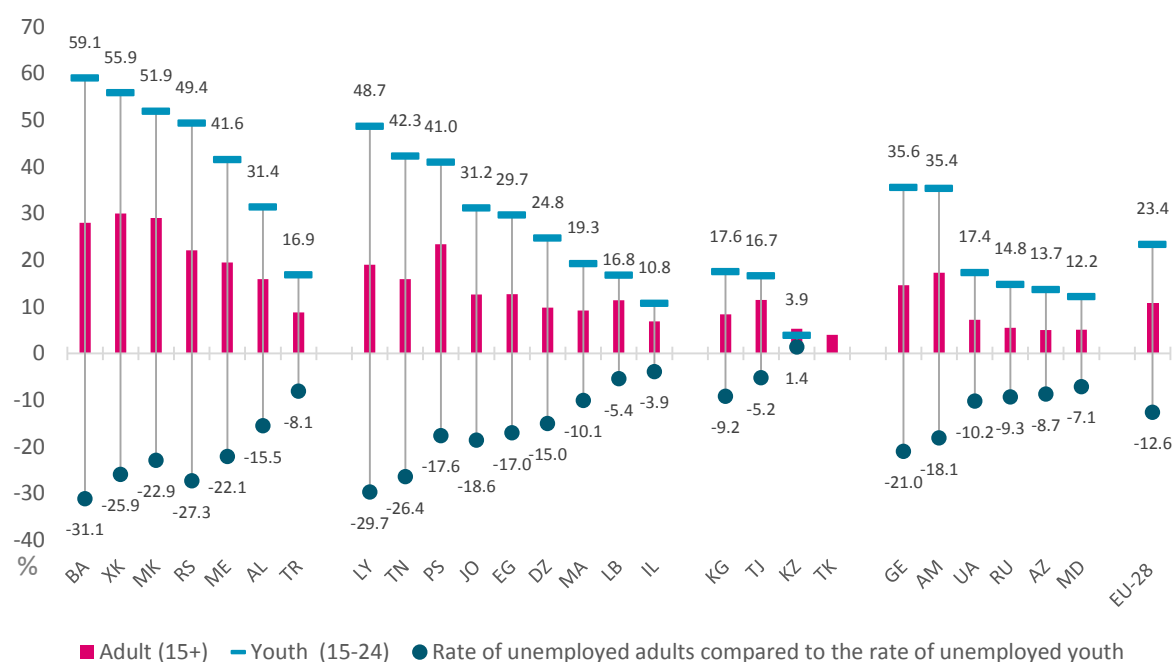
Progress with this challenging task has been uneven so far. It ranged from the identification of gaps in capacity for matching and anticipation in the SEET region and lack of coordination and information exchange between stakeholders involved in Eastern Europe, to proactive facilitation and support of partnerships between institutions and enterprises in some countries of the latter region, the establishment of sector skills councils in Central Asia and the active involvement of the world of work in them.

6. QUALITY, SOCIO-ECONOMIC DISADVANTAGE, AND VET

In the period between the 2012 and 2014 rounds of the Torino Process, considerations of economic growth continued to be an important driver of actual demand for VET, but not the only one. Reporting from the 2014 round confirms that inclusion continues to count among the key policy priorities in the portfolio of VET systems across all partner regions. The burden of expectation in this respect centres on attracting particular groups of young people into the formal education and training system and retaining them until graduation; on improving the employment prospects of young people, in particular those at risk; and, in the SEMED region, on enhancing female participation in employment (ETF, 2015d).

The degree to which this task presents a challenge to VET in partner countries depends on the social and demographic situation in which each national VET system operates, and on its internal capacity to bring about a change for those individuals who need a change in their situation and in their chances for the future. In the past years, young people in all partner regions have been hit particularly hard by unemployment. **FIGURE 6.1** shows that the average youth unemployment rate was highest in the SEET region (44%, ranging from as low as 17% in Turkey to 59% in Bosnia and Herzegovina), followed by the SEMED region (29%, with peaks of 49% in Libya, 42% in Tunisia, and 41% in Palestine), and Eastern Europe (22%, though the rate in Georgia and Armenia, at 36% and 35% respectively, is more than double that of other countries in the region). Youth unemployment in Central Asia was significantly lower at 13% on average. In all countries for which there is data, young people were more affected by unemployment than adults: the difference to adult unemployment was as little as 5% in Lebanon and Tajikistan, to as much as 29% in Libya and 31% in Bosnia and Herzegovina.

