GOVERNANCE
OF VOCATIONAL EDUCATION
AND TRAINING

A KEY POLICY ARENA

THE CHALLENGE

Both in Europe and internationally, the shape of the future will substantially be determined by how nations address the challenges that are disrupting the global workplace. High youth unemployment, accelerating technological change, as well as the double transition of digitilisation and greening of the economy, are straining the capacities of traditional human capital development (HCD) and vocational education and training (VET) policies and systems.

To deliver the required high-quality skills that these structural employment shifts demand, educational, training, as well as social, economic and labour market policies and practices, all need to be brought together to meet the challenge of ensuring that no one – not the unskilled, nor the underskilled, or perpetually marginalised groups like both the youth and elderly, women, and ethnic minorities – is left behind. At the heart of this modernisation process lies the key policy arena of governance.

Historically, the most successful and innovative HCD and lifelong learning systems have been built on the strategic coordination of policymaking and execution of the major actors and the governance mechanisms that this requires. Effective partnerships must be built between the public and private sectors at every level of the policymaking cycle in the partner countries.

ETF: A REPOSITORY OF EXPERTISE

The European Training Foundation (ETF), an agency of the European Union (EU), is arguably the world's foremost repository of expertise in HCD and VET in transition countries. Since its inception, the ETF has been at the forefront of developing a deep understanding of the lifelong learning process and fine tuning the mechanisms for their implementation.

As far back as 2010, the Torino Process, an ongoing dialogue between the ETF and partner countries, sought to achieve an evidence-based consensus on ways forward in policy and system development, bringing into the equation the unique needs of each country. The resulting repository of skills has become increasingly refined. Through an ongoing analysis of current trends and types of governance arrangements in partner countries, the ETF has constructed a structured framework, known as the ETF Governance Inventory.

A NOVEL GOVERNANCE INVENTORY

As part of a continuing process of developing over the years the methodological framework necessary to underpin a collaborative process of monitoring governance in partner countries, the ETF refined a novel mechanism, the VET and Skills Governance Inventory 4.0 – a data collection tool to regularly measure indicators in key areas among major stakeholders, which was developed through intensive work in 18 countries over 10 years.

This is not a prescriptive, top-down process. While laws and legal frameworks are crucial, as important are continuous contribution, sharing and cooperation among the different actors at all possible levels – international, national, sectoral, regional or local. The added-value of the ETF's expertise here lies in the fact that it embeds HCD within the socio-economic context of each country, ensuring that resultant analysis is informed by relevant evidence and is guided to completion through structured dialogue.

The data generated by the ETF's Governance Inventory provide a picture of how multi-level governance, structuring and financing is being carried out, in order to complement and strengthen policy analysis and advice provided by the ETF. The Governance Inventory provides partner countries with a powerful tool to measure progress in the efficiency and effectiveness of HCD and VET governance, not only within the countries but as a mechanism to facilitate cooperation between them, as well as with the European Commission.

The Governance Inventory is targeted at a range of key VET and skill stakeholders for maximum impact: the ministries or agencies in charge of policies and financing; employer and trade union organisations; representatives of national/sectoral skill structures; representatives of regional/local structures; and experts with leading institutions.

Key governance dimensions in VET and skills

Overall planning, management and financing:

A Formulation and implementation of the policy framework

B Provision of legal, normative and/or regulatory framework

C Management of VET (and skills) provider network

D Operationalisation, alignment and coordination of financial arrangements

E Management of public-private partnerships for VET and skills development

F Monitoring, evaluation and review of VET and skills policies

G Management of information systems

Institutional coordination mechanisms:

H National VET/ skills councils

I Sectoral VET/ skills councils/ committees

J Regional/ subnational VET and skills authorities (e.g. education departments, councils)

K National VET agencies and/ or other types of executive and supervisory bodies

L Inter-ministerial working cooperation/ coordination

To maximise the effectiveness of the self-assessment and feedback loop, the ETF has developed two complementary tracks of process indicators, 65 in all.

The first tracks and evaluates seven key governance functions:

- Formulating and implementing the overarching policy framework.

- Putting in place the necessary regulatory and normative skeleton best calculated to achieve these policies.

- Activating the VET and skills provider network that will action the projects required.

- Operationalising the financial arrangements necessary to fuel the process.

- Managing the public-private partnerships essential to a successful implementation.

- This demands monitoring, evaluation, review and feedback.

- And is informed by continuous statistical and data input through the coherent management of information systems.

The second tracks and measures coordination between the institutions (councils, committees, agencies, et al.) at every level (national and sub-national) to assess the effectiveness of stakeholders' performance in the rulemaking processes.

In summary, the Governance Inventory is an innovative and flexible self-assessment tool for each country to adapt and make fit-for-purpose. In 2020, it was used in a year-long pilot process of self-assessments of VET policy, management, financing and quality assurance in five partner countries: Albania, Jordan, Kazakhstan, Moldova, and Uzbekistan.

