



ETF YEARBOOK 2011

SOCIAL PARTNERS IN VOCATIONAL EDUCATION AND TRAINING

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ETF YEARBOOK 2011
SOCIAL PARTNERS IN
VOCATIONAL EDUCATION AND TRAINING

PREFACE

The 2011 ETF Yearbook continues the tradition of highlighting a thematic area of particular importance for the relevance and quality of the ETF's work. As in previous editions, chapters are written by ETF staff and provide deeper reflections on the ETF's work in its partner countries. The theme of the 2011 Yearbook is **the role of the social partners in the fields of vocational education and training, lifelong learning and active labour market policies.**

First, I would like to present the tradition of ETF Yearbooks and then briefly introduce the topic chosen for this edition.

The series of ETF Yearbooks was launched in 2003 because a need was felt for the ETF to capitalise on its knowledge and expertise and to share these both within the organisation and with the outside world. There was very little internal communication about professional issues and approaches and staff were often left on their own to figure out what they should do in and with the partner countries. Often they teamed up with external experts who then became the drivers of ETF projects. As a consequence, many ETF publications at that time were the work of external experts contracted to write them. The ETF was also in the middle of changing its profile to becoming a centre of expertise. I must here pay a heart-felt tribute to our former colleague, Peter Grootings (1951 – 2009), and I would like to dedicate this Yearbook to him. He developed the Yearbook concept to support internal expertise development. It was based on the assumption that there was accumulated knowledge and experience that needed to be made public. Engaging different colleagues in a joint publication effort would stimulate professional communication and would also contribute to self-esteem and self-confidence in our dealings with the outside world.

Experience has shown that such a new form of knowledge sharing is a good vehicle for expertise development. ETF staff have successfully managed publications themselves, adding something new to what is already available. We have also managed to introduce and develop cornerstones for a joint approach, or at least a joint language: policy learning, systemic reforms, embeddedness and ownership, the double role of teachers in VET reform, skills development for poverty reduction, and bridging the gap between national qualifications frameworks and quality learning processes are key concepts that are now widely shared among all ETF staff. The Yearbooks have provided not only a mechanism to share our expertise, but many colleagues have also become better acquainted with some of the more recent discourses outside the ETF. As a result, we are well on our way to positioning ourselves clearly vis-à-vis others in the field.

This Yearbook follows the tradition by focussing on the role of the social partners. They have a particularly important function in policy making in the fields of VET and employment. Their involvement in social dialogue around human capital development is therefore a key development field for the ETF's work. The social partners represent business and the world of work, employment systems and job profiles are constantly changing, and their 'voice' needs to be continuously heard when skills have to be updated. The social partners are recognised in Europe as the 'official' representatives of the labour market. In the EU15, social partner involvement in VET policy making and in active labour market policies is deep at both national and European levels while it is continuously increasing in the newer EU member states. However, there is still a lack of traditions, structures and practices in most ETF partner countries.

The 2010 and 2011 ETF Work Programmes as well as the ETF mid-term perspective 2010-13 put more emphasis on expanding social dialogue in all our work. The Yearbook aims to support the development of this field with a publication which concentrates on a broad thematic analysis of the role and function of social partnership in VET in partner countries. Analyses and reflections on the topic can help facilitate policy learning in partner countries and also foster a shared understanding among ETF staff of the issues involved in social dialogue.

As usual, the Yearbook chapters are written by ETF staff. Seven out of ten chapters actually report and reflect on on-going or recently finished ETF development work in projects or capacity building activities in partner countries. For the first time a Member of the European Parliament has also contributed. Following a visit to the ETF in 2010, Britta Thomsen, MEP, expressed a strong personal interest in the selected topic and asked to contribute with a chapter of her own. I am very grateful to her for her very interesting contribution on 'The European platform: a launch pad for innovation', and it is my hope that also in future the ETF may be able to link European policy, education and employment research and practice in partner countries in our Yearbooks.

Chapters for the Yearbook were finished at the end of 2010. Recent developments in the southern Mediterranean region have therefore not been captured. With the European Commission document "*Partnership for Democracy and Shared Prosperity*" of 8 March 2011, the EU is ready to support its southern neighbours who are able and willing to embark on reforms towards democracy, human rights, social justice, good governance and the rule of law. Vocational education and training has an important role to play in addressing disparities. The ETF will support the partner countries in identifying the key strategic components of integrated VET policy. The ETF has just launched a new project to develop the role of the social partners in the region.

This Yearbook was prepared and edited by Søren Nielsen. The work builds on contributions from Petri Lempinen, Evgenia Petkova, Jean-Marc Castejon, Borhène Chakroun, Gérard Mayen, Rosita Van Meel, Ulrike Damyanovic, Lizzi Feiler, Margareta Nikolovska, Arjen Vos and Xavier Matheu de Cortada. The work benefited greatly from the following peer reviewers: Jason Laker, Olga Oleynikova, Raimo Vuorinen and Keith Holmes. Jo Anstey coordinated the overall publication workflow and Ard Jongsma made the final editing of the document.

A handwritten signature in black ink, consisting of a stylized, cursive 'M' followed by a vertical line and a small flourish at the top.

Madlen Serban
Director, ETF

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INTRODUCTION

Søren Nielsen

INTRODUCTION

Why is the role of the social partners so important for policies in vocational education and training (VET) and the labour market? And why is this topic crucial for the work of ETF?

The social partners represent the world of work, which is constantly changing. Their voice must be heard when skills need to be updated. Trade unions and employers' organisations are recognised in Europe as the formal representatives of the labour market. In most of the EU Member States before the enlargements of 2004 and 2007 social partners are deeply involved in VET policy making and in active labour market policies. In newer Member States this involvement is rapidly increasing. Most ETF partner countries, however, lack a tradition of social partner involvement in VET.

In the European Union, social dialogue is a basic component of the social model which is a core value in European policies. Employers' and employees' organisations of the Member States and their European confederations have been heard and involved in the process of European unification from very early on. Today there are joint or tripartite bodies in numerous areas of European policy making.

Even among the EU Member States, social dialogue and the role of social partners are at different levels of development. Traditions and customs vary among the different countries, regions and economic sectors. But all European Commission proposals, initiatives and joint declarations of political intent in the field of initial and continuing VET are only approved following extensive consultations with the organisations of employers and employees in Member States, as well as in European committees set up for this purpose.

ETF partner countries often lack a tradition of genuine social partnership and there is some confusion about the very concept of a 'social partner'. This can easily lead to a sub-optimisation of the roles ascribed to these parties in VET and labour market policies. Often, the social partners are too weak to play an influential role, while governments may be unwilling to engage in social dialogue. The potential of social partners in making VET more responsive to actual labour market needs will have to become better understood in countries in transition, where a market economy requires improved signal systems connecting the worlds of work (demand) and education (supply). Such 'matching' is indeed much needed everywhere.

The 2010 and 2011 ETF Work Programmes as well as the ETF Mid-term perspective 2010-13 highlight social

dialogue in all aspects of the ETF's work. This Yearbook aims to support this ambition with a broad thematic analysis of the role and function of the social partners in VET in partner countries. Analyses and reflections on the topic have the aims of both facilitating policy learning in partner countries and nurturing a shared understanding among ETF staff of the issues involved in social dialogue.

OBJECTIVES AND OVERARCHING ISSUES IN THE 2011 YEARBOOK

The key argument for a strong and dynamic role of the social partners in VET and labour market policies is the fact that their active involvement can:

- effectively mediate between the worlds of work and education;
- help to identify existing and emerging qualification requirements in companies and translate these into relevant training programmes;
- ensure that VET qualifications are universally recognised, primarily throughout their country but increasingly also beyond its borders;
- help to facilitate learning processes, whether in schools, dual systems or apprenticeships.

This Yearbook should not be seen as bringing the debate on social partnership to a close but as a contribution to further discussion. Six of the ten chapters presented by ETF colleagues build directly on current research and activities that are related to social partnership and carried out with and in partner countries across our different regions of work. In fact, we believe that this intensified debate on the underlying theory of such activities will contribute to their results.

The main questions that arise in the discussions on social partnership are:

1. Who exactly are the social partners, where does the concept of social partnership originate, what does it mean today in different societies?
2. Why is it so important to strive for greater participation of the social partners in vocational education and training and active labour market measures?
3. Under what conditions can such participation make a positive contribution to the development, realisation and institutionalisation of a policy for VET and active labour market measures?
4. What are the major obstacles to social partnership?

5. Are there positive examples in some sectors, companies, regions or partner countries that we can draw on to demonstrate good cooperation practice?
6. How can the state and public institutions initiate, support and direct such participation? Should social partner committees be set up with the two sides of industry?
7. What are the future scenarios for social partnership in education and training?

Although the Yearbook asks these questions, the ETF has no wish to interfere with decisions that must be taken nationally. Such decisions will always be rooted in traditions, existing structures and specific needs and opportunities. However, an extensive exchange of opinions and experience can help to improve mutual understanding and ensure that in the ongoing structural changes, account will be taken of the experiences of other countries. The experience of the European Employment Strategy shows that in the current discourse it is possible to detect a convergent trend, signalling a 'Europeanisation' of social policies. In contrast, at the implementation level no strong substantive convergence among the EU Member States can be observed yet. But these simultaneous processes of convergence and divergence have served to endow EU social policies with greater legitimacy, which is in itself an important change. A higher degree of convergence in developments among countries in transition will take even longer. This Yearbook strives to provide stimuli in that direction.

THE SOCIAL MODEL IN THE EUROPEAN UNION

As an introductory remark to the discussion on the role and involvement of the social partners in policy making in VET and employment policies, it must be underlined that the European social model has a broader scope than just social partnership and social dialogue. The EU social model refers to the public interest in the social conditions of the population and the assumption that equity and social human rights are essential for holistic human development and even for competitiveness. The underlying values are inspired by the 'Scandinavian model', and some other European countries describe their economic systems as a 'social market economy' whose ultimate aim is not only production for profit in itself, but also social welfare as a whole. Many ETF partner countries show an increased interest in this broader social model because of its potential for human development and better social and material conditions. This increased policy interest could eventually evolve towards an increased compliance with human rights, including the basic foundations for free association and the autonomy of the civil society, including the social partners.

In Europe, employer organisations and trade unions are central institutions in industrial relations. They are voluntary and autonomous organisations. Most national industrial relations systems are governed by collective

bargaining between trade unions and employer organisations or individual employers, and by consultation and participation through works councils or similar bodies. In the 2009 Treaty of Lisbon, these institutions are also recognised as central elements of the European social model. The right to information and consultation and the right to collective bargaining and collective action are explicitly stated in its Charter of Fundamental Rights.

The dedicated social dialogue website of DG Employment clarifies how this social model is implemented in practice by the European Commission. Social dialogue builds on the following definitions shared by the European Commission¹ and the representatives of the European trade unions and employers' organisations (the social partners):

- European social dialogue refers to discussions, consultations, negotiations and joint actions involving organisations representing the two sides of industry (employers and workers). It takes two main forms: a tripartite dialogue involving the public authorities, and a bipartite dialogue between the European trade unions and employers' organisations.
- Bipartite dialogue takes place at cross-industry level and within sectoral social dialogue committees.
- European social partners have the right to be consulted by the European Commission, and may decide to negotiate binding agreements. The institutional basis for social dialogue can be found in the EU Treaty.

Internationally, the European culture of social dialogue is regarded as a cornerstone of the social and economic model of Europe: social dialogue is much better developed in Europe than in any other region in the world².

The European Employment Strategy is a point in case to illustrate how the coordination of employment policies throughout the EU can be based on social partnership. The basic principles of this strategy, which has been characterised as the "the high road to competitiveness", constitute a clear alternative to other neo-liberal strategies. It emphasises the Ricardian lesson on the impact of high labour costs to induce investments and higher productivity. This enables compromise and interaction between labour and capital. It strikes a balance between flexibility and social security ('flexicurity') which still looks promising and reasonable.

Under the new banner of the 'human capital development' imperative, European education and training has almost acquired the status of 'high politics', and is now clearly seen as a key factor in making companies or nations more competitive and in achieving a better match of skills supply and demand in the labour market. The social partners are recognised as important players at all levels (enterprise, sector, country and international). They have played an important role in the implementation of the Lisbon Strategy by contributing to the formulation of guidelines on how to ensure growth and jobs and how to

1 <http://ec.europa.eu/social/main.jsp?catId=329&langId=en> (accessed 25/2/2010)

2 <http://www.cedefop.europa.eu/EN/events/10593.aspx>

increase competitiveness. A range of initiatives have contributed to the development of a framework of cooperation where partnership plays a vital role. These include policy decisions such as the Lisbon Treaty and the Helsinki Communiqué, as well as working methods and processes, such as the Open Method of Coordination launched by the European Council and the Copenhagen Process.

Vocational education and training has always been prioritised in European social dialogue. It was the only type of education that was specifically mentioned in the Treaty of Rome of 1957 and it played a prominent role in the Education and Training 2010 work programme of 2001, whose contemporary equivalent is the EC Communication *A new impetus for European cooperation in Vocational Education and Training to support the European 2020 strategy* (COM(2010) 296/3).

At the European level the social partners are:

- The European Trade Union Confederation (ETUC);
- The Union of Industrial and Employers' Confederations of Europe (BUSINESSEUROPE);
- The European Centre of Enterprises with Public Participation (CEEP)
- The European Association of Craft, Small and Medium-Sized Enterprises (UEAPME)

In 2007 these bodies produced a joint study related to the key challenges facing European labour markets. In their recommendations concerning education and training, the social partners indicated their commitment "to promote the notion of lifelong learning and ensure that the continuous development of competencies and the acquisition of qualifications are a shared interest by both enterprises and employees." (ETUC et al, 2007)

Although an outline of a European social model is appearing, industrial relations across Europe are still quite heterogeneous. In reality, the European model, including its collective bargaining, consultation and participation has always been and is still a contested model. The neo-liberal prescriptions for deregulation, which over the last two decades have been influential among employers, advocate a unilateral regime rather than bipartism (Standing, 1999). In the UK, in the majority of the former communist states in Central and Eastern Europe and even more so in the Western Balkans, collective bargaining, employee participation in management decisions, and participation in VET policy making cannot be said to be the norm.

This is partly related to a gradual weakening of trade unionism that has been observable in the past decades. Particularly in the former communist countries the economic, social and political transformation processes have taken their toll on trade union movements. Hyman & Frege (2002:6) have characterised the common denominator of industrial relations in the Central and Eastern European countries as "the increasing weakness of the labour movements, government indecision over industrial relations policy, and largely unregulated employers' initiatives". The latter is important too.

Especially in countries in transition from a command economy, employers' organisations are very weak, they lack representation and they often articulate the narrow interests of a few enterprises. The paradox of 50 years of socialism is that many individuals have lost their faith in the public good and the desire to be members of any form of organisation. This may also explain why the neo-liberal ideology has won so much ground in transition countries, its core being that individuals agree directly ('freely') their relations with companies without intermediaries.

It remains to be seen whether new formulas can revive the credibility of collective labour market and VET regulation.

THE MANY MEANINGS OF 'SOCIAL PARTNERSHIP'

The term 'social partnership' can be traced back to late 19th and early 20th century continental Europe (Hyman, 2001) but the concept became more commonly used in political and academic discourse during the 1990s. There is, however, still no agreed definition of the term. Screening the academic literature, Mailand & Andersen (2004) identify at least three different streams of research.