FIGURE 6.1 COMPARISON OF UNEMPLOYMENT RATES, ADULTS IN WORKING AGE (15+) AND YOUTH (15-24), LATEST AVAILABLE YEAR



Notes: Countries are ordered in a descending order by unemployment rate of youth, per region. Age range 15-54 (females) and 15-59 (males) for BY; 15-64 for BA, XK and EG; 15-70 for UA; 15-72 for RU; 15-74 for MK and TR; 15-75 for TJ and AM; no information on age range for TK and UZ. Year 2013; 2009 for TJ and LB; 2012 for AM, RU, KZ, KG and LY.

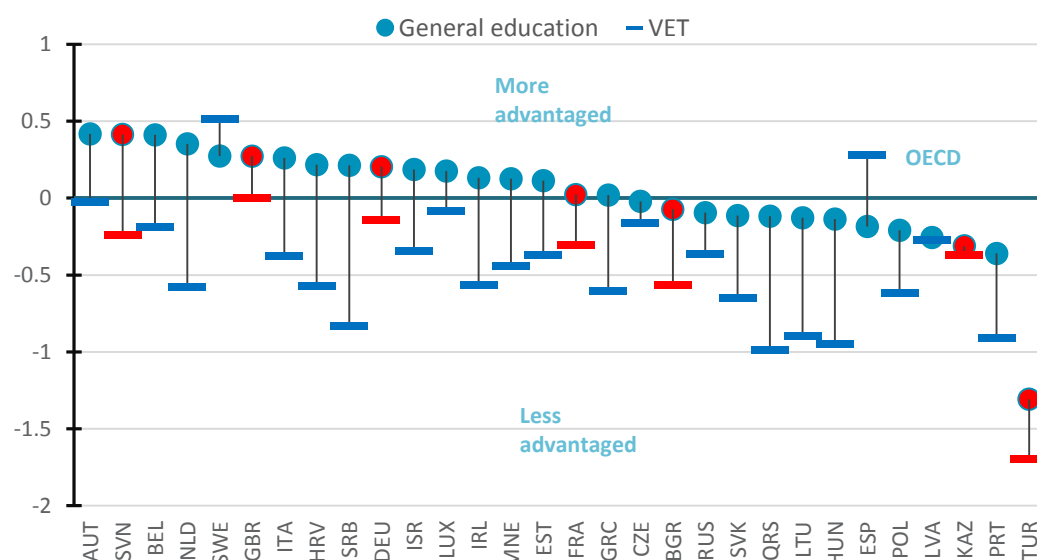
Sources: ETF calculations on the basis of data from Eurostat, national statistical offices, ILOSTAT

This and other Torino Process data suggest that vulnerable youth (including those who are not in education, employment, or training – NEETs) will remain an important driver of actual demand for VET, in particular initial VET.

It is important to note that it is not just the number of young people in need that will shape the pressure on national VET systems, now and in future, but the diversity and specificity of their needs. In a recent paper on NEETs for example, the ETF notes that, while most young people covered by the new NEET indicator suffer some kind of exclusion, their vulnerability is not a uniform personal trait. It is a result of diverse patterns of labour demand and socio-economic circumstances (ETF, 2015e). If VET is to cater for these prospective learners and give them a chance, education and training providers must be ready to take the external factors into consideration, and be empowered to compensate for the disadvantages.

There is evidence to confirm that dual responsibility to ensure employability while safeguarding social inclusion remains an inherent trait of actual demand for VET in partner countries. To the extent that information is available, **FIGURE 6.2** confirms that vocational tracks continue to be the preferred destination for learners from socio-economically disadvantaged backgrounds.