**ALBANIA
JORDAN
KAZAKHSTAN
MOLDOVA
UZBEKISTAN**

Snapshots from five countries

As countries try to develop national policies to address the complex factors shaping the demand for employability, the role of institutions and actors in providing suitable learning environments is being challenged as never before. This was outlined in a series of ETF country reports from Albania, Jordan, Kazakhstan, Moldova and Uzbekistan (unpublished).

ALBANIA

Albania, located on the Balkan Peninsula and with a population of only 2.85 million people, is a middle-income nation and has been engaged in EU accession negotiations since March 2021. Employment (15–64 age group) grew from 50% in 2013 to 59.5% in 2018, with the improvement for women particularly marked. While the economy was set back by a major earthquake in 2019 and then the Covid-19 pandemic, it has rebounded vigorously. The World Bank has projected a GDP growth of 3.8% in 2022.

Albania's integrated planning system rests on two main processes: a national six-year macroeconomic strategy, which operates to a rolling three-year budgetary programme. Sectoral and cross-sectoral strategies are harmonised accordingly.

The mid-term review of the country's National Strategy for Skills and Employment (NSSE 2014–2020) concluded that most indicators had progressed positively, but not sufficiently to achieve the 2020 strategic objectives. This led to a modified NSSE (2019–2022), with a strong emphasis on VET for young people and adults, and strengthening the governance of the labour market and the qualifications system.

ALBANIA

Chart legend:
- Average mark (teal bars)
- Strongly disagree and disagree (%) (purple dots)

Chart data:

Category	Average mark	Strongly disagree and disagree (%)
The network of VET providers is optimal and based on clear governance structure	3.2	24%
VET school financial autonomy is fair enough to support effective and efficient provider operations and partnerships with industry, employers, civil society, etc.	3.5	43%
Centres of Excellence exist in the country and, overall, these institutions meet stakeholder expectations	3.5	14%
Centres of Excellence are partnership-based institutions (public-private, university and research, etc.), which are well resourced in terms of both financial and human capacities	3.9	30%
Incentives for employers' participation are in place and adequate to support VET and skills financing policies	3.6	42%
Employers' financial and/or fiscal incentives are effective and transparent	3.7	42%
The sector councils/committees exist and, overall, meet stakeholder expectations	3.5	30%
Skills councils' composition represents key sectoral VET and skills stakeholders	2.8	19%
The skills councils meet on a regular and effective manner in the course of the year and they have proper resources to deploy their mandate	3.6	24%

Key Governance Inventory findings:

- It was agreed among the respondents that the national policy for VET and skills had been developed by both state and non-state sectors and that it had a multi-year perspective.

- Policy implementation was facilitated by a good understanding of the legal and regulatory framework. However, there was a need for better communication on the issue and broader community involvement, especially youth groups.

- The VET Law foresees a higher degree of autonomy for VET providers regarding their programmes, cooperation with companies, and income-generation activities. However, capacity building is needed to ensure an effective rollout.

- There is a need for clear regulations on income-generation activities of VET providers, which are not yet in place. In addition, there is a lack of incentives for employers to support VET and skills policies.

- There is a monitoring system for VET and skills, but a comprehensive management information system for VET is lacking, which is a real barrier to achieving efficient monitoring.

Key policy pointers included:

- Increasing awareness and information on the different stakeholders on the VET governance indicators framework.

- Enhancing the monitoring of governance aspects in VET and skills as part of the monitoring framework, and including governance indicators in annual institutional plans.

- Assessing regularly the activities of VET institutions to ensure that they have the human capacities, financial means, and operational procedures needed to play their roles effectively.