Researchers within the first stream understand social partnership as a bipartite relationship between employers and trade unions/employee representatives at the workplace level. They focus on industrial relations and emphasise the workplace level.

Researchers within the second stream understand social partnership as primarily a tripartite relationship between employers' associations, trade unions and the state. Here the focus is more on public policy than on industrial relations. Even though social partnership within this tradition is primarily seen as a tripartite relationship, some studies include multiparty partnerships with the participation of civil society groups. One example is Ebbinghausen (2001) who contrasts 'old' and 'new' social partnerships with reference to the actors involved. Old social partnerships are those found at the national level with participation only of the state, employers and trade unions, whereas the new social partnerships have additional new partners, such as NGOs.

This separation between old and new social partnership is also found in the third stream, associated with the debate on social inclusion, combating unemployment and in particular corporate social responsibility (CSR) (e.g. Nelson & Zadek, 2000). The centre of attention within this cluster is the management of private enterprises and the research is often found in business and management studies. In establishing social partnerships for social inclusion, the theoretical lenses shift from a narrow employer-employee angle to a broader view, also encompassing public authorities and other actors (NGOs) and stressing the importance of consensus seeking processes. While social partnerships analysed in these studies are also tripartite, the triad of actors differs from

those above in that trade unions are not specified as one of the three actors, but are seen as part of the wider civil society. The two other main actors are public authorities and private enterprises. At the EU level, social partnership for inclusion has, to some extent, been developed in connection with the European Employment Strategy, the Social Agenda, the initiatives on Corporate Social Responsibility and as a policy strategy for the European Social Fund. In general, social partnerships where public authorities, employers, trade unions, and NGOs all participate are not very widespread. Moreover, the role of NGOs in national level partnerships is normally limited, whereas their influence is stronger in social partnership for inclusion at the EU-level and at the regional/local levels.

THE SOCIAL PARTNER CONCEPT IN VOCATIONAL EDUCATION AND TRAINING

While the concept of 'social partners' is widely used in VET, it is often misunderstood and in many usages confused with the much broader stakeholder concept. This is normally the case in ETF partner countries but it also occurs in some ETF publications. Terminological clarification is therefore needed, not only to ensure unambiguous use of key concepts but also to support a more precise definition of the important role played by the social partners in VET and active labour market policies.

An important starting point is the fact that in capitalist societies the representativeness of the social partners empowers them to negotiate agreements. A company is an economic actor in a liberal market economy. Its legitimate interest is profit. The company has an interest in employing employees while the worker has an interest in getting a job. The meeting between the two can therefore be a fruitful exchange, but the company pursues *its* legitimate interests just as the employee pursues his/her own. In a capitalist economy there will always be a conflict of interest between employer and employee. The employer will always be interested in buying work as a production factor and therefore at a comparatively low price, while the employee obviously is interested in selling his/her work at as high a price as possible. Thus the company and the employee want something fundamentally different. As a consequence there is always a need to regulate this interaction, typically through negotiated collective agreements between the two sides of industry.

This fundamental conflict of interest is rarely articulated in countries that have only recently adopted free market mechanisms. Trade unions are often seen as part of the old socialist organised economy where there were no open conflicts of interest, because the ideological view was that the workers themselves owned the companies. The organised interests of employers are also weakly developed considering the extremely high percentage of (very small) SMEs and the ongoing challenge to adapt to the cold winds of market competition. The radical

transformation of being employed under new conditions, as perceived by individuals, has not yet been fully captured by society and has not yet given rise to strong collective social partner interest articulation.

While recognising this fundamental conflict of interest, the European social model seeks to combine economic development with social cohesion. *Foundation Findings* (Eurofound, 2010: 4) defines the social partner concept in the narrow sense when it states: "the role of the social partners – trade unions and employer organisations – is becoming increasingly important in implementing workable practices at European and national levels".

While the term social partnership today appears to cover a multitude of definitions in academic literature, the definition of social partners is unequivocal. Common denominators in all definitions³ are employers, employees and representation. The ILO uses: "Employers represented by employers' organisations and workers represented by trade unions". The commonly used EU definition is: "Employers' associations and trade unions forming the two sides of social dialogue". The OECD says: "Organisations of employers and employees representing specific or sectoral interests". While differently constructed, the definitions are clear and do not contradict each other. We will build on this terminological clarity throughout this Yearbook.

THE CORE ISSUES OF THE ETF YEARBOOK 2011

The challenges for Europe are considerable these years: post-crisis recovery in the short-term, while the long-term challenges include globalisation, pressure on resources and the climate, and ageing. The European Commission Communication *A new impetus for European cooperation in Vocational Education and Training to support the 'Europe 2020 Strategy* (COM(2010) 296/3) underlines that the quality of human capital is crucial for Europe's success. The *Europe 2020 Strategy*⁴ puts a strong emphasis on education and training to promote "smart, sustainable and inclusive growth". The *Europe 2020 Strategy* highlights that the involvement of the social partners in the design, organisation, delivery and financing of VET are a prerequisite to its efficiency and its relevance to labour market needs. Of particular importance is the role of the social partners at the sectoral level, for instance in the form of skills councils which are involved in monitoring labour markets, the development of skills profiles and curricula, certification, and other functions.

The fundamental requirement for any VET system is to answer the questions:

- What to teach (the qualification demand)?
- How to teach (the learning demand)?
- How to organise the overall system (the governance demand)?

³ This is documented through an inter-agency survey of CEDEFOP, ETF, ILO, OECD and UNESCO in early 2010.

⁴ COM(2010) 2020

In all three dimensions the integration of the social partners is important. They mediate between the worlds of work and education in determining qualifications that are relevant for the labour market. They ensure by their representativeness that qualifications are socially recognised by companies and employees. Being institutionally integrated into VET governance systems, the social partners furthermore contribute to the quality, relevance and legitimacy of VET systems.

The social partners play an important role in different layers of the social fabric. Crucially, however, at the sectoral level they link the skills needs of companies with education and training. Through their participation in sectoral committees, they help to ensure that VET systems can adequately cover new qualification requirements with relevant new or adapted VET courses. Sectoral committees are found in most EU countries as an instrument for the continuous renewal of VET and continuing training programmes, with different countries making use of different models (Cedefop, 2009). As intermediaries between skills demands and skills provision, sectoral committees can identify trends in their segment of the economy, anticipate skills needs and help to ensure that new skills needs are effectively responded to by the VET system.

Many of the challenges and potential solutions are the same for ETF partner countries as they are for the EU. European tools and policy approaches provide an important reference for the modernisation of VET systems in partner countries, including those that are in the process of accession to the EU. The lesson learned from EU experience is that the social partners have a key role to play. Countries that have established strongly institutionalised industrial relations systems, and where social partners are actively involved in various forms of regulation, have better conditions for policy results that are competitive and respond to balanced interests. The appearance of robust policies and acceptable solutions is more likely when regulation becomes co-regulation. The institutional setting and the active use of labour market organisations in the European social model is regarded as fundamental for effective and legitimised policy responses to the new challenges.

But how can these institutional settings and the active mobilisation of the social partners be developed further in countries in transition? The following chapters will analyse the actual role played by the social partners in selected EU countries, at the European level and in different ETF partner country contexts and discuss possible ways to develop their capacities.

Chapter 1: A conceptual analysis of the social partners – genealogy, structures and examples of good practice (Søren Nielsen)

This first chapter will clarify the economic, social and political conditions under which social partnership was created. The chapter provides a cultural-historical analysis and identifies the specific historical situation in which the

social partners were born. It analyses the rationale, structures and functions of examples of modern social partnership, emphasising the role of the social partners in vocational education and training in input, process and output functions. Against the backdrop of an example of an advanced horizontal governance model the chapter stresses the key role of sectoral committees in establishing links between the worlds of work and education. The role of the social partners in vocational school governing boards and in shaping school curricula will be highlighted. Finally, the chapter reflects on the situation in selected ETF partner countries and assesses how countries in transition can move forward towards a more prominent advisory role for the social partners in VET systems.

Chapter 2: The European platform: a launching pad for innovation (Britta Thomsen, MEP)

This chapter takes its point of departure in presenting inside information about the functioning of the European Parliament and how a member of the European Parliament is able to influence policy making at the European level. It illustrates how work in the European Parliament is based on shared European values of social integration and social dialogue. European Parliament policy making is clarified by drawing lessons from the author's earlier work in a Trade Union in Denmark and showing how the national and European levels play together. The main section of the chapter focuses on policy priorities and examples of concrete law-preparation in striving for gender equality in the preparation of new, more relevant VET programmes for girls and developing more socially inclusive school environments and policies to overcome barriers for access to employment for women. The chapter reflects on some concrete examples that illustrate how Europe can function as a launch pad for innovation. Finally, the chapter sums up the importance of social dialogue as a core value in Europe and how social partnership will need to be further developed in candidate and pre-accession countries so that they become fully able to take part in European cooperation.

Chapter 3: How does social partnership work in practice in the European Union? (Petri Lempinen)

This chapter is written by Petri Lempinen who was active as a trade unionist in national and European social dialogue processes for many years before joining the ETF. It presents the political processes in the EU 'engine room' from the perspective of an insider and the chapter highlights the influential role played by the social partners in their dialogue with the European Commission in developing new VET policies. The rationale for social dialogue is highlighted – in particular the need for an active role and a 'voice' for trade unions – in order to ensure that the development of society goes beyond short-term business interests. A lot has been achieved through the tripartite processes in Europe. As an example

the author analyses the gradual policy steps towards developing the Copenhagen Process. The chapter reflects on the fact that transnational EU policy processes and the work of social partners in national arenas have become more and more interlinked. Turning to the weakness of social partner organisations in countries in transition, the chapter finally discusses preliminary guidelines and measures for developing capacity among social partners while at the same time ensuring that their voluntary character and autonomy are strengthened.

Chapter 4: A model for the development and optimisation of social partnership effectiveness in countries in transition (Madlen Serban)

Social partnership is not well developed in countries in transition. It has also been given too little attention in research, development work and the training of practitioners. The author describes, analyses and reflects on the introduction of social partnership structures, functions and practice in a challenging environment of ever changing VET policy-making. Having taking part in all stages of VET reform in Romania, she does so from an inside perspective. Based on the author's doctoral study on optimisation of effective and efficient social partnership structures in vocational education and training in Romania, the chapter presents an empirically derived model which provides potential guidelines for a more generalised policy approach towards the implementation of new and consolidated roles for the social partners. Even though policy environments are always unique and different from country to country, the chapter reflects on the possible transfer of good practice to countries sharing similar structural changes under the pressures of transition, in particular if such experience sharing is provided through carefully designed and professionally facilitated policy learning processes, for instance through peer learning activities.

Chapter 5: Social dialogue and modes of cooperation in education and training in the Western Balkans and Turkey (Evgenia Petkova)

The Torino Process is a participatory review of progress in vocational education and training policy, carried out every two years by all ETF partner countries with the support of the ETF. Based on a sound methodological approach, the review process provides a documented analysis of each country and helps to identify key policy trends, challenges, constraints, good practice and opportunities. In 2010 the Torino Process was complemented by an in-depth study on cooperation between education and business. The study mapped policies, mechanisms and processes developed in partner countries. It stressed the role of the social partners as the mediators between the worlds of work and education. This was the first time that the ETF

has been able to collect and analyse data on this topic from all of its 29 partner countries. The chapter presents preliminary findings and highlights structures, methodologies and approaches employed in the countries. It extracts a number of key findings from the study that hint at further challenges and recommendations. The recommendations of both the Torino Process and the Education and Business Study are intended to support policy making processes in the countries and will also inform the ETF's more pro-active advice to the European Commission for programming external assistance. The chapter provides examples of what the study tells us about the role of the social partners in education and training and about the broader social dialogue. It also outlines how the ETF can shape future activities to support social partnership.

Chapter 6: The voice of social partners in the development of national qualifications frameworks (Jean-Marc Castejon and Borhène Chakroun)

The increased focus on qualifications yields a new and increasingly common language between vocational education and training and the labour market. The introduction of European tools and principles such as the EQF, ECVET, EQARF, EU principles on the validation of non-formal learning and Europass play a central role in the strategic framework Education and Training 2020. They all have contributed to shifting the focus from inputs to outcomes in European education and training policy and practice. Increasingly, countries and employers consider learning outcomes to be more important than learning inputs. As a result, there is a growing interest to establish procedures for recognising prior learning which is not formally documented through diplomas or certificates. Linking labour market needs with the education and training provision by 'translating' the competences required in occupations to required learning outcomes and transferring these back to effective employment outcomes, however, demands a much stronger cooperation between the worlds of work and education. It also raises a number of challenging questions related to the links between learning outcomes, curricula and the organisation of teaching and learning. The chapter will analyse these links and focus on the indispensable role of the social partners in defining valid learning outcomes, defined as statements of what a learner knows, understands and is able to do on completion of a learning process. Employers in particular must be involved if education planning is to take its point of departure from a specification of job requirements. While policy circles focus on government-supported formal education and training programmes, all countries have other pathways to develop skills and competences at work, such as training provided on-the-job or off-the-job. Examples of how to measure and ensure accreditation and its relevance for ETF partner countries are also discussed.

Chapter 7: Social partnership in vocational education and training. The case of eight countries of the southern Mediterranean region (Gérard Mayen)

It would be a mistake to consider skills training as something done only at the level of secondary schools. Colleges of different types also offer a broad range of practical skills training. At the other end of the scale, in some Arab countries large numbers of (highly) skilled artisans may not even have completed primary school. This chapter will present the findings of a recent ETF project researching the present situation of social dialogue and the role of social partners in all the southern Mediterranean countries. Conceptualisations, structures, functions and examples of good practice of social partnership will be presented and future trends and development perspectives will be analysed. Most countries in the region want to make their VET systems more demand-driven, i.e. more responsive to needs and opportunities in labour markets, and playing a more prominent role in meeting various economic and equity objectives. The crucial role of the social partners in the quest to develop stronger transmission links in the 'signal' system between employment and education will be discussed. Arguing that many countries in the region and beyond face similar problems for which some may have found sensible and transferable solutions, the chapter finally proposes an ETF approach based on increased facilitation of policy learning by encouraging countries to review issues and good practice jointly, for instance through ETF-organised mutual learning activities, 'twinning' models, and peer learning.

Chapter 8: The new skills agenda: developing short-cycle tertiary vocational education and training in partnerships for the future (Rosita Van Meel and Ulrike Damyanovic)

For the European Union, Cedefop attempts to estimate skills requirements in Europe. Projections show that between 2010 and 2020 some 80 million job opportunities will arise, with most of the net employment change expected in higher-level occupations. The proportion of people employed in high qualification jobs will increase from 29% to 35% while medium-level qualifications will continue to represent about half of the total employment figures. In most ETF partner countries there is a remarkable lack of attractive education opportunities between upper secondary schools and universities. This chapter will outline general trends in Europe to establish education at European Qualifications Framework (EQF) level 5 and discuss how different countries have coped with the challenge of ensuring their labour market relevance. Based on a brief overview of the situation in IPA⁵ countries and a comparative analysis of the state-of-play in the Netherlands and South East European countries, the chapter will identify some key prerequisites

for the development of post-secondary VET in IPA-countries. One of these is social partner involvement. To ensure labour market relevance, effective institutions and structures for dialogue and coordination must be in place. Skills training must be based on close links between the worlds of education and work. The social partners have a key role to play in designing, implementing and assessing the outputs of post-secondary VET and this will require capacity building. It is not only necessary to increase their sense of ownership but also to ensure that they genuinely benefit from increased involvement.