FIGURE 6.2 MEAN PISA INDEX OF ECONOMIC, SOCIAL AND CULTURAL STATUS OF STUDENTS ENROLLED IN GENERAL EDUCATION AND VET IN SELECTED ETF PARTNER COUNTRIES AND EU COUNTRIES, 2012



Notes: Data for Israel includes pre-vocational education; QRS stands for Perm as adjudicated PISA region in Russia. ETF partner countries are shown in red.

Source: ETF analysis; PISA 2012 database

The OECD's Programme for International Student Assessment (PISA) tests students at the age of 15. It is important to note that in most countries this is the age at which they are entering the VET system for the first time. This means that disadvantage is an inherent characteristic of VET learner intake and an inherent trait of VET in those countries in general. Plans for the future of VET that do not take this particularity into consideration are very likely to prove unrealistic.

Surprisingly, beyond ad-hoc descriptions of project initiatives, there is little systematic analysis of how partner countries cope with the double burden of achievement expectations and disadvantage. The Torino Process reports have, however, diligently recorded individual country solutions which, taken together, offer a good starting point for further research. Tajikistan, for example, has designed measures for positive discrimination of individuals with special educational needs or those from vulnerable groups, granting them priority access to public VET institutions, and connecting their

course choices to the recommendations of a specialised Commission that assesses the best fit into the labour market. The cost of training and subsistence is covered from the public budget (ETF, 2015f). Montenegro has invested in specialised training for VET teachers to raise their capacity to include students at risk and those with special educational needs, and Palestine has embarked on a wide range of activities aimed at improving vocational guidance and career counselling services, including establishing career guidance units in universities (ETF, 2015h).

Irrespective of whether learners follow a vocational or general education track, or of the type of specialised measures that are in place to support them, at the end of the day the key measure of success is their transition to the labour market or further education and their integration into society. The least that national systems for education and training and VET in particular can do in this respect, is to equip their graduates with a set of basic skills that are required for a fair chance later in their lives.

Proficiency in reading is one such skill. PISA captures a multitude of its dimensions and the latest assessment round brought some noteworthy results. They suggest that in some partner countries, the proficiency in reading of 15 year-olds who attend VET schools is not too far off the quality of learning outcomes in reading of their peers in general education, despite the socio-economic disadvantages. Remarkably also, the gap in partner countries is, on average, much smaller than in EU countries.

FIGURE 6.3 shows the average reading proficiency of students enrolled in VET and in general education and training in Partner and EU countries¹³. In countries placed above the line intersecting the figure, students in VET outperform their peers in general education. In countries placed below the line, those in general education outperform their peers enrolled in VET. The respective distance of countries from the line depends on the score point difference in reading between students in VET and in general education. The larger the distance above the line, the more students in VET outperform those in general education. The larger the distance below the line, the more students in general education outperform those enrolled in VET.