- Establishing a VET management information system as a powerful instrument to inform policy processes.
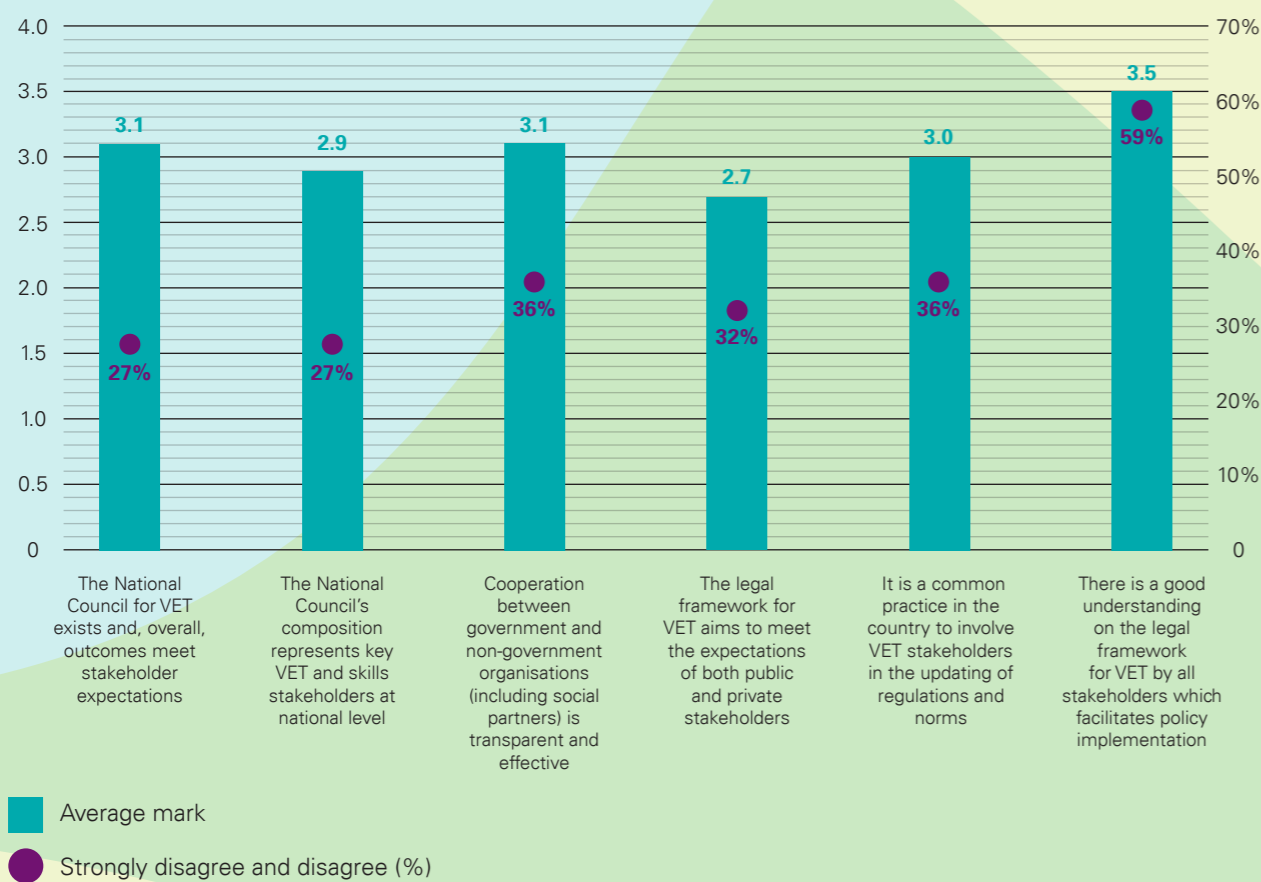
JORDAN

Despite persistent regional instability, Jordan has continued to focus on HCD, with a fast-changing technical and vocational education and training (TVET) sector. GDP growth dropped to 1.3% in 2020 from a 6.5% high (2000–2009), with public debt increasing exponentially. The country faces demographic challenges as its 10.6 million population includes a high number of non-Jordanians (30%) and young people (63% aged under 30 – one of the youngest populations in the world). Unemployment was 23.9% in 2020, with women bearing the brunt (33.6%) compared to men (21.2%), while economic participation by women was a mere 14.9%, compared to 53.5% for men. The highest unemployment was in the age groups 15–19 and 20–24, with 53.1% and 45.0%, respectively.

Policy is based on the Jordan 2025 Vision and the Jordan Economic Growth Plan (JEGP) 2018–2025, with the latter having two main sections relating to VET: social development, emphasising education and human resources development, and labour market policy, emphasising skills development. Several institutional strategies serve as references for the different training providers, including for vocational training centres, Balqa Applied University and the education ministry. The Technical and Vocational Skills Development Commission (TVSDC) was established in 2019 to improve governance across the TVET sector.

The National Strategy for Human Resources Development 2016–2025 rests on the principles that education leads to prosperity and that fostering talent achieves a better quality of life. The labour market policy is focused on 'empowering Jordanian youth academically and professionally by instilling an entrepreneurial mindset while providing the required funding and enabling environment'.

JORDAN

Chart axes and labels:

Left axis: 4.0, 3.5, 3.0, 2.5, 2.0, 1.5, 1.0, 0.5, 0

Right axis: 70%, 60%, 50%, 40%, 30%, 20%, 10%, 0

Category	Average mark	Strongly disagree and disagree (%)
The National Council for VET exists and, overall, outcomes meet stakeholder expectations	3.1	27%
The National Council's composition represents key VET and skills stakeholders at national level	2.9	27%
Cooperation between government and non-government organisations (including social partners) is transparent and effective	3.1	36%
The legal framework for VET aims to meet the expectations of both public and private stakeholders	2.7	32%
It is a common practice in the country to involve VET stakeholders in the updating of regulations and norms	3.0	36%
There is a good understanding on the legal framework for VET by all stakeholders which facilitates policy implementation	3.5	59%

■ Average mark

● Strongly disagree and disagree (%)

Key Governance Inventory findings:

- There was strong agreement that VET policy combines long-term objectives and short-term targets but often without sustained implementation plans in place.