Chapter 9: Flexicurity: the need for strong social partners versus the realities in transition countries (Lizzi Feiler)

Flexicurity can be seen as one way of granting employers the flexibility they seek to maintain competitiveness while protecting workers from future exclusion. Flexicurity seeks to secure an individual's employability, rather than a particular job, by enabling the individuals to navigate periods of transition, develop their skills and find good quality employment. EU policy perceives the core components of flexicurity as key to the creation of sustainable jobs: flexible contractual arrangements, lifelong learning, active labour market policies, and modern social security systems. Given the trade-offs entailed in combining flexibility and security, the collaboration and backing of the social partners – especially through collective bargaining – is vital for the successful establishment of flexicurity principles. The social partners are "best placed to address the needs of employers and workers and detect synergies between them, for example in work organisation or in the design and implementation of lifelong learning strategies"⁶ Different national formulas have been developed and the chapter briefly outlines selected EU country models. Based on an ETF development project in four partner countries, the chapter analyses and assesses whether and to which extent the principle of flexicurity is relevant for countries in transition that face competitiveness demands, huge unemployment and highly fragile labour markets. Lessons learned in the project are presented and the chapter concludes with some guidelines for next steps and suggestions as to what kind of external assistance to the social partners will be needed in partner countries.

Chapter 10: Capacity development of social partners – can peer learning become a resourceful tool? (Margareta Nikolovska and Arjen Vos)

This chapter elaborates on some issues raised by an ETF peer learning activity on the topic of social partnership that was carried out in Croatia, the former Yugoslav Republic of Macedonia, Serbia and Turkey some years ago. The roles that employer and employee

⁵ IPA is the EC Instrument for Pre-accession countries, a support program which covers countries in the Western Balkans and Turkey.

⁶ EC: *Towards common principles of flexicurity: More and better jobs through flexibility and security*

organisations play in public VET systems differ from country to country. Formal structures facilitating their involvement are often in place and representatives are often appointed but the decision-making process does not grant the social partners much influence. This chapter analyses why social partners have so little real influence, how increased ownership can be achieved and how the necessary capacity of social partner representatives can be enhanced. The social partners need substantial competence development in order to assume their proper consultative and advisory roles and responsibilities in education and training systems, and to be empowered to make skills and competences of workers a subject for social dialogue. From an overall policy learning perspective the chapter argues that vehicles such as peer reviews, peer learning and mutual learning activities are probably the most efficient ways to achieve results but that these cannot stand alone. The chapter finally explores some next steps on the basis of concrete findings and recommendations of the peer learning activity on social partnership.

Conclusion: Future scenarios for social partnership in education and training – the relevance of a social structure from the industrial age in the globalised knowledge society? (Søren Nielsen and Xavier Matheu de Cortada)

The final chapter sums up some of the key messages from the preceding chapters and discusses what the

ETF can do to help to improve horizontal governance by integrating the social partners in a more prominent role in VET and active labour market policies. The chapter discusses the future of social partnership in societies whose economies are moving from an industrial base to a knowledge base. Post-crisis economic growth will probably take place in innovation-driven new clusters of businesses such as: environmental and green technologies, health and welfare technologies, innovation and creativity, and digitalisation and ICT. These areas will develop dynamically and they will be based on new and hybrid qualifications where traditional sectoral training committees may find it difficult to design or adapt existing job profiles adequately and sufficiently fast to cover new profiles with corresponding VET programmes. Another challenge is the new method of production in the 'knowledge economy': new organisation forms, and the changing nature of jobs and developing human resources in promoting innovative behaviour, hence the name: 'knowledge organisation'. In the ETF partner countries with a very weak and often fragile organisation of employers and employees it is probably necessary to develop 'functional equivalents', at least for the time being. Industrial relations will need modernisation under the pressures of globalisation and the existing social partnership structure dating back to the early days of industrialisation will probably also need to be reformed. The chapter finally outlines five areas of future work for the ETF to strengthen social partnership in partner countries.

1. A CONCEPTUAL ANALYSIS OF THE SOCIAL PARTNERS – GENEALOGY, STRUCTURES AND EXAMPLES OF GOOD PRACTICE

Søren Nielsen

THE HISTORICAL PERSPECTIVE

In Claudio Magris' book *Danube, a Mittel-Europa* tradition in the social organisation of society is described. He describes a Danube river bed tradition, where the German apprenticeship system has left its imprint on countries along the road to the Black Sea, inspired by the German *Handwerker* tradition and its institutions that were carried down in the *Ulm-Kassen*⁷ transporting German settlers along the Danube. It is based on apprenticeship, social partnership in the form of the guilds, and strong social status and professional pride of competent skilled workers.

In Straight Street in Damascus there is an exquisite shop and workshop producing fine handicrafts in wood with an owner who has become very rich as the master craftsman. In a shabby side-street there is a very small shop with a poor and bitter craftsman who was an apprentice in the fine workshop for eight years with next to no salary and who is now unable to compete.

In Riga the two most beautiful and proud buildings are the houses of the *Kaufmänner* and the *Handwerker*, built in the Middle Ages by the German guilds in a country where in those days no native Latvians were allowed to work with bricks, were forbidden to enter an apprenticeship, and were only allowed to stay at night on the Riga side of the river Daugava in case of fire.

Examples like these illuminate that learning organised as apprenticeship, which was the traditional form everywhere, historically and culturally depends on self-regulated social organisation. In its modern form it needs to be built on strong social partnership with recognised and fair access, willingness of companies to participate, approved work contents in terms of technology and job construction, and statutory time servicing requirements. Relations between training and employment are to be formalised through (a kind of) collective agreements. In short, it must be based on a contractual arrangement.⁸

Work-based learning in the form of apprenticeship is as old as the creation of universities in Europe. The tradition for cooperation among craftsmen in the same trade goes back to the establishment of the guilds in the 12th century (Black, 1984). This form of self-organised cooperation is very characteristic of European vocational training (Cedefop, 2009), and the tradition is still intact, not least in Denmark due to the 'self-governance of the trades' in collaboration with the state apparatus (Christensen, 1995: 201-205).

The guilds strove to protect the rights and duties of their members and to control production, prices and access to their craft. The guilds were basically a form of organised communities of practice. To become a member of a guild a candidate had to demonstrate skills through a portfolio of relevant craft work which proved their abilities. A central function of a guild was to regulate access to the craft by setting rules on the number of apprentices and skilled workers as well as the time serving requirements for apprentices and skilled workers. A characteristic feature of craftsmen's guilds was that their cohesion extended beyond vocational and economic interests; their internal solidarity also encompassed social issues and functions. An apprentice became a member of the master's household. Individual training and employment conditions were completely subordinated to the interests of the craft and the guild. Work, socialisation and learning were coherent and fully integrated activities.

The guilds were always locally bound and specialised. They exerted monopolistic rights. The Reformation in the 1530s resulted in a strengthening of national states which challenged local and guild solidarity (Nielsen and Kvale, 2003). Demands on masters to secure good training and employment conditions for apprentices and skilled workers gradually increased through national legislation. Masters were required to train an apprentice so that he could pass a formalised journeyman's test. It was the responsibility of the master that his apprentice could pass the test, which became a strong quality control on the apprenticeship system.

⁷ During parts of the 18th century, the so-called 'Vienna barge' (*Wiener Zille*) left Ulm for Vienna every Sunday. It was a crude kind of disposable barge that only sailed downstream and on arrival was cut into firewood, leading it to be nicknamed the 'Ulm crate'.

⁸ This requirement goes both ways. The Syrian example shows that unregulated apprenticeships can result in exploitation. In Denmark from 1905 all new apprentices had to hand in their contracts to the local head of police to ensure that they did not run away as soon as they had learned enough. The 'apprenticeship investment calculation' is based on a fixed time duration which balances initial costs with later profits for companies.

Whereas initially apprentices, skilled workers and masters held different roles, but were first and foremost brothers of the guild in local communities, they gradually started to develop as different interest groups.

The guild system was the vocational training system in most European countries until the 19th century. In the long run, however, the power of the guilds was weakened by industrial mass production. Bigger companies, greater specialisation and a sharper division of labour turned trades into industrial sectors. The internal organic, albeit strongly hierarchical, solidarity of the guilds couldn't survive these deep societal changes and was undermined by the opposite forces of capital and labour and the free market ideology.

The origin of modern social partners

The emergence of mass industrialisation, urbanisation and modernisation led to new questions of how the rural population, the middle classes and the industrial workers could qualify for employment. There are different approaches to a historical analysis of this rich period. One is the traditional chronological analysis which in a sequential way uncovers how changes occur. However, this traditional method of history may not catch the crucial events that shaped the emergence of new societal structures.

An alternative approach to historical analyses, often used in contemporary history, is to start from existing structures and social forces in contemporary society and then follow these structures or institutions backwards in time with the aim of analysing under which specific economic, political, social and cultural conditions these structures were born. A structural genealogical analysis along these lines may better catch the reasons why existing structures and institutions were created and also provide a better understanding of the strength and durability of such institutions. It will also help to create a better understanding of the difficulties faced by transition countries when they now struggle to introduce social partnership structures into their VET reforms, either through often quite problematic policy 'taking' or policy 'copying'.

Under which conditions, then, were the beginnings of contemporary VET systems established? Philipp Gonon, one of the founding members of the VET and Culture Network, has carried out an in-depth study of the VET modernisation process in Germany and the UK at the beginning of the 20th century when there was an urgent need to balance general education and vocational demands. This sub-section is based on Gonon's in-depth analysis of this historical period (Gonon, 2009).

A new role for schools

Vocational education as a subfield of education theory was informed by the discourses within the historical school of national economy in the German-speaking

countries and was formulated as an answer to the challenges raised by the so-called 'social question'. Without doubt, the industrial working class would grow and with this new, strong social force it became urgent to find ways for its socio-political integration.

Gonon writes: "How could such a dynamic be channelled onto ordered paths? How could revolution and social discontent be prevented? How could the working class be subdued and 'tamed'? Kerschensteiner's answer was simple: They should go to school!" (Gonon, 2009:73). So it was primarily the education of the lower classes and their integration into society that led to the development of vocational education in its new form at the end of the 19th century. The intellectual rationale involved contemporary positions held by Adam Smith, Friedrich Engels and the German *Verein für Socialpolitik*.

While the 18th century social philosopher Adam Smith believed that education for the "common people" was important for both economic growth and the well-being of society, he was a strong opponent of the apprenticeship system. The regulation of a lengthy apprenticeship makes such training unduly expensive and therefore restrictive while it also breeds an antipathy to work. What is relevant is not years spent in an apprenticeship but whether the quality of the product is ensured.

Smith writes: "Long apprenticeships are altogether unnecessary. The arts, which are much superior to common trades, such as those of making clocks and watches, contain no such mystery as to require a long course of instruction."⁹ He therefore argued in favour of dropping apprenticeships completely and instead integrating young people directly into the work process. In Adam Smith's view, vocational training established as it was throughout Europe as an apprenticeship system had become a social barrier, limiting and blocking free mobility, not least for the working class. Following Adam Smith, the apprenticeship system was abolished in England, which severely lowered the qualifications of workers as a whole.

The social challenge

In his study of the increasing despair of the workers under industrial capitalism in England, Friedrich Engels in his *On the Situation of the Working Class in England* (1845) had described the deepening destitution of the workers and had predicted a subsequent violent revolution. Marx and Engels' prognosis was that a revolution of the working class in England would follow mass poverty and "Manchester liberalism". The German debate was influenced by this threat and underlined the fundamental importance of social reforms. With the purpose of domesticating socialism and defusing its danger, a new education system had to be developed which could facilitate the integration of the workers. Engels' thesis that the dynamics of capitalism would lead to social unrest and revolution raised the urgency of education measures for the working class. It gave rise to a movement, particularly in German speaking countries, which sought to achieve

⁹ Here quoted from Gonon, 2009: 199. The original *Inquiry into the Nature and Causes of the Wealth of Nations* was first published in 1776.

the economic qualification and social integration of workers through vocational education and training, using a combination of instruction in the work place and in special industrial schools.

In 1875 the German *Verein für Socialpolitik* discussed the future of apprenticeship against the backdrop of Adam Smith's position and took a critical stance towards his views on the question of apprenticeship in Britain. Together with its conservative chairman Gustav Schmoller, Lujo Brentano, a leading 'lectern socialist', articulated arguments for preserving the apprenticeship system through reforms. What would be required was a clear contractual basis for the relationship between the apprentice and the master combined with instruction at industrial schools, in the interest of the workers. Where Smith had mainly looked at the small handicraft business in his time, they argued, he had not been aware of education in emerging large factories. However, with the advance of large-scale industry a reformed apprenticeship system would regain importance to ensure the highest level of competence for the population.

It was in the interest of what today is called 'social partnership' that partners with equal rights should be able to represent their interests in separate and voluntary organisations and operate under clear legal arrangements; if disputes arose there should be a form of court or office for arbitration to settle issues. However, as a key element of such a reform the apprenticeship system had to be supplemented by instruction in special vocational schools, where technical subjects should be taught. Besides, it was necessary to enhance the broader skills of workers which were much needed by factory employers. One of Smith's proposals should be followed, namely that the apprentice should receive a fair wage.

"It was this perspective, based on regulated and well-grounded vocational education at school and in the firm, coupled with social partnership, which established itself in the field of apprenticeship training in the German-speaking countries in the 20th century." (Gonon, 2009: 206). In contrast to laissez-faire economics, Brentano and the *Verein für Socialpolitik* argued for social reform. Intervention by the state would enhance the influence of the working class. This was to be ensured particularly by strengthening their rights and implementing their demands founded on these rights. Free trade was to be coupled with a vocational education system which could promote better qualifications for workers and thus stimulate higher productivity and better product quality.

"This conception, which from today's vantage seems astonishingly modern, was formulated in contrast with socialist and extreme paternalistic-nationalistic notions such as espoused by Treitschke¹⁰. It can be considered a critical further development and elaboration of Adam Smith's views." (Gonon, 2009: 206). The English-German debate on apprenticeship and the modern German social partnership solution with equal rights for the organised interests of employers and workers, which was developed in confrontation with and

as an answer to Adam Smith's views, contributed to the establishment of vocational education in its present day dual system form in Austria, Germany, Switzerland and Denmark.

The dual solution

The questions and challenges which education reformers faced at the turn of the 19th century are surprisingly modern even today. It was the shared concern for education reform and for the preservation of the social contract that led to a historical compromise in vocational education and training matters. This discussion in many ways also informs and contextualises the contemporary discourses on curriculum-based versus outcomes-based VET systems, and it is highly relevant for ETF partner countries struggling to establish social partnership structures as a part of reformed VET governance systems.

It is interesting that the German system of vocational education and training is *not* a deliberately planned concept. Nor was it planned by a single person. In the words of Philipp Gonon: *"It is generally assumed that the German system of vocational education was invented by a pedagogue, or at least that it was a result of deliberate planning. [...] In contrast, the dual system in Germany evolved out of a debate among economists who were associated with the German Verein für Socialpolitik."* (Gonon, 2009: 193).