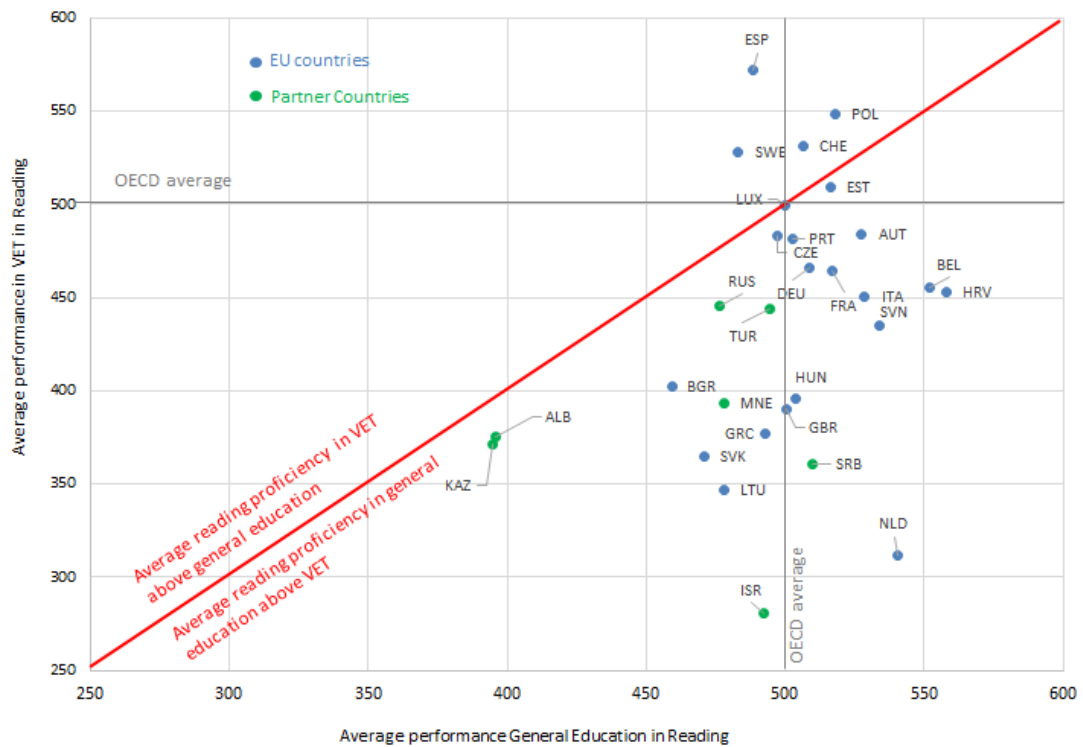
The figure indicates that in all but four of the countries¹⁴, students in general education performed better than their peers enrolled in VET schools in reading. In quite a few of those very same countries, however, students in both types of schools performed below the OECD average. The countries in which VET students demonstrated a markedly higher level of proficiency than those in general education are Spain, Sweden, Poland and Switzerland.

It is interesting to note that in four of the partner countries included in Figure 6.3 (Albania, Kazakhstan, Russia and Turkey), the average gap in reading proficiency between students in VET and general education is among the smallest of all countries that participated in the 2012 PISA round. In fact, the gap in Albania, Kazakhstan and Russia is smaller than between students enrolled in the VET and general education schools of traditional 'VET champions' such as Germany and Austria.

¹³ Countries for which there is data and analysis can be done distinguishing students from VET and from general education.

¹⁴ Ibid.

FIGURE 6.3 READING PROFICIENCY OF STUDENTS ENROLLED IN VET AND IN GENERAL EDUCATION IN EU AND SELECTED PARTNER COUNTRIES, PISA 2012



Notes: Data for Israel includes pre-vocational education.

Source: ETF analysis; PISA 2012 database

It is premature to speculate about a connection between national measures in support of the social aspect of VET and such results. The data might indicate that in some countries the system of initial VET is doing better than anticipated in offsetting disadvantage, equipping its learners with basic skills, or in attracting learners with some potential. It might also mean that general education is underperforming in this respect. A possible explanation is also that VET schools in those four partner countries attract some of the learners who would normally enrol in general education, for example because the VET track provides an alternative, easier path to university.

Whatever the reasons behind these results, some partner countries seem better than others in avoiding a 'segregation' between sectors in their education systems. In such countries, VET is not a far off alternative to general education, either in terms of delivery of basic skills, or in terms of capacity to attract learners with an aptitude that is not far off from the one of students enrolling in general education. Considering the disadvantaged profile of schools attended by VET learners, this is a remarkable result. It is also an important pointer for future analysis, and a reminder of how much unexplored potential there still is for learning from case studies and, possibly, good practice.

7. SUMMARY OF POINTERS FOR THE FUTURE

Setting the stage

In most partner countries, VET is expected to deliver in a new strategic context in which the suppliers of skills (the providers), the carriers of skills (the learners) and those that demand the skills (the employers), are bearers of an equal share of responsibility for individual and national prosperity. While the expectations and strategic objectives are well recorded, the implementation plans are less mature. Most importantly, no line is drawn between those goals that VET, as a segment of education, can achieve alone and those where success is dependent upon external factors and actors.

In all partner countries, economic and social developments make it imperative to move from VET planning to implementation. To capitalise on the momentum created by the skills debate, countries will need to design and implement sector development plans that clearly address the needs of stakeholders immediately concerned, while distributing responsibilities for implementation among them.