- Similarly, there was strong agreement that the legal framework for VET aimed to meet the expectations of both public and private stakeholders, although they disagreed that it clearly addressed other challenges such as VET and skills with a lifelong learning perspective. TVET stakeholders are predominantly concerned with initial VET and lack appreciation and understanding of lifelong learning.

- There was substantial concern over the levels of cooperation and coordination between national and sub-national public departments and agencies, as well as the transparency and effectiveness of cooperation between government and non-government organisations, including social partners.

- The absence of a comprehensive labour market information system inhibits the TVET responsiveness to labour market demands, especially since there are challenges in sourcing reliable and consistent data on the sector.

Key policy pointers included:

- Developing a communication strategy for the TVET sector that highlights the progress and role of the TVSDC, as well as systematically and transparently distributing its decisions and outcomes.

- Empowering regional/local authorities to form local partnerships with employers and other key actors.

- Addressing the absence of local governance and ownership of VET by governorates and municipalities.

- Creating a TVET communication strategy that can convey the TVSDC's progress and role to stakeholders, as well as transparently convey its decisions.

- Mapping the policies and institutional actors and putting in place the monitoring and evaluation mechanisms, along with performance indicators.
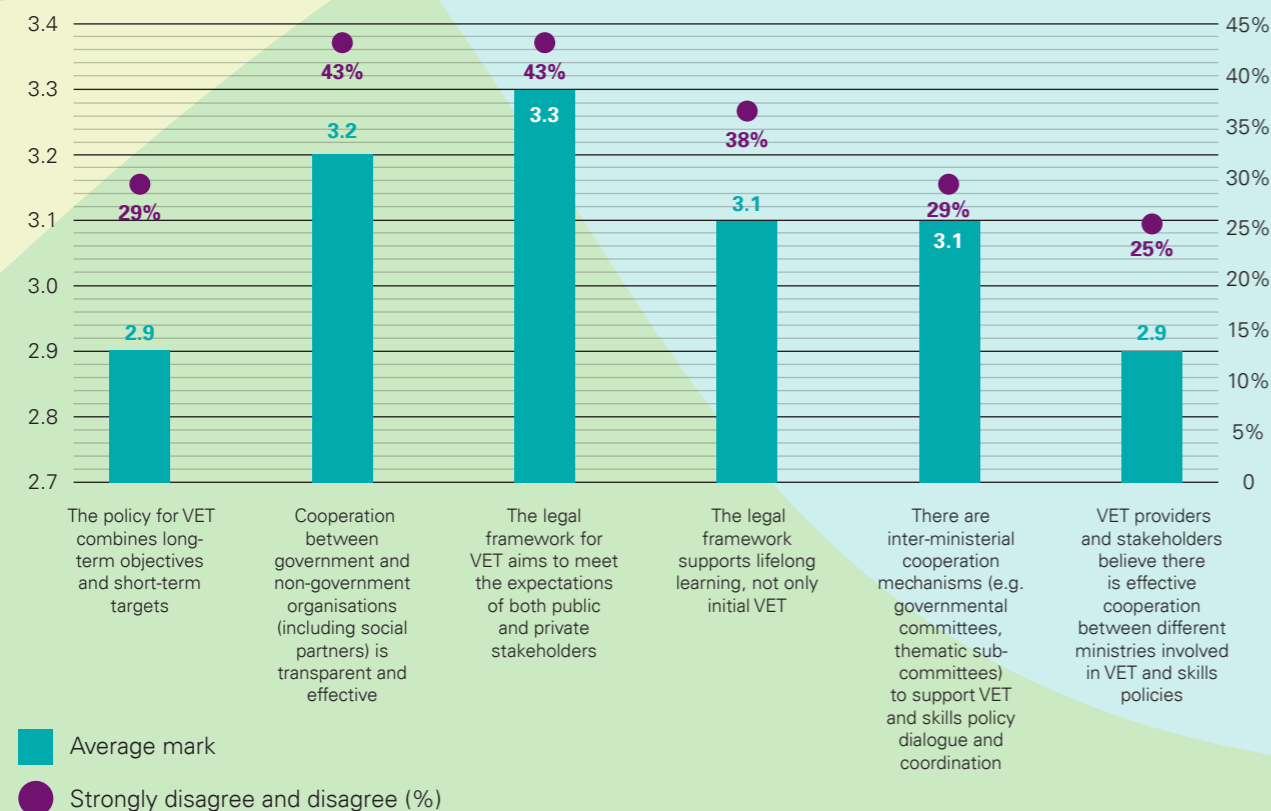
KAZAKHSTAN

Kazakhstan's ambitious aim is to be one of the world's 30 most developed countries by 2050. Influenced by oil and gas prices, Kazakhstan had a decade of high GDP growth, reaching 4.5% in 2019. It has a high labour participation rate (66% in 2020) and low unemployment, at 4.9% in 2020 (only 3.7% for young people). Although the country's population of 18.8 million is growing, it is also ageing.