However, Georg Kerschensteiner (1854-1932), who is sometimes mistakenly credited as the founding father of the dual system, followed these discussions closely and from 1901 onwards transformed these emerging social structures into new concepts of education. On this foundation he developed a new relationship between general and vocational education. Vocational education thus emerged as a recognised component of the education system. He conceptualised the need for a combination of different learning environments through an alternance-based model (the term 'dual system' was not introduced until much later) which combined regulated in-company training with expanded and strengthened vocational schools. From the outset, the professionalisation of vocational teacher training, oriented towards scientific disciplines, was seen as particularly important. It was designed as a university study that integrated the practical elements of training. Early on, Kerschensteiner called for three years of additional obligatory education for all young people in new vocational schools and recommended a surprisingly modern curriculum for these schools (Gonon, 2009: 74), which included:

- practical-industrial instruction for the specific vocational group with instruction in workshops carried out by qualified trainers;
- theoretical-industrial instruction conducted by educated vocational school teachers;
- civic education (civics, knowledge of life studies, gymnastics).

¹⁰ Heinrich von Treitschke, the influential editor of the *Preussische Jahrbücher*, saw the *Verein's* aim and perspective as something that aided a socialist upheaval.

The curricula of modern vocational schools and the general orientation of the vocational education and training systems in Germany, Austria, Switzerland and Denmark are still manifest in the concepts formulated by Kerschesteiner and contemporary colleagues.

ADVANCED SOCIAL PARTNERSHIP GOVERNANCE IN VET – THE CASE OF DENMARK

Involvement of the social partners in VET has a long tradition in Denmark. Although officially abolished by the Freedom of Trade Law of 1857, the guild tradition continued to influence labour relations. When the trade union movement got underway, the former guild structures offered a logical organisational structure for establishing trade unions. Most unions required an apprenticeship and relevant work experience prerequisites for membership (Galenson, 1952:22). Drawing on guild roots and partly informed also by the economic and social traditions of the farming cooperatives, trade unions and employer organisations gradually grew to cover almost the entire labour force, and the social partners received the right to 'trade self-management' in 1937.

The 1937 Apprenticeship Law established sectoral trade committees, made up of even numbers of trade union and employer organisation members, which acquired the responsibility for determining training rules and approving training companies. The principle of trade self-management was institutionalised and henceforth ensured not only the autonomy of individual trades but also parity of representation in all VET matters. The then Minister of Social Affairs, Steincke, introduced the new law in this way at its reading in Parliament: *"Perhaps no more democratic bill has ever been tabled than this particular one here. It virtually assigns the whole power to workers and employers who, in many areas – indeed, in all of the most important ones – are allowed to make decisions themselves"* (Sørensen and Jensen, 1988:44).

The Apprenticeship Law of 1956 made daytime vocational schooling obligatory in all VET programmes. The trade committees were given the responsibility of overseeing school-based training and skilled or master craftsmen provided courses. This introduced the alternance-based training principle in the formal structure of Danish VET and ensured a uniquely prominent role of the social partners in vocational school governance.

The development of a system of vocational education and training for adults occurred early in Denmark. Through this system, older workers can acquire relevant skills or supplement or complete their initial VET. The 1960 law on

VET for unskilled workers established state schools for semi-skilled workers which led to today's labour market training system, AMU, providing modularised courses. The principle of self-management of the trades also governs the training that takes place within this system.

This gradually evolving collaboration of interest organisations for workers and employers on the operation of the VET system has shaped the modernisation of VET in Denmark and is the basic structure even today. Governance of the VET and Adult Training systems exhibits a high degree of self-regulation by the social partners. Their decisive role in VET has even been strengthened by reforms in the late 1980s and the 1990s. The central role of the trade committees is still the core of the entire VET apparatus.

To make the VET system more dynamic, the 1989 VET reform introduced a number of new self-regulating mechanisms. These were based on the belief that the social partners share an interest in getting the qualification balance right by negotiating a trade-off which will provide employers with qualified workers, and employees with the right skills to sell in their respective segments of the labour market. This reform thus strengthened the direct links between the sectoral dialogue in VET and the collective bargaining system.

Comparable sectoral committee structures connected to collective bargaining are found in otherwise differing VET systems in Belgium, Finland, France, the Netherlands, Romania and Spain (Cedefop, 2009).

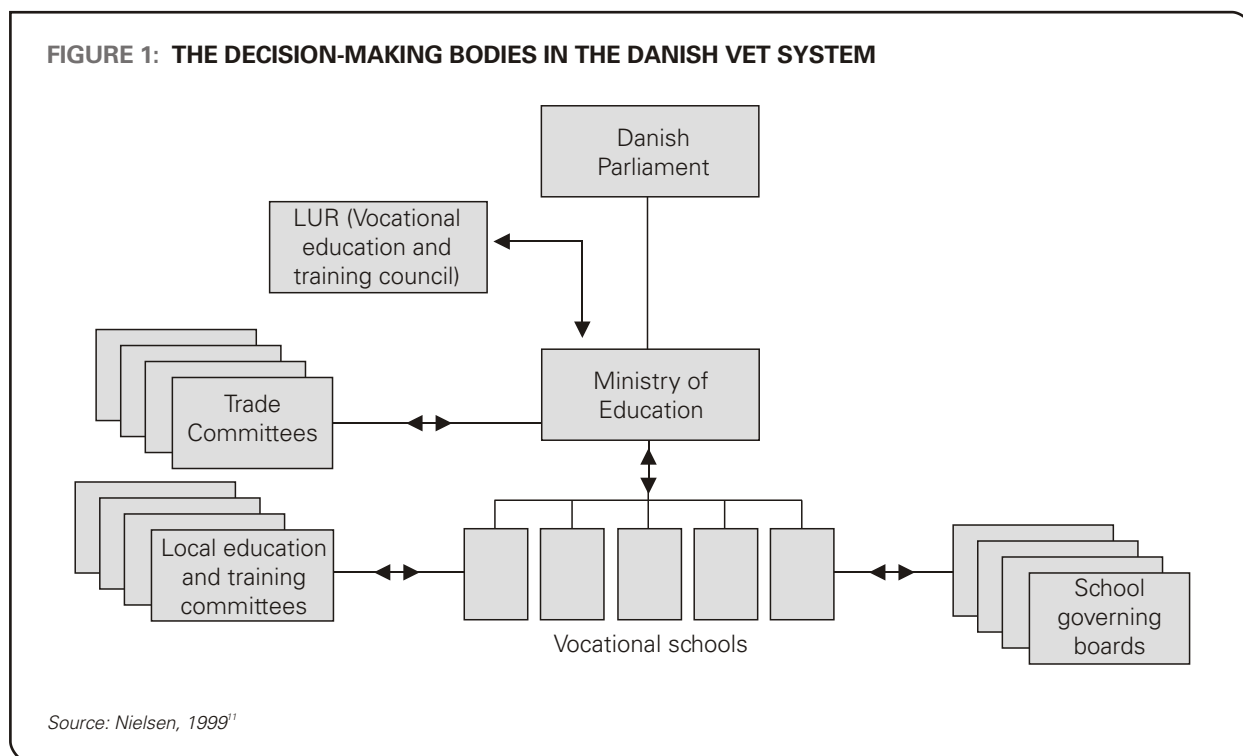
The Danish labour market model is based on the following principles:

- (i) tripartite cooperation,
- (ii) strong organisations on both sides of industry,
- (iii) collective agreements that constitute the most important source of labour law matters.

These basic principles are fundamental also in the field of VET: social partner organisations are based on education criteria (following the guild tradition), and the parties who sign the collective agreements also decide on VET issues. As long as the social partners are able to resolve problems independently, the state interferes as little as possible in the regulation of working conditions, including VET matters. There are reportedly two major advantages of this approach. First, the social partners know their own conditions best and are in the best position to adapt agreements to an individual sector or enterprise. Secondly, both sides of industry have greater respect for and are more willing to enforce conditions which they themselves have negotiated and agreed on.

FIGURE 1 illustrates the overall governance of the Danish VET system.

FIGURE 1: THE DECISION-MAKING BODIES IN THE DANISH VET SYSTEM



The Danish VET system is characterised by very close cooperation between the government and social partners. Representatives of these groups are involved at all levels of the system.¹²

The roles of partners in VET

The Danish VET programmes are governed by target, framework and performance requirements. The Danish **Parliament** (*Folketing*) decides the general framework for the VET system which is under the authority of the Ministry of Education. This covers the management, structure and objective of the programmes and also the frameworks for the tasks and development of individual institutions.

The **education minister** appoints a Council for Vocational Training, which consists of members nominated by the social partners, as well as representatives of school leadership, teachers and students. The general task of the council is to advise on education issues concerning the VET system, e.g. its structure, the accreditation of schools and the framework for content and assessment. It also mediates between the trade committees and the ministry and is tasked with finding a common denominator for particular interests of individual trade committees.

The **trade committees** constitute the backbone of the entire VET system. They consist of equal numbers of employer and employee representatives. There is a trade committee behind every VET programme which specifies the detailed content of the programme within the general framework. The committees follow labour market developments and on this basis launch new VET

programmes and adjust or close existing programmes. They decide on the duration, structure, objectives and examination standards of VET programmes, including the ratio between classroom education and practical training in a company within the dual system. The committees also approve enterprises as training establishments and mediate in conflicts which may arise between apprentices and the company providing practical training.

Development committees may be set up by the Ministry of Education so that new job areas can quickly be investigated and, if appropriate, covered by VET programmes. This typically takes place in completely new fields with no existing trade committees.

One key dynamic factor behind the continuous renewal of VET programmes is competition among the trade unions of skilled and semi-skilled workers. The drive to be the first to provide training coverage for new job functions has generated considerable innovative momentum.

The social partners also have an institutionalised role inside vocational schools. The **school governing board** is the local level of coordination in the governance structure. A board has 6-12 members and together the social partners (appointed based on parity) always have a majority representation. Boards are responsible for the school's administration and for the annual programme. They approve the budget and annual accounts and decide which approved types of VET the school should provide.

Each vocational school is required by law to set up one or more **local education committees** to match the types of VET programmes offered by the school. Members are appointed by the trade committees. At the local level,

11 Bertelsmann Foundation (ed.), *Vocational Education and Training of Tomorrow, Volume 1 : Documentation of the International Research*, 1999

12 Annex I presents an overview of the involvement and specific functions of the social partners in the Danish VET system.

they advise the schools on planning the programmes and they help to translate the curriculum into concrete action in classrooms and school workshops to ensure that local labour market needs are met. They are advisory bodies to the school and bridgeheads in the interplay between schools and companies in the dual system.

The distance between the worlds of work and education is thus shorter in Denmark than in most other countries. The social partners define occupational standards and to a very large extent they also decide on the contents of education standards. Crucially qualifications are recognised across the country by companies and employees. Quality control is more or less built into the whole fabric of the system because the end-users of the qualifications are deeply involved in the entire process. The trade committees not only 'own' the vocational qualifications in their respective labour market fields, regulated by collective agreements, but they also 'own' the respective education standards through their institutionalised roles in the VET planning system. This is strikingly reminiscent of some key elements of the traditional guild system.

Almost all VET systems, also in EU countries, face a 'translation' challenge, caused by the distance between the formalised qualification analyses underpinning goals determined in standards, and the way in which schools transform these standards into concrete and practical curricula. Qualification determination stops too early, so to speak, while the schools and teachers on their part start their pedagogical work too late: too close to the concrete reality of teaching and too far away from the occupational standards. One solution has been to give a new role to local education (trade) committees inside the schools; another will be to enable teachers to carry out their own *quasi* qualification needs analysis in local companies through a modernised vocational teacher education.

However, the ability of collective bargaining institutions and the state to build up and sustain a relevant VET system depends largely on their capacity to dynamically adjust their VET programmes to new skills needs. This may become more complicated in new emerging sectors of the knowledge economy. The establishment of development committees, as mentioned above, is an indication that the traditional 'self-government of the trades' might face increasing difficulties in covering new clusters of work with education programmes in the post-industrial society.

THE CHALLENGES FOR COUNTRIES IN TRANSITION

Social dialogue and other forms of social partner involvement are extensive and apparent at all levels in VET policy making in all EU countries (Cedefop, 2004). In addition, the social partners are involved in various activities concerned with the implementation of VET actions, particularly within specific sectors. They scan labour markets and are involved in identifying learning opportunities and in developing qualifications, curricula,

examinations and on-the-job training. With the enhanced decentralisation of governance of VET systems, in some countries the social partners have also become more involved as members of school governing boards.

The enlargement of the European Union presents a new challenge to social dialogue in VET because some of the new and most of the future Member States have pronounced weaknesses in social dialogue structures and institutional capacity (Winterton, 2008). This is typically a combined result of government reluctance to share power, employer resistance against actively engaging in dialogue and trade union reticence to take on responsibility (Mailand and Due, 2004: 179-197).

As is clear from the following chapters, there is a tendency to blur the differentiation between 'social' and 'civic' dialogue and the respective actors and arrangements involved. The creation of economic and social councils as the main anchors for social dialogue in transition countries seems to endow multiparty structures with different objectives and patterns of activity than what is normally defined as tripartism. Transition implies substantial change – it involves the dismantling of the old and the development of a new social structure (see Chapter 4). The transition process has turned out to be a much longer, more complex and contradictory social process, with more painful social consequences than expected. Since the very beginning of transition there was only awareness of the basic characteristics of the new social order: "private ownership, a market economy, multiparty parliamentary democracy, civil institutions, human freedom and rights." (ETF, 2002).

This may also explain the predominant role of the state in social dialogue mechanisms; the key role of the state is to create new legal frameworks in transitional phases. This is confirmed by the findings of the 29 partner country reports within the ETF Education and Business study (see Chapter 5) which identify remarkable legal regulation to create a framework for the new environment of social dialogue. Such a legal framework for social dialogue is not an obstacle but it cannot stand alone. If the difference between the real and the normative becomes too big, the legal norm loses its meaning and may discourage participants to engage in social dialogue. Too much legal regulation and protection by the force of law is a risk in the sense that it is in contradiction with the principle of voluntarism and autonomy of will of the social forces, which are the genuine actors in social dialogue.

The countries under transition or modernisation need to develop VET system governance structures which will enable the social partner organisations to act in their own objective 'class' interests when ensuring the quality and relevance of qualifications for the labour market. They themselves know best what clusters of competence are in demand. The strategically most important level to launch now is the sectoral level where the social partners have an immediate interest. Self-regulating mechanisms should be developed for matching demand and supply in initial VET and continuing vocational training. Employers have an immediate need to cover new job functions with targeted VET courses and employee organisations have a

corresponding need to equip skilled workers with employable and transferable skills through the VET system. Both sides of industry are equally needed (OECD, 2010: 139-141).

The involvement of employers is crucial for VET systems to meet current labour market needs and to adapt towards emerging competence needs. However, employers also have limitations. They tend to set skill requirements relatively narrowly and be less interested in equipping young people with transferable skills as this might increase job turnover as well as salaries. The voice of employers consequently needs to be balanced by the broader needs of society and the interests of learners. The active involvement of trade unions is therefore needed to balance the employers' positions. They have incentives to ensure that future members are highly qualified and possess transferable as well as occupation-specific skills. They also have an interest in ensuring that those in work have access to quality training and are equipped to make company and sector shifts in order to increase productivity in the economy.

As the table on the different levels of the Danish VET system illustrates (Annex I), initiatives to promote an increased role for the social partners in VET in partner countries can take place at many levels:

- (i) at the national level through the establishment of umbrella VET councils as has been done in a number of countries already;
- (ii) at the sectoral level, covering distinct segments of the labour market where surprisingly little has been done;
- (iii) at the school governing board level where e.g. Turkey is now launching a new decentralised model;
- (iv) inside vocational schools where the social partners can do more to help to shape links with companies and to help to translate national curricula into relevant competence development.

The following chapters will discuss these issues.