Redefining involvement

For VET to take a prominent position at the point where sectors and stakeholders meet to form, maintain and use human capital, the VET system must become more open to involvement of beneficiaries and more proactive in anticipating the needs of potential partners. This emancipatory development process creates pressure to open new interfaces for exchange and involvement between VET and its context, while reinforcing those that already exist.

SSCs are probably the most promising, but still largely under-used, channel for external involvement in rethinking, re-designing and operating VET, especially when it comes to drawing in employers. SSCs are recognised as a good vehicle for private sector involvement, and dedicated efforts to promote and support them will boost the partnership and involvement needed for better and more relevant VET output.

Monitoring of progress in multi-stakeholder environments

Partnerships thrive around joint goals and compatible ambitions, and underpinning this is consensus on what needs to be done. To an unprecedented extent, the monitoring of progress with the new generation of priorities for forming, maintaining and using human capital will depend on the ability of those involved to look beyond the limits of their own sector and see the bigger picture, while keeping their attention on familiar details.

A great deal of work remains to be done for the various streams of sector information to be integrated into a well-coordinated skills monitoring and analysis system. Ownership by all involved is an important prerequisite, as is agreement of what aspects of skill development and use needs to be monitored, and why. Establishment of a common set of skills indicators must be a leading priority for the future, building upon ongoing work on data and indicators.

Attracting learners and boosting competitiveness through VET

The aspirations for VET discussed in other sections of this report look forward to the future, but actual demand for VET takes place here and now and requires immediate attention.

For VET to become an attractive skilling alternative, to contribute its share to the new paradigm for human capital and to harvest the opportunities inherent in this, it must be repositioned as a partner in skills development. Countries would therefore be well advised to work toward replacing the paradigm

where VET and general education compete for enrolment with one of complementarity in meeting educational and employment demand.

Appropriate approaches include the provision of accurate guidance on career prospects and labour market opportunities for learners, together with remodelling learning pathways to guarantee permeability between sectors throughout the educational career of each learner, no matter where they were initially enrolled. It is only by adopting such approaches that systems can ensure that learners will benefit fully from what national skills provision systems have to offer.

Lifelong learning is another source of actual demand for VET still in need of attention, especially in relation to the extension of VET offer to a wider group of potential learners, in particular adults. The emerging trend in partner countries where VET is treated as a single lifelong learning continuum comprising both initial and continuous VET needs to be reinforced and supported.

Proactive VET

Data from the 2014 Torino Process suggest much work is still needed on improving the ability of VET systems to address the skills needs of national economies. Policies to support the skills needs of SMEs as the main contributors of growth in partner countries have not gained much traction and evidence suggests that the reason for this may lie partly in deficits within the regulatory framework applied to VET providers.

More autonomy to address local demand and further development of institutional mechanisms to match and anticipate skills will help bypass or eliminate regulatory bottlenecks and facilitate communication about current and future VET demand. In this way VET providers will be empowered to be more proactive and relevant.

Quality, socio-economic disadvantage, and VET

Realistic plans for the future of VET must consider the role of vulnerable youth as a key driver of actual demand for VET across all partner regions. However, there is little systematic reflection on how VET copes with the double burden of high expectations for quality skills delivery and the responsibility to provide effective remedies for socio-economic disadvantage.

Much remains to be learnt from closer analysis of how countries achieve the compromise between ambitions for competitiveness and the need to offset the socio-economic disadvantage of learners in VET. A peer learning initiative on the basis of case studies and good practice with social inclusion would offer a good opportunity for such analysis and would help harvest the currently unexplored potential for learning.

ACRONYMS AND ABBREVIATIONS

CA	Central Asia
CVET	Continuing vocational education and training
EE	Eastern Europe
EMS	Education monitoring system
ETF	European Training Foundation
EU	European Union
LM	Labour market
NEET	(Young people) Not in employment education or training
OECD	Organisation for Economic Cooperation and Development
PISA	Programme for International Student Assessment
SBA	Small Business Act
SEET	South Eastern Europe and Turkey
SEMED	Southern and Eastern Mediterranean
SME	Small and medium-sized enterprise
SSC	Sector skills councils
VET	Vocational education and training

COUNTRY CODES

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