At a regional level, Kazakhstan policy is guided by the EU Strategy on Central Asia, which supports, among other priorities, a transition to a green economy and economic diversification. In 2020, the EU and Kazakhstan signed the Enhanced Partnership and Cooperation Agreement, whose remit includes education and training.

Kazakhstan 2050, the national Strategy for socio-economic development, calls for attracting inward investment and increasing the country's competitiveness in new markets. Kazakhstan's State Education and Science Development Programme 2020–2025, the Strategic Plan for the Development of the Republic of Kazakhstan by 2025, and the State Industrial Innovative Development Programme of the Republic of Kazakhstan 2020–2025 provide the framework and directions for the country's continuing VET reform.

KAZAKHSTAN

Legend:
- Average mark
- Strongly disagree and disagree (%)

Chart categories (x-axis):
- The policy for VET combines long-term objectives and short-term targets — 2.9 / 29%
- Cooperation between government and non-government organisations (including social partners) is transparent and effective — 3.2 / 43%
- The legal framework for VET aims to meet the expectations of both public and private stakeholders — 3.3 / 43%
- The legal framework supports lifelong learning, not only initial VET — 3.1 / 38%
- There are inter-ministerial cooperation mechanisms (e.g. governmental committees, thematic sub-committees) to support VET and skills policy dialogue and coordination — 3.1 / 29%
- VET providers and stakeholders believe there is effective cooperation between different ministries involved in VET and skills policies — 2.9 / 25%

Key Governance Inventory findings:

- While policy development processes are in place, the policy dialogue should be improved and simplified, as well as draw the participation of employers and state bodies from other sectors.

- Most stakeholders acknowledged that a regulatory framework is available, but that the content is not always clearly stated, accompanied by contradictions and frequent changes.

- There is substantial consensus that the VET legal framework – which operates widely on the principle of 'what is not allowed is prohibited' – does not meet the expectations of both public and private stakeholders.

- The regulatory and methodological basis for implementing the VET system needs further improvement, despite the successes achieved with such VET instruments as modular educational programmes, credit training, non-formal education and autonomous educational organisations.

Key policy pointers included:

- Encouraging inter-ministerial and multi-level cooperation to improve a national system of VET assessment, certification, and quality assurance.

- Developing a long-term VET strategy that is responsive to the labour market needs and is based on qualitative indicators.

- Changing the legal and regulatory framework to enhance VET providers' financial autonomy and ability to earn money, as well as to clarify content so as to minimise contradictions and the need for frequent changes.

- Developing further the credit training system according to the principles of lifelong learning.

- Increasing the engagement of stakeholders in the training management process, including though public-private partnerships.

- Strengthening analytical and quality development assessments to track the VET policy implementing path.

MOLDOVA

Moldova's small population of 2.8 million people is significantly shaped by ageing and migration. The share of young people (aged 15–24) in the economically active population declined by almost a quarter to 14.8%, in the five years to 2018. It is estimated that population decline will continue rapidly at between 1.1% to 2.0% a year. Despite relatively low enrolment rates in primary and secondary education – Moldova has one of the highest school dropout rates in Europe, with one in five of those aged 18–24 leaving early – gross enrolment in higher education was relatively high, at 39.8% in 2018. VET is well represented at an upper-secondary level and enrolment in vocational programmes is increasing.

Moldova's VET system and its governance are centralised at a national level. The National Development Strategy 2030, known as Moldova 2030, has among its goals to reduce the outflow of young people, increase its investment attractiveness, and create jobs and personal development opportunities for young professionals.

The VET system is being modernised and streamlined accordingly, with the primary policy document, the VET Development Strategy 2013–2020 stressing the training of a competent and qualified workforce.

MOLDOVA

Chart legend:
- Average mark (teal bars)
- Strongly disagree and disagree (%) (purple dots)

Categories and values:
- There is a good understanding on the legal framework for VET by all stakeholders which facilitates policy implementation — 2.6, 12%
- The legal framework supports lifelong learning, not only initial VET — 2.6, 12%
- There is a recognised and sound monitoring and research system — 2.8, 12%
- Research, development and innovation are used to support VET and skills policy development — 2.8, 21%
- There is effective cooperation among the different ministries involved in shaping and financing VET and skills policies — 2.5, 6%
- VET providers and stakeholders believe there is effective cooperation between the different ministries involved in VET and skills policies — 2.6, 3%

Key Governance Inventory findings:

- There was strong agreement that VET providers are accessible to users and accountable for the decisions they make. Also, that VET providers have clear governance structures and quality assurance policies in place, with suitable financial autonomy.