Is the advanced social partnership model of VET governance as exemplified by the Danish example relevant for countries in transition? The fundamental structure is clearly a product of the industrial revolution and its actors and practices share a very long and unique social learning process. Policy borrowing and quick fixes will never be possible. However, the components and the architecture of its structure may serve as an inspiration for other countries and also underline the need for a gradual approach – one thing at a time. The Danish example can illustrate what must be done. Answering the question how this should be done may be better inspired by policy learning from (and with) the former transition countries in Central and Eastern Europe that are now members of the European Union.

ANNEX: THE DIFFERENT GOVERNANCE LEVELS OF THE DANISH VET SYSTEM

Name of authority	Appointing organisations	Field of authority	Nature of authority	Level
Ministry of Education		<ul style="list-style-type: none"> ■ Central administration ■ Approval of new education programmes ■ Preparation of regulations 	Executive power on the recommendation of the Council for Vocational Training	National
Council for Vocational Training	<ul style="list-style-type: none"> ■ Confederation of Danish Employers ■ Confederation of Danish Trade Unions ■ Regions & municipalities ■ Teachers & students ■ Ministries of Education, Employment, Industry 	<ul style="list-style-type: none"> ■ Regulations of the structure and objectives of education and training ■ Qualification requirements of teachers ■ Approval of new education programmes ■ Legal rights of students 	Recommendations to the minister of education	National
Trade committees	<ul style="list-style-type: none"> ■ Representatives from social partners, equal representation 	<ul style="list-style-type: none"> ■ Decision on regulatory framework for individual education programmes ■ Approval of enterprises as qualified training establishments 	Permanent delegation from the Council	National/ Sectoral
Development committees	<ul style="list-style-type: none"> ■ Ministry of Education 	<ul style="list-style-type: none"> ■ Ad hoc committee to develop VET programme for new job clusters 	Recommendations to the minister of education from the Council	National/ Sectoral
VET school governing boards	<ul style="list-style-type: none"> ■ Majority always formed by social partners ■ One representative from region and municipal councils 	<ul style="list-style-type: none"> ■ Approval of budgets and accounts ■ Approval of annual school programme ■ Appointment of school director 	High degree of self-government	Local
Local education committees	<ul style="list-style-type: none"> ■ Appointed by the trade committees on proposal from local branches of social partners 	<ul style="list-style-type: none"> ■ Advisory services to the school on VET course implementation and placement in enterprises 	At the request of the trade committee translate regulations to classroom activities	Local
Vocational schools		<ul style="list-style-type: none"> ■ Provision of approved VET programmes leading to semi-skilled/skilled level, and post-secondary higher level ■ The right to allocate the student-based government grants across budget categories to further school policy (except salaries) ■ Offer services to local community on market terms 	On approval from school governing boards	Local

2. THE EUROPEAN PLATFORM: A LAUNCH PAD FOR INNOVATION

Britta Thomsen, MEP

The previous chapter described the example of social partner involvement in vocational education and training in Denmark. The country's long history and evolved structures of social dialogue and labour market interaction is of special interest to me. For many years I worked in the Danish trade union system. Today I am a member of the European Parliament representing the Danish Social Democratic Party. This particular combination gives me a unique vantage point from which I can discuss the role of social partners in education and employment. It allows me to value national traditions for European cooperation and has given me an insight in how European discussions can inspire national policy making.

In this chapter I will look at some of the strengths and weaknesses of the Danish system and how these illustrate the potential of international policy learning, using examples from areas such as gender issues, EU developments in sustainable energy and employee-driven innovation.

THE EUROPEAN PARLIAMENT AND ITS ROLE IN POLICY MAKING

Elected every five years, the European Parliament (EP) is the political representation of the citizens of the EU. There are currently 736 Members of the European Parliament (MEPs) who represent almost 400 million voters across the European Union.

Together, the Parliament and the Council (of Ministers) of the European Union make up the union's highest legislative body, just like chambers do in many countries. Under current procedures, the European Commission, the executive body of the EU, presents its proposals to the Parliament and the Council. These proposals can only become law if both agree on the content and formulation of the text.

The European Commission is accountable to the Parliament. The Parliament can ask for its decisions and proposals to be altered and can even veto them.

While the European Parliament has legislative power, it does not have the legislative initiative like national parliaments in the individual Member States. Also, its legislative powers are limited to certain areas, while in

other areas special legislative procedures apply. As we will see later, this is relevant for education because the European Parliament has no legislative powers in education and can only influence education policy indirectly.

THE IMPORTANCE OF THE SOCIAL DIALOGUE

Social partner involvement in education and training can have a tremendous impact on the relevance of training and the skills and competences of the citizens who build our societies and make up our labour force. The example of Denmark in the previous chapter shows just how much.

Discussions of the Danish employment policy model often focus on what we call 'flexicurity': the combination of a flexible 'hire-and-fire' system with a comprehensive social security safety net. But this is only one evolutionary result of a long history of tripartite labour market development and perhaps it even receives too much focus because it does not stand alone.

The real force of the Danish system lies in its education model, where the social partners take true responsibility for vocational education and training. This principle has proven to be extremely effective. It can also be observed in other European countries, and even in some of the new EU Member States, such as Poland, whose excellent system has given Polish workers an edge when competing for construction tasks in Western Europe in recent years.

Another very powerful feature of the Danish model is the way in which its labour market training programmes (AMU programmes) operate. These short retraining courses are also governed by tripartite responsibility. Just half a century ago, labour market policy was still mostly an appendix to social policy, its primary task being to fight unemployment and secure a good work environment through individual political initiatives. But the picture changed after the mid-1950s. The industrial growth of the 1950s and 1960s demanded a flexible and mobile labour force and direct government intervention in the labour market was institutionalised. The Danish AMU system is a unique model that recently celebrated its 50th anniversary. Also in this system, the self-regulation of the social partners is far-reaching.

THE GENDER CHALLENGE STILL NOT OVERCOME

These things are very well developed in Denmark but while the country shines in some areas, the system also has its drawbacks. The tremendous power of the Danish trade unions, combined with their historically compartmentalised organisation, has left vertical mobility an issue which is only slowly being addressed. Perhaps even more significantly, Denmark has one of the most gender segregated labour markets in Europe. It seems to lack the gender sensitivity of some other European countries.

Not many women enter technical education in Denmark. When they do, they end up in a male dominated work environment, resulting in an even greater fall-off. In the 1980s Denmark launched a number of big campaigns to recruit women into male professions. More girls enrolled in technical and science programmes, but most left these fields again and went other ways, put off by the work culture they met after graduation.

A European research project compared female involvement in physics in four EU countries: Denmark, Italy, Lithuania and Poland. It characterised the Danish training and working environment in physics as a 'Hercules culture' – an individualist male culture in which women generally found it hard to perform optimally. This contrasted sharply with Italy, where half of those studying or working in physics, were female. It turned out that in Italy social competences were weighed far more strongly, which attracted women and, importantly, kept them in.

So while the Danish education and training system excellently addresses the actual needs of the labour market, it fails to exploit a large pool of human potential. The gender dimension is insufficiently developed and as a heated and ongoing political debate testifies, this goes all the way down to salaries, company hierarchies and promotion.

THE POTENTIAL OF EUROPEAN COOPERATION

This balance of more and less successful experiences illustrates the potential for both teaching and learning among different countries and this is precisely the great strength of the European experiment, which can be such a powerful tool for mapping best practice, sharing it, and in this way leapfrogging into a future where the ability to engage in swift and continuous innovation can make the difference between keeping an edge or losing out among the global competition.

We can see that Denmark offers some of the best practice in social partner involvement in VET and labour market education and training. Employers know their own

needs. Employees want to secure and improve their work by responding to these needs. Society as a whole benefits.

Sticking to our example, Italy may not have a similarly effective tripartite involvement, but it has achieved a gender balance in the sciences by other means. The two countries can share good practice, and one of our roles in the European Parliament is to identify such opportunities and then to ensure that European instruments are used effectively.

This practice is even more important for neighbouring countries outside the EU. On a recent study visit to the European Training Foundation (ETF) in Turin I was happy and also surprised to see how the ETF, an agency of the European Union, has directed its focus towards gender equality in its partner countries. Promoting women's rights figures high on the external policy agenda of the European Union. Gender equality is one of the five key principles of EU development policy, not only because the EU acknowledges that gender equality has an intrinsic value in its own right and is a matter of social justice but also because it is so instrumental in achieving a wide range of goals from economic growth to poverty reduction.

On International Women's Day 2010, a European Commission communication reaffirmed its commitment to the vigorous pursuit of gender equality in its relations with third countries. It said: "Our ambition is not limited to the borders of the Union. Gender equality must be fully incorporated into our external policies too so as to foster the social and economic independence and advancement of women and men throughout the world."¹³

At the ETF, on the same occasion, I was given a draft study¹⁴ which investigated women's opportunities in accessing education, training and employment in Egypt, Jordan and Tunisia. The study is a product of a three-year development initiative to promote gender equality and to provide recommendations and policy advice to both the national authorities and to the European Commission. The gender issue knows no national boundaries and through my work in the European Parliament it is possible to combine local, national, EU regional and external efforts in this important field.

EUROPEAN COMMON POLICIES AND INSTRUMENTS

The EU system exerts pressure on national governments to fight unemployment through policy development. A framework now exists for benchmarking such national efforts. The common European Employment Strategy was launched in 1998. It requires yearly action plans and EU coordination providing a common cognitive map for national governments. This is all based on the open method of coordination and knowledge sharing through peer reviews and mutual learning activities.

¹³ Communication from the Commission, *A strengthened commitment to equality between women and men: A Women's Charter*, 2010.

¹⁴ *Women and Work: Access, Limitations and Potential in Tourism and ICT. Egypt, Jordan and Tunisia*. Karkkainen, O., Publications Office of the European Union, Luxembourg, 2010.

Another obvious channel for such knowledge sharing is the European Social Fund (ESF). The ESF is the main EU financial instrument for supporting employment and economic and social cohesion. The ESF financial package from 2007-13 is worth around € 75 billion – close to 10% of the EU budget. Its investment priorities during this period are: improving human capital; improving access to employment and sustainability; increasing the adaptability of workers, companies and entrepreneurs; improving the social inclusion of vulnerable people; strengthening institutional capacity at national, regional and local levels; and mobilising reforms in employment and inclusion. It works as a grant scheme for projects.

The 2004 *Maastricht Communiqué* reflected the merging scope of the Copenhagen Process. It stated that the European Social Fund and the European Regional Development Fund should be used to support the Education and Training 2010 work programme. In this context a number of innovative VET projects have been developed.

The ESF is quite demanding because of its (social) partnership approach. New EU Member States in particular can capitalise on the ESF but often do not have enough absorption capacity to spend the allocated money. The European Training Foundation is in an excellent position to equip candidate and pre-accession countries to be ready to use the ESF, and I noticed that it is actually doing a lot already under the Instrument for Pre-Accession (IPA) in the Western Balkans and Turkey. This is crucial work and I strongly urge the ETF to continue its efforts in this field.

INNOVATIVE PRACTICE

Another example of how the ESF was put to good use in this field takes us back to Denmark, to labour market training and to gender issues, albeit, interestingly, in an experiment promoting male participation in a traditionally female working environment.

In northern Jutland, the ESF supported a project where labour market training centres, schools and social partners put their heads together in order to find new jobs for men who had been made redundant from local industries that had disappeared and would not come back, such as slaughtering houses and fisheries. On the one hand, the region had many long-term unemployed. On the other, the region badly needed social and health care assistants. But how could they lure men into such jobs that are traditionally seen as female jobs?

They changed the job titles and the training package on offer. Most of the changes were entirely cosmetic. A poll revealed that older men who needed assistance in elderly homes rather wanted to be helped by men because they found that women often talked patronisingly to them, treating them as children. Also, a lot of the activities that female social and health care assistants organised were directed at women. Older men do not want to learn how to knit, bake cookies or make Christmas decorations. They would rather play billiards or do other things that women in turn may not like.

Men were found willing to retrain for these jobs and the better balance of men and women in social and health care work became a resounding success. Obviously, when the European Commission saw this, they wondered whether this could be relevant in other de-industrialised areas in Europe?

The legacy of the economic crisis needs new answers. Unemployment in the EU rose by 7 million to 23 million between the first quarter of 2008 and the first quarter of 2010, an increase of 2.9% to reach a total of 9.6%. In 2009, the rate of jobless men exceeded that of women for the first time.

EU DEVELOPMENTS IN THE GREEN ECONOMY

Under current EU legislation, the European Parliament cannot force changes in education in the Member States. But it recognises the crucial importance of education and training for the future of Europe and it does have the means at its disposal to push for policy changes and to promote labour market related training as a part of other strategies. It can encourage the replication of successful experiments such as the one in northern Jutland, but it can also ensure that new initiatives carry a training component.

A recent example of this concerns the green strategy of the European Commission. Developing a low-carbon economy for green, sustainable growth and to meet climate change obligations can create jobs. In fact, the European Commission envisages the creation of ten million such jobs in years ahead. Cedefop's study, *Skills for green jobs* (2010) looked at the skills needed to develop a low-carbon economy in six EU countries and documented the high potential for job creation in environmental policies. It pointed out that the boundaries between what is and what is not low-carbon work are becoming increasingly blurred.

A narrow sectoral approach to skills anticipation and development is insufficient to understand how skills and occupations can be made more environment-friendly. Skills in 'old' or even declining industries may be valuable to the low-carbon economy. For example, workers with experience in shipbuilding and in the oil and gas sector are highly sought after in the wind turbine industry for their skills in welding, surface treatment, coating and outfitting. Developing skills for green, sustainable growth appears to rest on two platforms: a solid foundation of core skills and continuing training to adapt existing skills. However, too often EU countries' environmental strategies and programmes do not integrate skills development.

In the Parliament's Committee for Women's Rights and Gender Equality we have decided to promote women in green jobs, but women do not have the same skills and competences as men, largely as a result of gender segregated education systems all across Europe.

So in our report on the subject, we made demands on the European Social Fund that money must be earmarked to train women in this area as part of the green strategy. What we propose is a special programme for people who, from within each workplace, can think about saving energy. We think women would be good at that. They would need to be given the tools through a new programme that must be established and that can be used throughout Europe. We want more women in sustainable energy and believe that this is a way to achieve this.

In the run-up to this decision, however, something interesting occurred, which ties both of my examples together and shows how European cooperation can really make a difference.

If you look at gender statistics, you can see that 80% of the people who work in sustainable energy are men. So when we asked whether eight million of these new jobs to be created under the green strategy had to go to men, everyone agreed that they should not. We need women in green jobs. But then I said that we should also have men in social and health care jobs. That suddenly generated a lot of resistance, not least from some of the new Member States who argued that men were no good at such work. I then quoted the example from northern Jutland and it got them interested.

This is knowledge sharing on a small scale, but with potentially huge consequences. Such mutual understanding can muster extremely important support in the European democratic system and it shows that we need more of a European perspective in this area. We must use such exchange of experience across traditions, cultures and good practice to speed up innovation throughout the entire European Union and in the countries that surround us.

EUROPE AS A LAUNCH PAD FOR INNOVATION

My last example concerns employee-driven innovation, where differences among European countries can also help us to speed up progress in a direction that benefits us all.

Employee-driven innovation is one of the spearheads of the Danish Confederation of Trade Unions. At Copenhagen Zoo staff were called upon to find novel ways of reducing water usage. They ended up reducing the water footprint of the zoo by 50%. This would have been hard to achieve if one person who did not know the day-to-day business of each worker had designed water saving measures for the entire zoo. But it was also a method which worked in Denmark and might not have been so successful in other countries. This is due to the fact that there is an exceptionally small power distance from the top to the bottom in most Danish working places.

The Dutch organisational sociologist Geert Hofstede developed the notion of power distance, which is a measure of how much those who are lower in a hierarchy expect and accept that power is distributed unequally. If there is a long distance between a boss and his employees, the employees will not dare to come with proposals. We can see this even within the European Parliament. In the Danish delegation, the assistants play a crucial role in the proceedings and bring in a lot of creative and innovative ideas, actively thinking along with their MEPs. This gives a dynamic that is quite unseen in some of the other delegations, where assistants always walk three steps behind their MEP.

The same applies to other working places. If we can break down these power barriers, we can unleash a creative source of innovation that we need in our competitive environments today. This is useful within policy making too. We have a European Innovation Strategy which is all well and good but we cannot draw the maximum potential out of it unless we ensure that employees can be creative and that we are drawing on the full potential of our combined human resources.

The European Commission can drive such innovation by incorporating it into its procurement policies. In the same way it can drive innovation in education too. Under Tony Blair, the British adopted a law that obliged tenderers for public services to engage in innovation and education. It asked tenderers to write what they could offer at the time of their bid, and then show where there was a gap with the required competences and how they would lift their staff to the required level.

Right there, the support and involvement of the social partners can make a massive difference, which was successfully demonstrated in the energy sector that is the object of our focus right now. Euroelectric, the European organisation of energy producers, and EPSU, which is the energy workers European organisation, have published a manual that describes how the position of women can be raised in energy companies. They realised that they are missing potential. They made a mainstreaming catalogue and it is the social partners that have been given the responsibility to put this into practice.

THE ROLE OF THE SOCIAL PARTNERS

Involving social partners in unleashing such untapped potential is very important, but not always easy. The environment in which social partner organisations operate is quite different from country to country, even within the EU, and so is their mandate.

In Western Europe collective representation remains intact to a large extent, although through vastly different mechanisms in different countries. In the Nordic countries trade union membership remains high with unionisation rates of around 70-80% in Finland, Sweden and Denmark.

In Germany, France and Spain they are much lower¹⁵, but here public regulation provides for an extension of collective bargaining coverage to the majority of the labour force. Still, the overall picture of Western Europe is one where representation and the benefits that come with it are increasingly based on state support: extension rules in a number of continental countries, and legislated trade union administration of unemployment insurance funds in the Nordic countries. In countries without such support from the political system, such as the United Kingdom and some of the new EU Member States, a collective 'voice' is only available for a minority of employees.

In France, where unionisation rates are much lower than in the Nordic countries, trade unions lack the critical mass that for example the Danish trade unions have. They may not care because they have the power to decide, but they do not have the bottom-up democracy backing them in their work. As a result, it is the education authorities who sit down and plan vocational education and training and they do so in a far less inclusive way.

On the other hand, an organised trade union system may be a good thing but if there is no one to negotiate with because the employers are not organised, you have a problem. So in its support to social dialogue the EU has always stressed that more needs to be done than just strengthening the trade unions. The employers need to be mobilised too.

Involving them in VET is yet another problem because VET has such low status. In many countries, VET is seen as a last option. In Portugal, for example, if you lack a title you are a nobody. And VET gives you no title. Portuguese culture is by no means unique in this. In many countries, you become a carpenter or plumber for lack of other options.

Another problem is that some Member States and partner countries outside the EU have a very different history of trade unions. In many of the countries surrounding the EU

the role of the unions is marginal. What purpose is there for them to get their social dialogue up and running? And will the further development of their current system of trade unions be enough to strengthen their labour markets? Probably not, so long as a true civil society is missing.

In many of the transition countries there is still a small elite that runs society as it emerged from communism. They may have been democratised in political terms, but real democratisation starts with the development of a genuine civil society where people are educated to have influence. Or, to use Geert Hofstede again, where there is a smaller power distance.

In fact, many current EU Member States come from recent dictatorships, not just in Central and Eastern Europe but also in, for example, Spain and Portugal. People often forget this. The unions of these countries are rooted in this culture. Their social partners need to start to assume active responsibility. In many cases this may require building up new types of trade unions and employers' organisations from scratch. We should support them in this, not least because labour market regulation now has been included as an accession criterion for some of the current candidate countries.

In this, the European Training Foundation can obviously play a key role, with more than a decade and a half of experience in promoting and supporting social dialogue in countries outside the EU, many of which are now Member States.

Therefore, as my last recommendation I want to stress here that just as it is important to use European cooperation to speed up innovation by learning from each other's rich traditions, it is equally important to strengthen the countries surrounding us – our most important partners in trade and our nearest cultural kin – by making available the same expertise that we share among each other.

¹⁵ Approximately 21%, 8% and 23% respectively.

3. HOW DOES SOCIAL PARTNERSHIP WORK IN PRACTICE IN THE EUROPEAN UNION?

Petri Lempinen

INTRODUCTION

Education, skills and competences are increasingly important issues for economic and social development. This has been recognised in industrial countries (EU, OECD) and also in the UN Millennium development goals.

The Europe 2020 strategy calls for 'smart growth' and an economy that is sustainable and inclusive at the same time. Smart growth is based on research, development and innovation that will require a massive investment in education and training to prepare for a digital society making optimal use of information and communication technologies.¹⁶ Europe wants to become a high-tech society in the years to come. To get there, the EU has developed the New Skills and Jobs agenda that aims to bridge the gap between the world of work and the world of education and training.

The basic idea is to create an adaptable workforce that can meet constantly changing needs in the future. This is based on the expectation that many new jobs in Europe will be more advanced and more demanding than old ones. Skills needed for future jobs are expected to be new and higher than before (European Commission, 2008).

At the same time many developing countries are struggling with basic skills such as literacy, one of the most essential conditions for all other learning. Unfortunately, general literacy seems to be hard to achieve, especially in Sub-Saharan Africa (UNESCO, 2009). Adult illiteracy is also an issue in several ETF partner countries, e.g. in the southern Mediterranean region, even if most children today have access to education in this part of the world. UNESCO and the UN have recognised illiteracy as a major obstacle for development. Education is crucial not only for fighting poverty and developing the economy but also for civil society and democracy. It is a key factor empowering individuals and providing them with (equal) opportunities (ITUC, 2010a).

GLOBALISATION IS SETTING THE SCENE

Globalisation is a key driver for change that affects people, enterprises and societies. It reshapes labour markets and forces countries to rethink their education strategies. Growing interdependency among national economies through international trade has meant that more and more industries are seeking the best possible locations near growing markets. Rapid technological development combined with economic restructuring is changing skills demands in all sectors and in most occupations. Old jobs are destroyed, new jobs are born and profiles of existing jobs are changing.

Does this mean that all new jobs will be high quality and high skill jobs?

Evidence from the US shows signs of a polarisation of the labour market (Autor, 2010). There are expanding job opportunities in high skilled and high paid jobs as well as in low skilled and low paid jobs. The evidence may come from the US but this trend is not limited to American society. It is common among industrialised countries including EU Member States.

Structural shifts in production and labour markets create opportunities but also cause growing insecurity and anxiety. The global economic and financial crisis that started in 2008 caused increasing unemployment that has worsened the socio-economic situation for millions of people around the world. In industrialised countries, well-educated young people have experienced difficulties in accessing the labour market. Youth unemployment was relatively high even before the economic crisis and many jobs for young people offered only limited security, in spite of the fact that the level of education continued its upward trend unabatedly. This indicates that the link between higher education and employability might be less evident than it has often been considered in past.

¹⁶ Europe 2020 strategy adopted in 2010 is EU economic reform package. It is also a follow up of EU Lisbon strategy adopted in 2000. http://ec.europa.eu/europe2020/index_en.htm

One response to this has been the reinvigorated promotion of vocational education and training as a valid route towards employability. It also has become widely accepted that adult learning is not just a form of second chance training but a basic necessity for skilled adults who need to update their competences continuously.

Globalisation and the knowledge economy also force ETF partner countries to update and adapt skills and competences of the labour force to new work environments, new forms of social organisation and new channels of communication. They too find themselves forced to accept that education and training must meet the needs of constantly evolving labour markets.

THE RATIONALE FOR A COLLECTIVE VOICE IN VET AND LABOUR MARKET POLICIES

Voices of the labour market must be recognised and heard when decisions on initial and continuous training are taken, not so much for ideological and normative reasons but because they can articulate what skills and competences are needed in the companies. Employers' organisations and trade unions representing employees have been recognised for decades as representative voices of the labour market by the ILO, the EU and the OECD. Their voices, however, must have the capacity to formulate demands that may improve conditions and thus result in a higher degree of successful policy making.

Governments and public authorities play the leading role in policy making on training and labour market issues but they cannot perform this role satisfactorily without the cooperation of the social partners who represent the labour market. Although there is no labour market without enterprises and employers, it is important to understand that employers alone do not represent the labour market in its entirety. Employees and workers also have a justified right to voice their opinions and to be heard on issues related to the labour market.

The legitimacy of unions is based on their democratic representation. This gives them the authority to enter into collective bargaining with employer organisations and to take part in dialogue with public authorities. European trade union (ETUC) examples show that it is possible to combine trade union actions for social justice with the development of the business environment.

Employers and employees have different justified and legitimate viewpoints on labour market issues. They both have a mission of improving conditions for their members. The task of employers' organisations is to ensure the interests of companies. This includes improving the conditions for the business environment in a broad sense and covers a lot more than labour market and training

issues.¹⁷ The key interest of trade unions is to improve the working and social conditions of working people and their families so that they can enjoy full human and civil rights and high living standards.¹⁸ This dualism creates a need for dialogue on labour market issues that can be structured around social partnership. But they cover common ground too.

Employers' organisations and trade unions normally share an overarching interest in sustainable economic development that creates growth and employment. On this basis it is possible to build the common understanding and trust that are needed to create a real social partnership. This has happened in many European countries where the social partners have acquired a strong position, and where they have a long tradition not only in bargaining but also in cooperating in fields like education and training issues.

Social dialogue comprises much more than just collective bargaining for working conditions and wages. According to the ILO, social dialogue includes "all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy." This definition is broad. It includes bipartite cooperation between trade unions and employers without excluding a formal or informal role for public authorities in tripartite cooperation.

Social dialogue is a wider concept than collective bargaining. It is based on voluntary participation of both partners. Successful dialogue implies that the autonomy of the social partners must be respected by public authorities. Without conflicts there would be no collective learning processes. Only a genuine threat of conflict will ensure serious negotiations and a common sense of responsibility. Trade unions and employers' organisations are in the best positions to find solutions and arrangements to labour market problems that will benefit both enterprises and employees.¹⁹ The main goal of the social dialogue itself is therefore to promote consensus building and democratic involvement of the main stakeholders in the world of work.

When education and training is planned, public authorities should combine short-term business needs with long-term development perspectives. This is why it is important to hear not only the enterprises but also the trade unions.

THE EUROPEAN EXPERIENCE

In most of the 15 countries that were EU members before the 2004 enlargement round, social partners are heavily involved in vocational training and active labour market policy making. This involvement also includes EU policies, which are now an inseparable part of national decision making in most policy areas. Through European

¹⁷ www.besnesseurope.be

¹⁸ www.etuc.org

¹⁹ www.besnesseurope.be

organisations (ETUC²⁰, BUSINESSEUROPE²¹, UEAPME²² and CEEP²³), national employer organisations and trade unions directly influence EU cooperation led by the European Commission.

At the European level, the role of the social partners in education and training has been strengthened significantly in the past decade. There are two clear reasons for that. The first is the *Framework of actions for the lifelong development of competences and qualifications* that was agreed by ETUC, UNICE, UEAPME and CEEP in February 2002. The second is the *Copenhagen Declaration* agreed in 2002 by the Member States, the European Commission and the four above-mentioned organisations. This was the starting point of enhanced European cooperation in vocational education and training through the so-called Copenhagen Process, which is still ongoing.²⁴

The *Framework of Actions* of 2002 was the European social partners' contribution to the realisation of lifelong learning in the context of the 2010 Lisbon strategy. In this framework both sides of the debate affirmed their joint responsibility for competence development. The strength of the *Framework of Actions* was that it coupled EU-level negotiations with national level actions. This is characteristic of all European social dialogue and also of the open method of coordination used in the Copenhagen Process.

The open method of coordination was originally developed to serve European Union employment policies (1997) but it was the Lisbon Strategy (2000) that formally defined and recognised it as a policy instrument of the EU. The Lisbon Process used this method to coordinate processes of convergence in policy areas that were included in the first pillar of the EU but that legally still came under national sovereignty. This was also the case for VET. The open method of coordination does not establish binding law to be implemented nationally but it creates networks of individuals and institutions exchanging ideas and developing similar practices. It involves governments and social partners and works through the establishment of common policy objectives, benchmarks and indicators, and through a continuous evaluation by peers. It is monitored by the European Commission which reviews policies and action plans in each country in annual or bi-annual reports.

The open method of coordination is quite different from the EU methods that define and prescribe binding legislation. It regulates through the objectives set in action programmes, such as Leonardo da Vinci for vocational

training, and through control procedures and monitoring of project and network participants (Cort, 2009).

The Framework of Actions and the Copenhagen Declaration²⁵ both had four priorities that stressed the importance of qualifications and competences and their recognition. Employer organisations and trade unions were identified as key players in the development, validation and recognition of vocational qualifications and became partners in promoting an enhanced cooperation in this field.

In the Framework of Actions the following four priorities were decided for VET and lifelong learning:

1. Identification and anticipation of competences and qualifications needs;
2. Recognition and validation of competences and qualifications;
3. Information, support and guidance;
4. Resources.

The 2002 Copenhagen Declaration defined these four priorities:

1. The European dimension;
2. Transparency, information and guidance;
3. Recognition of competences and qualifications;
4. Quality assurance.

So the priorities in these two documents are not identical but they are closely linked thematically. This is no coincidence. The same people from ETUC, UNICE and UAPME were involved in the development of both. The representative from the Commission who chaired all the social dialogue meetings leading to the social partners' Framework of Actions was later in charge of preparing the Copenhagen Declaration. Negotiations between social partners started already in 2000 and they lasted around 18 months. Results were known in the Commission already before the initiative to launch a European process on VET was launched at the end of 2001.

INVOLVEMENT IN EU POLICY MAKING

Employers and trade unions are represented in several EU bodies which deal with VET issues. The most important among these are the Advisory Committee of Vocational Training (founded in 1963), the Social Fund Committee and the Governing Board of Cedefop. All these bodies have national employer and employee representatives

²⁰ ETUC is the European Trade Union Confederation, which represents 82 trade union organisations in 36 European countries and 12 industry-based federations. Its affiliated organisations have some than 55 million members.

²¹ The former name of BUSINESSEUROPE was UNICE. The European employers' organisation changed its name in 2007. Its members are 40 central industrial and employers' federations from 34 countries.

²² The European Association of Craft, Small and Medium-sized Enterprises, UEAPME is an umbrella organisation for 80 organisations from 34 countries. It represents 12 million enterprises employing 55 million people.

²³ CEEP is the European Centre of Employers and Enterprises Providing Public Services. Public employers organised in CEEP employ some 30 % of the European workforce.

²⁴ Since 2002, the Copenhagen process has had biannual reviews of priorities and targets in the form of communiqués given in ministerial meetings in Maastricht 2004, Helsinki 2006, Bordeaux 2008 and Bruges in 2010.