- However, policy theory is not translating to effective VET practices, with the measurement of quality not being adequately undertaken.

- Few stakeholders felt that fiscal arrangements are adequate for the formation and implementation of public-private partnerships.

- There was an awareness that when social dialogue exists, it is strongly beneficial to policymaking and implementation.

Key policy pointers included:

- Enhancing cooperation and coordination between public and private stakeholders and strengthening social dialogue, specifically by revising or re-establishing the National Coordination Council for VET and an appointing secretariat.

- Operationalising the VET policy monitoring and evaluation system, including externally, as well as rationalising VET institutions by establishing at mezzo level, a complete national structure.

- Unifying the types of VET institutions by allowing the provision of all types of VET programmes, with the objective of boosting the attractiveness of VET schools.

- Introducing a multi-level, multi-stakeholder structure for the governance and management of VET institutions.

- Introducing a donor/development partner coordination mechanism with a national entity in to better align the activities of international agencies and increase their impact, as well as to monitor and coordinate investments and evaluate their impact.
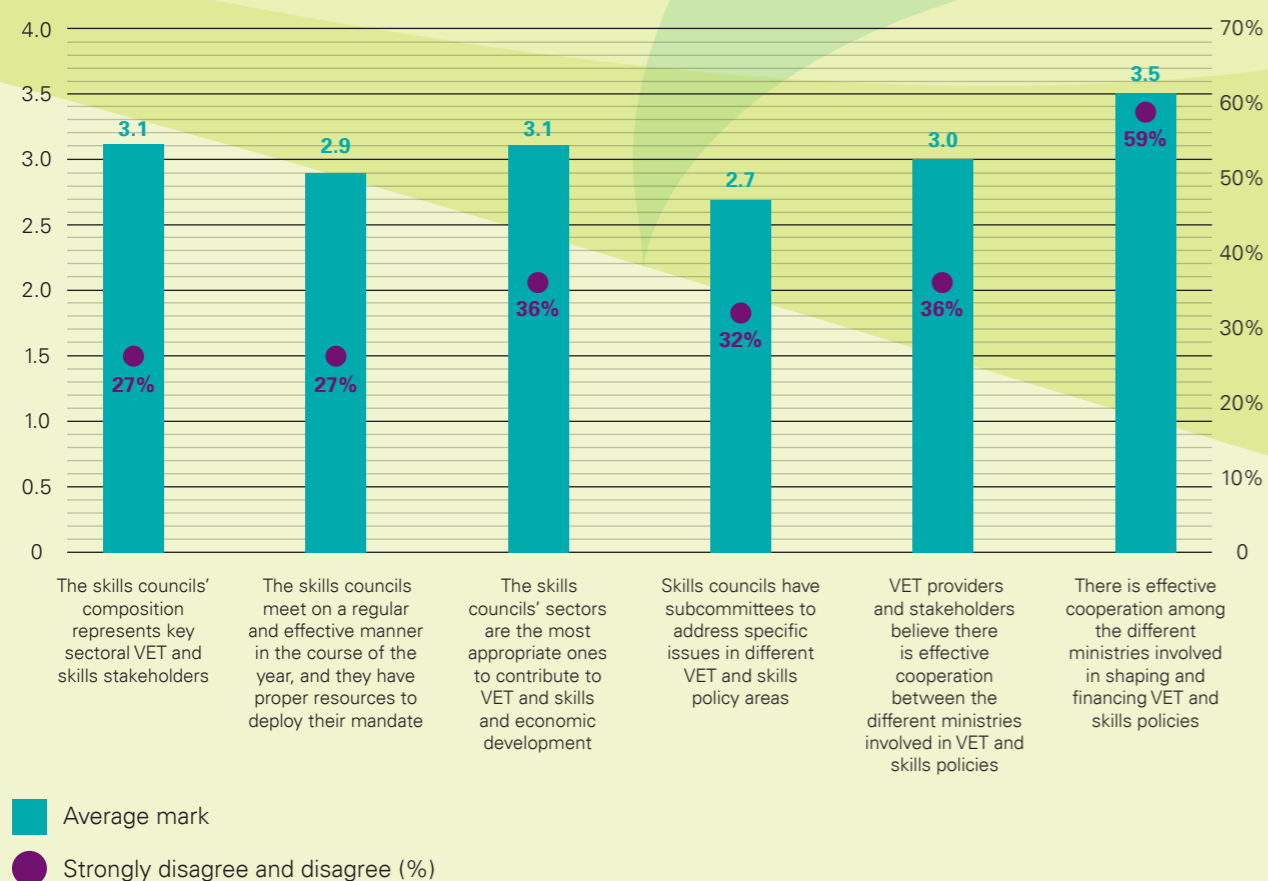
UZBEKISTAN

Uzbekistan has experienced a resilient economic growth rate for its 31 million people, with GDP annual growth averaging 7.3% over the period 2001–2014. Its major employment challenge is that the working-age population has risen by about 50% since 2000 to 22 million today. At the same time, Uzbekistan faces high demographic pressure, with a fast-growing and young population, projected to continue increasing until 2040, which will demand the creation of a large number of jobs. This will require, inter alia, an accelerated transition from a state-dominated economy toward a market-based economy, with a dominant private sector.