²⁵ Copenhagen Declaration 2002. Framework of Actions 2002 by the social partners was also recognised in the Maastricht Communiqué 2004 and in the Helsinki Communiqué 2006.

from each EU Member State. This means that they have the possibility to follow and participate in European level political debates on VET issues. It also means that in their national work they have almost the same information as government representatives have on European developments.

During the last decade the European social partners have also been invited to informal meetings of the director-generals of vocational training. From the outset, these have played an important role in the governance of the Copenhagen Process.²⁶ There is also a well-established high-level political dialogue between the European Commission, the Council of the European Union and the social partners. Twice a year the EU Presidency invites representatives of four European social partner organisations to a dinner meeting with the Commissioner in charge of education and ministers from the 'troika' – the present, past and future presidents of the Council.

Their involvement is not limited only to these formal EU bodies or high-level meetings. Since the beginning of the Copenhagen process social partners have been invited to contribute to all major events such as major conferences in VET where policy formulation has been taken forward. Practical implementation work within the Copenhagen process has taken place in various working groups and networks. The European Commission established three technical working groups that tackled issues of transparency of qualifications (Europass), quality assurance in vocational training (the CQAF model that has later evolved into EQARF) and credit transfer in vocational training (ECVET). The Commission invited BUSINESSEUROPE/ UEAPME and ETUC to nominate experts for all these groups.

As such, trade unionists and industrialists have contributed in various ways to the development of the latest European tools and policies in the field of VET. These include Europass, the European Qualifications Framework, the European Credit Transfer System for VET and different versions of quality assurance frameworks.

LINKING EU AND NATIONAL POLICIES

An important part of the European work of the social partners has taken place in national contexts where social partners debate the usefulness of new ideas. One of the major results of the Copenhagen process has been a common understanding that European countries should develop VET pursuing the same overall goals but with their characteristic diversity of delivery systems. This understanding has been reached

among social partners, public authorities, training providers and other stakeholders in national and European debates. The European Qualifications Framework and the ECVET credit transfer system, for example, raised fears among trade unions that they would threaten existing education and training systems or lead to a harmonisation of European VET. It was necessary to convince national social partners, who also participate in sector-specific skills committees in many countries²⁷, that this was not the case and that European developments in VET would promote the shared interests of the labour market.

Taking part in European Commission working groups is more expert than political work also for social partners. As experts they represent views on the labour market, while most other members in these groups represent public authorities like ministries of education or education institutions. As such they provide considerable added value.

The Maastricht Communiqué in 2004 called for the establishment of national networks in which all relevant stakeholders, especially ministries, social partners and regional authorities, are represented. These networks have enabled the social partner representatives to exert influence at both the national and the European level. Together with public authorities, they have also taken the responsibility in implementing common European tools nationally.

European integration has changed the scope of national social partners, even in areas where most final decision making still takes place at the national level. Education and training is a good example of that. According to the EU treaties, vocational education and training is under national jurisdiction. Thus Article 150 of the Treaty establishing the European Community states that "the Community shall implement a vocational training policy which shall support and supplement the action of Member States, while fully respecting the responsibility of the Member States for the content and organisation of vocational training".

Despite this, the Copenhagen process and other forms of policy learning stimulated by the open method of coordination have led to a situation where members are voluntarily moving in the same direction and deciding to use the same tools and policy principles. This is a logical consequence of the Lisbon strategy. It is also understandable from the point of view of globalisation where transnational interdependency is growing and deepening.

European VET policy making has become increasingly intertwined with national education and training policy making.

²⁶ Maastricht Communiqué 2004, Bordeaux Communiqué 2008, Bruges Communiqué 2010.

²⁷ For example UK has 23 Sectoral Skills Councils that are employer led expert organisations. Finland has 26 sectoral education councils. They are expert bodies that represent employers, employees, teachers and education authorities. The case of Denmark is presented in detail in Chapter 1.

SOCIAL DIALOGUE ON VET

In 2006, European social partners published an evaluation report which documented the involvement of social partner organisations in work on training issues (ETUC, UNICE/UEAPME, CEEP, 2006). It indicated that in many countries employers and trade unions had developed a capacity to work together beyond collective bargaining, either by negotiating and agreeing on certain issues among themselves or by jointly entering into dialogue with government. Social partners participated in national qualifications authorities or councils, which often had a tripartite nature, and thus found a way to influence national policies, especially regarding the validation of competences.

In several countries the social partners have developed ways of sharing financial responsibility in competence development between workers, companies and public authorities. Initiatives have included the development of individual learning accounts, benefits for adult learners, and proposals for tax incentives such as deductions for companies and individuals undergoing competence development. Social partners have also been active in the development of apprenticeship training. There are collective training funds which are jointly financed by employers and employees.

The *Framework of Actions* was negotiated by transnational industry organisations and immediately led to sector actions in banking, insurance, mining, electrical fields and hospitality sectors. European sector organisations made joint studies and recommendations to their national affiliates. In banking, for example, the social partners identified personal education plans for every employee. In 2004, the hospitality sector agreed on guidelines for training and development especially in SMEs. Social partners have also benefited from the Leonardo da Vinci programme, organising projects and studies.²⁸

Of course, European social dialogue, whether cross-industry or by sector, has a value of its own, but the impact it has in the Member States is even more important. The reality is that most actions taken by European social partners are actually taken by representatives that are also important national actors. There is evidence of a correlation between the effectiveness of the national social dialogue and the effectiveness at European level, with each energising the other. Concrete actions, joint texts, presentations of good practice and involvement in common projects or seminars offer opportunities for social partners to learn from one another and to build trust, a key asset in social partnership (European Commission, 2010).

In the EU Member States the social dialogue and the role of social partners is different depending on the historical background of countries and economic sectors. Social partners, especially trade unions, have a more dominant role in the pre-2004 EU Member States than in

countries from central and eastern Europe that have joined since then.

Besides collective bargaining and social dialogue some social partner organisations also provide training. They may even have their own training institutions or centres. Trade unions also play a role in guidance and support of learners. In the United Kingdom, more than 23,000 trade union learning representatives have helped 220,000 individuals during the last ten years.²⁹ Having said this, the employers' roles and organisations are often more easily accepted by training institutions, providers and public authorities. Those who are in charge of training usually see clear links between their provision and the immediate needs of enterprises.

BUILDING THE CAPACITY

European examples show that employers and trade unions can work together to promote education and training. Solutions proposed by social partners are useful, if not critical, for governments too. This argues for the development of social partnership and capacity for social dialogue also in ETF partner countries.

In most ETF partner countries social partners are at an earlier stage of development than those in Western Europe. While attitudes towards employer organisations are generally more positive than towards trade unions, employers are often poorly organised. But trade unions fare worse. Many are still hampered by the historical heritage of their quite different roles under communism. They also struggle to survive in countries where civil society is fragile. There are often formal or informal restrictions on forming trade unions. Labour laws do not always conform to ILO minimum standards (ITUC, 2010b). Sometimes governments refuse to enter into collective bargaining with unions representing the public sector, such as teachers' unions.

Globalisation has made the position of trade unions more difficult than before. In a global market, enterprises can move from one country to another. This may have reduced the significance of national trade unions in the eyes of employers and public authorities, even if in reality globalisation underlines the importance of defending workers' rights.

Where trade unions struggle to exist it is quite understandable that they lack the resources and capacity to enter into a dialogue on education and training. But particularly in the field of skills development, unions could gain positive results by working together with employers. Involvement of both social partners can also support social stability. It is an important step in the development of a civil society.

In the beginning of this article I argued why the voices of the labour market must be heard in the development of education and training. Preparing them for this role is not just their own task. Public authorities in charge of policy

²⁸ European Commission social dialogue text data base: http://ec.europa.eu/employment_social/dsw/dspMain.do?lang=en

²⁹ Skills for Growth. UK National Skills Strategy adopted in 2010.

making or training provision need the inside knowledge that the social partners have of the labour market. It is therefore a matter of national interest to facilitate their involvement by providing the platforms and supporting the development of capacity.

Such capacity building must involve all tripartite partners. Representatives of social partner organisations need to be intimately informed about the education and training system and on national and international initiatives, such as qualifications frameworks. Without such knowledge they cannot think about what should be done to better serve the interest of people and enterprises in the labour market.

The European example of trade unions and employer organisations' participation in the Copenhagen Process is an example of such capacity building. By working together, all partners involved familiarised themselves with the material and developed their capacity to work together and to trust each other. At the same time, participation in policy making and working with common tools like the NQF helps to develop the required

knowledge and understanding of education and training. Social partners have a special role because their task is to bring the needs and viewpoints of work places into the equation. For that, social partner organisations must also work together with their own affiliates. Only in this way can they identify real and current needs and base their opinions on evidence.

The ETF can support national capacity building on social partner involvement in education policies. National social partners, including trade unions, should be invited to take part in ETF projects. Their opinion is required when Torino Process country reports are drafted. They should also be considered when the ETF is disseminating results of its work.

The whole European social model is based on respect for the autonomy and the capacity of social partners. This sets a clear target for countries that have applied for membership of the European Union. The pre-accession period should be used to practice bipartite and tripartite cooperation because such partnership is a core value of many EU initiatives and structures.

4. A MODEL FOR DEVELOPING AND OPTIMISING THE EFFECTIVENESS OF SOCIAL PARTNERSHIP IN TRANSITION COUNTRIES

Madlen Serban

INTRODUCTION

This chapter explores the development and the optimisation of social partnership. It builds on the experience of developing social partnership as part of a modern governance system within the broader framework of VET reform in Romania.

The chapter is based on the doctoral study I carried out hoping to reach a better understanding of the applicability of the concept of social partnership for a country in transition towards democracy and a market economy. The broader purpose was to identify ways of improving the efficiency and effectiveness of education and training policies. The research built on theoretical desk research and more practical action research.

The analytical model presented can also be seen as an attempt to use research to serve policy and practice in a concrete and challenging situation for a country in transition – in this case Romania, where I was deeply involved in VET reforms from 1996 onwards. There was, and still is, a demand for research and useable knowledge in education policy making that is not being met as well as it could be. Many observers have called for a reinforcement of so-called evidence-based policy making and for improved links between research and education policy making (OECD, 2007).

It is important to distinguish between different types of policy research, in particular between research *on* policy and research *for* policy. I entered my doctoral studies from a position as a practitioner actively involved in VET reform processes. My interest was therefore particularly stimulated by research *for* policy, which is more forward looking and concerned with solutions to practical problems. This problem solving approach is important in VET reforms in transition countries. However, in presenting the methodology and findings from my doctoral study I will be relatively theoretical. I will try to combine an example of research *on* educational policy – which is more critical, conceptual and evaluative – with research *for* educational policy, where the main criterion or ‘code’ is: does it work?

I will first give a brief overview of the Romanian country context. Then I will present the two different research

strands used. Finally the chapter will discuss the conditions under which a model for the development and optimisation of the effectiveness of social partnership might be applicable in other transition countries and perhaps even beyond.

ROMANIA – CHALLENGES FOR VET REFORM IN A COUNTRY IN TRANSITION

To understand the development and the role of social partnership in any given situation it is important to know its context. History and institutions matter in social structures. The experience presented in this chapter is based on the situation in Romania as portrayed, among many others, by Trif in 2004. The situation in Romania was very different from other countries in Europe.

The Romanian state started to play an important role in industrial relations at the beginning of the 20th century (Moarcas, 1999). The first Law on Collective Labour Contracts was adopted in 1929. As such, the state has acted as a legislator and a mediator, and has set down minimum standards since the 1920s.

Professional associations emerged after 1866 but until the Law on Professional Associations was adopted in 1924³⁰, they included both employers and employees (Burloiu, 1997: 366).

Following a general strike in 1920, the Law on the Settlement of Collective Labour Disputes was adopted. It was followed, in 1921, by the Law on Trade Unions, which recognised both the right of workers to conclude collective agreements and the obligation of the employer to implement them (Moarcas, 1999: 242). This law was abrogated in 1938, when the royal dictatorship was established. Unions were banned until 1944 (Burloiu, 1997: 369). Hence, there was a weak development of the trade union movement until 1945 because legislation hindered their organisation and the industrial labour force was small (Nelson, 1986: 108-109).

The process of industrialisation was not very advanced in Romania until 1945, so there were not many private

owners to organise. Besides, the Guild Law introduced in 1938 stipulated that the state recognised only one guild for each professional category, covering both employers and employees (Burloiu, 1997: 369). Although the Guild Law was abrogated in 1940, there was no reason to develop employers' associations during the royal regime because trade unions were banned.

After 1945 there would be no employers' associations either as there were virtually no private owners. The top managers of the state-owned companies represented their companies in the Chamber of Commerce, but this was a trade association with no role in industrial relations. Its main function was to promote and support import and export activities of the companies, as companies were not allowed to have direct contracts with foreign companies.

During the communist regime, the state (or the communist party in practice) was the main actor in labour relations.

The first Labour Code, adopted in 1950, changed the previous legal regulations in line with the political ideology of the new regime (Burloiu, 1997: 384). A new Labour Code was adopted in 1973, but in practice it did not bring any significant changes. On paper, employees, trade unions, top management and the state acted in full harmony to 'construct socialism' (Héthy, 1991). Full employment and wages that were generally not linked to economic performance led to overstaffing and low productivity. Wages did not act as price signals in the labour market and enterprises could not motivate labour with financial incentives (Héthy, 1991: 136). Furthermore, job security was guaranteed while labour mobility was discouraged (Pert and Vasile, 1995: 256). Labour relations were entirely based on the communist ideology.

The communist legacy meant that in 1989, the year of the revolution, the unions had very little legitimacy and lacked experience as autonomous institutions. Trade unions had experience neither with the practice of collective bargaining, nor with fighting for membership and organising themselves, nor with assuming an active role in democratic elections. They had to create new identities and learn new functions because the central communist union had lost its purpose with the collapse of the communist regime. For their part, employers' associations had been poorly consolidated before 1989 and lacked the relevant institutional practice.

Romania in the early 1990s was a fragmented society with a lack of trust, both in public institutions and among people. It was a country in transition, pursuing structural change towards a market economy and democracy. The planned economy almost collapsed and new decision-makers started the efforts to move towards a market-based economy by leaving pricing, production, and distribution decisions to the private sector.

In the years following 1989, a fundamental change in industrial relations and social dialogue took place in Romania: from a monopolist to a pluralist approach. The strategic choice, as in all central and eastern European countries, was to adopt a pluralist legislative framework in

which the social partners were guaranteed voluntary association and the right to bargain collectively.

The emerging system had new institutions, such as trade unions, employers' associations and a collective bargaining mechanism, even if these were still influenced by old attitudes. The newly created institutional framework aimed to facilitate the development of social dialogue, with an emphasis on cooperation between trade unions, employers' associations and the government (Miheş and Casale, 1999: 271).

The process of transformation in central and eastern Europe has not been straightforward and the economic, industrial and political heritage from the communist period still is a factor of note (Vickerstaff et al, 1998; Pollert, 1999; Martin, 1997; Vickerstaff et al, 2000).

Evidence reveals that the state still strongly influences legislation and employment. This is echoed by studies from elsewhere in the region (Martin, 1997; Vickerstaff and Thirkell, 1997; Pollert, 2000). This role of the state has been more extensive in countries such as Romania, where the overall transition towards a market-based economy was slower. Generally, the unstable and unpredictable environment, with immature and inexperienced social actors, meant that the level of state intervention throughout central and eastern Europe has remained higher than in western Europe.