Uzbekistan's central educational regulatory body is the Cabinet of Ministers, which coordinates the three ministries responsible for the public education system: the Ministry of Pre-school Education, the Ministry of Public Education, and the Ministry of Higher and Secondary Specialised Education.

There is no single responsible body for the VET sector. Several ministries and state bodies play a dominant role in the management, financing and provision of VET. Nevertheless, secondary specialised vocational education is substantial with its network of vocational institutions including almost 10 times more schools than the non-vocational stream provided in academic high schools.

UZBEKISTAN

Legend:
- ■ Average mark
- ● Strongly disagree and disagree (%)

Chart categories (left to right):
- The skills councils' composition represents key sectoral VET and skills stakeholders — 3.1 / 27%
- The skills councils meet on a regular and effective manner in the course of the year, and they have proper resources to deploy their mandate — 2.9 / 27%
- The skills councils' sectors are the most appropriate ones to contribute to VET and skills and economic development — 3.1 / 36%
- Skills councils have subcommittees to address specific issues in different VET and skills policy areas — 2.7 / 32%
- VET providers and stakeholders believe there is effective cooperation between the different ministries involved in VET and skills policies — 3.0 / 36%
- There is effective cooperation among the different ministries involved in shaping and financing VET and skills policies — 3.5 / 59%

Key Governance Inventory findings:

- Stakeholders believe that existing governance practices provide the flexibility and adaptability for an appropriate multi-level cooperation, as well as a less formal approach to managing VET policymaking and skills development.

- There is substantial agreement that the national policy for vocational education has a long-term perspective, has been developed involving both state and non-state stakeholders, and that it combines long-term objectives and short-term targets.

- The legal framework supports lifelong learning, not only initial VET.

- There is agreement that it is common practice to involve all VET stakeholders in the updating of regulations and standards, and that the VET and skills development budget-setting process is driven by a good dialogue between the key ministries.

Key policy pointers included:

- Consistent reforms are being implemented by the government but further consultation with key national stakeholders is needed to improve the overall architecture of the VET system, its governance and funding, qualifications, quality assurance, and links with the labour market. In particular, the roles of the private sector and industries need to be developed.

- VET reforms should aim to increase the participation of employers and other social partners, including trade unions, in the policy development process, as well stimulate the development of public-private partnerships, and increase the role of non-governmental public organisations and local self-government bodies.

- The need for a transparent funding system and the implementation of an effective education management information system, to improve governance.

THINKING ABOUT THE FUTURE

The data generated by the ETF's Governance Inventory can be sliced and diced differently by each of the stakeholders in each of the five countries, according to their operational priorities. However, some broad conclusions are obvious, to differing degrees of statistical concordance.

High:

In all five countries, national VET policies have been developed involving both state and non-state stakeholders. Only in Jordan are some stakeholders 'slightly hesitant' about this.

With the exception of Kazakhstan, where there is hesitancy, VET policies in the other four countries have a multi-year perspective, combining long-term objectives and short-term targets.

Moderate:

Development of the legal framework with the involvement of all VET stakeholders is a common practice only in Albania and Uzbekistan.

Medium:

Overall, the effectiveness and transparency of cooperation and coordination between national and sub-regional public agencies, on the one hand, and government and non-governmental organisations, on the other, are not satisfactory.

Only in Moldova do stakeholders agree that the VET providers network is optimal and based on clear governance structures. Also, that VET support structures have the necessary expertise to provide good outcomes.

Only in Jordan is there a functional national VET council, which was recently established.
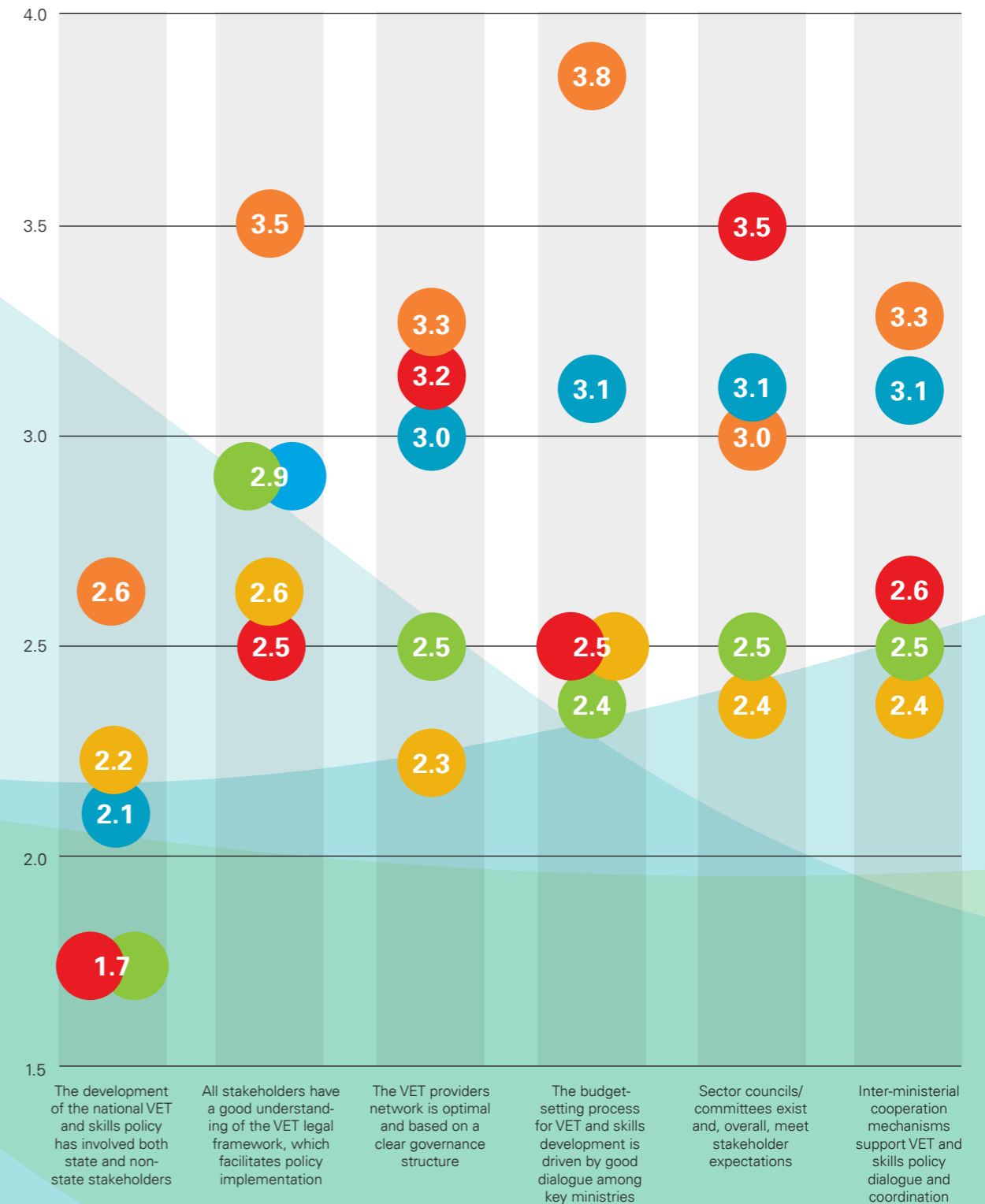
Low:

In none of the countries is there any comprehensive VET monitoring and evaluation mechanism, specifically at the policy level.

GOVERNANCE: FIVE COUNTRIES, NO SINGLE RECIPE

In conclusion, the ETF stresses that when one assesses Governance Inventory data, there is no single recipe suitable for every country. However, extrapolating from the micro findings in the analysis of the five countries – Albania, Jordan, Kazakhstan, Moldova and Uzbekistan – there are a number of trends that demand future attention.

- The burning issues of governance are how the different bodies function most effectively.

- At an institutional level, there is a need to address the lack of involvement of social partners at a decision-making level.

- Where there is an absence of national councils, there is a lack of coordinated political advice to government, which bodes ill for both policymaking and for its subsequent execution.

Chart axis values: 4.0, 3.5, 3.0, 2.5, 2.0, 1.5

Categories:
- The development of the national VET and skills policy has involved both state and non-state stakeholders
- All stakeholders have a good understanding of the VET legal framework, which facilitates policy implementation
- The VET providers network is optimal and based on a clear governance structure
- The budget-setting process for VET and skills development is driven by good dialogue among key ministries
- Sector councils/committees exist and, overall, meet stakeholder expectations
- Inter-ministerial cooperation mechanisms support VET and skills policy dialogue and coordination

Legend:
- ● ALBANIA
- ● JORDAN
- ● KAZAKHSTAN
- ● MOLDOVA
- ● UZBEKISTAN

Responses range from 1 to 5:
(1) Strongly agree; (2) Agree; (3) Neither agree nor disagree; (4) Disagree; (5) Strongly disagree.
The self-assessment results are summarised; the lower the average mark, the stronger the stakeholders' aggregated agreement with the statement.

Source: ETF database, Eurostat