Throughout the region, the collapse of the communist regimes led countries to embrace the way the main social partner institutions operated in western Europe, not least because this was a condition for joining the EU in 2004 and 2007. But the newly created tripartite institutions lacked experienced staff and their effectiveness in practice was reduced (OECD, 2000; Rusu, 2002: 31). How was a private sector to be born and who should represent it? Who would be the government's dialogue partners? Who would mediate between the worlds of work and learning? What would be the new signal system for supply and demand of qualifications?

Developing a culture of effective and efficient social partnership, and building capacity among the social partners was seen as an important part of the answer to these questions. Their contribution to human capital development, in particular to education and training policy making, was perceived as vital, so 'shaping' and 'empowering' became the action verbs that converged towards a model, after six years of action research.

SOCIAL PARTNERSHIP: THE OVERALL RESEARCH DESIGN

I will here go into some detail explaining how the research strategy was shaped. The approach was two-fold: **desk research** to develop a model from which variables were identified and tested through quantitative factor analysis and other statistical analysis, and **action research** undertaken in the field by working with social partner organisations and observing, documenting and asking what went on.

Consequently, the research design was constructed around two levels of analysis:

- the **macro level**, viewing from the outside, as an external observer and analyst of inter-institutional arrangements, with a particular interest in power relations, common identity formation and shared responsibility,
- the **micro level**, promoting an insider’s view, as a participant and actor of this new collective setting which is partnership.

At the macro level, the focus is on relations between already existing entities. This explains the emphasis on variables and the whole inter-institutional puzzle.

At the micro level, the approach is rather ecological and qualitative as the researcher is part of the game by being involved as an equal of peers, as a participant in action research seen as a process of interaction and joint venture development. This means that more attention is placed on group dynamics and organisational learning inside the emerging partnership. Here, action research is a learning environment as well as an important research tool, a way to get involved and share expertise, as well as a means to gather knowledge on partnership formation.

Theoretical and experimental modelling

In the absence of known systematic studies of the relationship between social partnership on the one hand and social capital, governance and values of participatory democracy on the other, the research focused on a definition of social partnership based on elements that allow an optimisation of its effectiveness.

We conceptualised social partnership as a form of inter-institutional organisation which preserves its own collective identity, its own organisational culture, and a set of prescriptive rules that are generated during social action. In order to validate this assumption, one of our general research objectives was to identify internal and external factors that influence the effectiveness, cohesion and organisational features of social partnership as a social learning environment.

Our goal was to monitor the following three dimensions, all determinants of the effectiveness of social partnership:

- the increase of the internal cohesion of the group,
- the increase of inter-organisational effectiveness,
- the formation of a new collective identity.

Social partnership was examined from two key perspectives: the social organisation of the partnership and its distribution of power.

Social partnership was modelled with the help of the factors which define its social space. The following variables were considered during the investigation:

- Control variables (time and group composition),
- Independent (predictor) variables (cause) and dependent (criterion) variables (effect, observable change).

The independent and dependent variables that were intuitively chosen and afterwards subjected to a statistical analysis against the theoretical and experimental models included the following:

Independent variable	Dependent variables
Increased internal cohesion of the group	Frequency of interactions
	Voting at last elections
	Declared trust in institutions
	Civic participation
	Participation in projects
	Location of the institution
	Participation in decisions

TABLE 2.2

Independent variable	Dependent variables
Increased inter-organisational effectiveness	Learning outcomes achievement level
	Time management
	Knowledge of the problem
	Communication
	Professional experience
	Problem solving

TABLE 2.3

Independent variable	Dependent variable
The formation of a new collective identity	Working method
	Interest in the work task
	Motivation for participation
	Availability for collective activities
	Position
	Age
	Gender

These variables represent all variables of the partnership-based groups and define the development of the social partnership in the research layout. After analysing the table the following variables were ruled out:

- location of the institution;
- age;
- gender;
- participation in decisions.

These scored below the previously defined minimum requirements.

As a result of the methods applied, we can observe changes in the selected dimensions as they are affected by the control variables 'time' and 'group composition', as represented in the configuration of **FIGURE 1**.

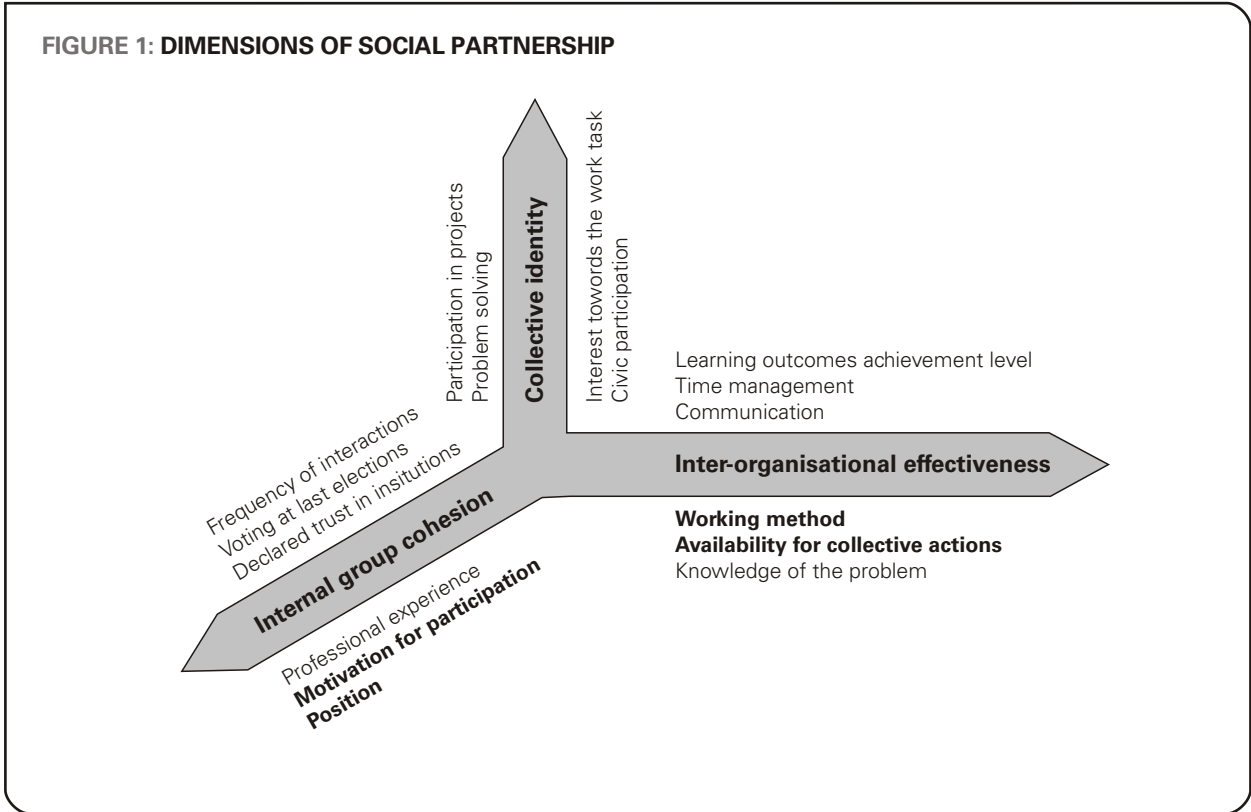
The interpretation of these data leads us to the following conclusions:

- social partnership is determined by a favourable learning environment defined by factors such as: openness for collective action, communication, interaction, trust in institutions, civic participation, interest in the work task, and motivated participation;

- social partnership is a complex learning environment fostering the participation of each social actor in their own learning process through a freely assumed (not imposed) working method, through peer-to-peer communication relationships (not authoritative relationships), through participation and in particular through interest in the task.

We noticed a direct correlation between the effectiveness of social partnership and its hierarchical composition. Collegiality and peer-to-peer relationships work best. We noticed for the group cohesion variable that position factor ranks 5 out of 6. Analysing the professional status of absentees we noticed that most of them have management positions. Consequently, we may assume that the leader profile does not impact on the nature of learning relationships but, in the initial phase of the partnership, it only influences participation. The nature of these relationships is determined by the type of governance within the partnership group, which is characterised by a flat pattern, where hierarchies are rather formal and functional.

The factors that obviously support the formation of a collective identity and the group cohesion, which in turn determine the effectiveness of the social partnership, are the willingness to solve the task and interest in good performance.



Measuring effectiveness

Social partnership effectiveness was measured by the results of specific tasks that were common to *all* members of partnership-based groups. The improvement of effectiveness was measured by the social interventions supporting partnership-based learning.

Performance was an aggregate indicator, associated with a set of dependent variables which define the three dimensions of partnership and which are, in our opinion, the most likely to change through targeted interventions for social learning.

The assumed correlation of partnership effectiveness with solving a work task that is common to all members of the partnership group was based on the

research hypothesis that such a work task represents a common action or a common project formulated in close correspondence with the common interest shared by all members of the partnership-based group.

The work task achievement by a partnership-based group is a social learning process. To support these learning processes, tailored interventions aimed at improving the effectiveness of group learning. As a consequence, the optimisation of social partnership effectiveness was achieved through differentiated interventions.

The added value of such interventions was measured against two aggregate indicators, each of them based on a set of variables, at five different moments, i.e. $t_0 \rightarrow t_4$.

TABLE 3

Factor	Dependent variables
F1	Learning outcomes achievement level
F2	Time management
F3	Frequency of interactions
F4	Working method
F5	Knowledge of the problem
F6	Interest in the work task
F7	Communication

This differentiation had a double purpose:

- (i) to adapt the intervention to the specific learning needs of each group;
- (ii) to maintain a control group which did not benefit from interventions in order to enable a comparative analysis of progress recorded.

The statistical analysis supplemented and verified qualitative observations, with the purpose of:

- (i) recording how the interventions shaped the behaviour of groups (factor-based analysis);
- (ii) measuring the impact of intervention on performance of the different groups (variance); and,
- (iii) allowing the most important forms of intervention for group performance to be identified (multiple regression).

The external assessment based on observation, focus groups and questionnaires monitored performance (RMP) defined by the following variables: learning outcomes achievement level, time management, frequency of interactions and working method.

Self-assessment tools were widely used. They contributed to avoiding routine and turned out to encourage learning. It was carried out with the help of questionnaires targeting the aggregated indicator named self-assessed performance (RAP). The factors used in self-assessment by the group members are: knowledge of the problem, interest in the work task and communication.

The findings of the statistical factor analysis, the external assessment and the self-assessments will be summed up in the next section and subsumed under the quasi-experimental model developed through the research to identify patterns which are optimal for effective social partnership.

The experimental model for optimising the effectiveness of social partnership

As mentioned in section 2.1, we worked from the assumption that social partnership represents a form of *inter-institutional organisation* which retains:

- its own collective identity;
- its own organisational culture;
- a set of prescriptive rules which are formed during the collective social action.

The collective action of multiple partners is efficient and effective when the common interest, negotiated and approved through consensus, becomes its main objective.

Social partnership is a *complex social learning context*. It is one of the key components of the lifelong learning system, alongside other forms of inter-institutional partnerships (school-family, school-community, school-company).

Our model is a dynamic one. It has an iterative character and is based on a coordinated, participatory and cyclical process of social learning.

In the following paragraphs, we shall present the results of the qualitative research based on systematic observations and analysis of data caught through questionnaires.

The iterative character of the action-based investigation aimed at documenting the gradual improvement of social partnership effectiveness, its causality and the conditions promoting or preventing increased effectiveness. The identification of causes was made before deciding on each intervention, so that we could build every intervening step on the results obtained through external assessments and self-assessments conducted after the common work task was carried out.

The graphic representation of this process is presented in **FIGURE 2** below.

At each of the measuring points from t0 until t4, progress (or decline) was recorded and the causes, which might explain this progress (or decline), were investigated. The expected outcomes were formulated in terms of the two indicators introduced in section 2.2:

- externally assessed performance – RMP
- self-assessed performance – RAP.

Both were defined as aggregate indicators of observable variables.

Psycho-social intervention assisted the social partners in solving their work tasks. Partnership-based learning was achieved, like in other learning-teaching processes, by way of optimising learning conditions.

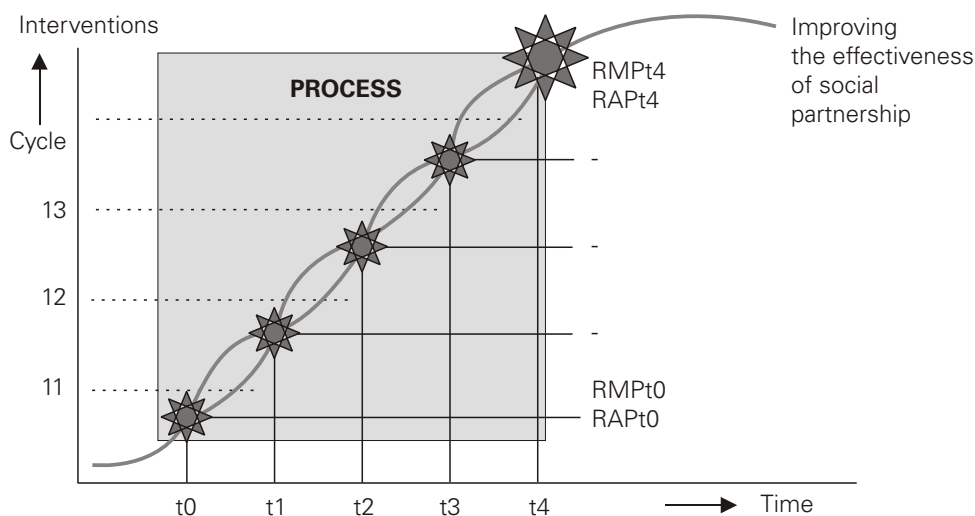
Our findings showed that the social influence of training provided the most significant added value for the performance of partnership groups. Partnership effectiveness appeared to be determined to a great extent by internal group cohesion and its collective identity. However, this conclusion is not validated by our data.

When referring to 'collective identity', it is important to note that the members of partnership-based groups attach high importance to a formally recognised identity, to a clear socially approved status and to being a so-called legal entity. Even if social partner groups wish to operate outside the direct sphere of influence of the government, their representatives prefer to work together in a structure that is formally recognised by the government.

Based on our analysis we can formulate the following statements:

1. It is important to carry out training for social partners. Among all activities, training seems to be the most effective intervention for activating social partnership, in particular when the group's

FIGURE 2: ITERATIVE AND DEVELOPMENTAL CHARACTER OF ACTION RESEARCH OF SOCIAL PARTNERSHIP



composition is decided administratively by the management of the involved institutions.

2. It is important to ensure capacity building at all decision making levels provided that there is a common vision and that the structures governing these decision making levels are consolidated.
3. Decentralisation is a priority for making governance more efficient but it complicates the development of a coherent systemic vision when adopting, implementing and assessing education and training policies. Therefore the cohesive force of effective social partnership is indispensable in a decentralised environment.

The results of this study on the development of social partnership in Romania suggest that the need for training among the various actors involved in social partnership also offers an essential intervention opportunity in many other countries.

In Romania, the need to empower social partners in order to ensure modern economic and social development remains and becomes even more pressing for reasons already mentioned. We launched the reform process with a clear choice in favour of a 'professionalisation' strategy which targeted all relevant institutional components in a participatory framework that from the very beginning included as many stakeholders in vocational education and training as possible.

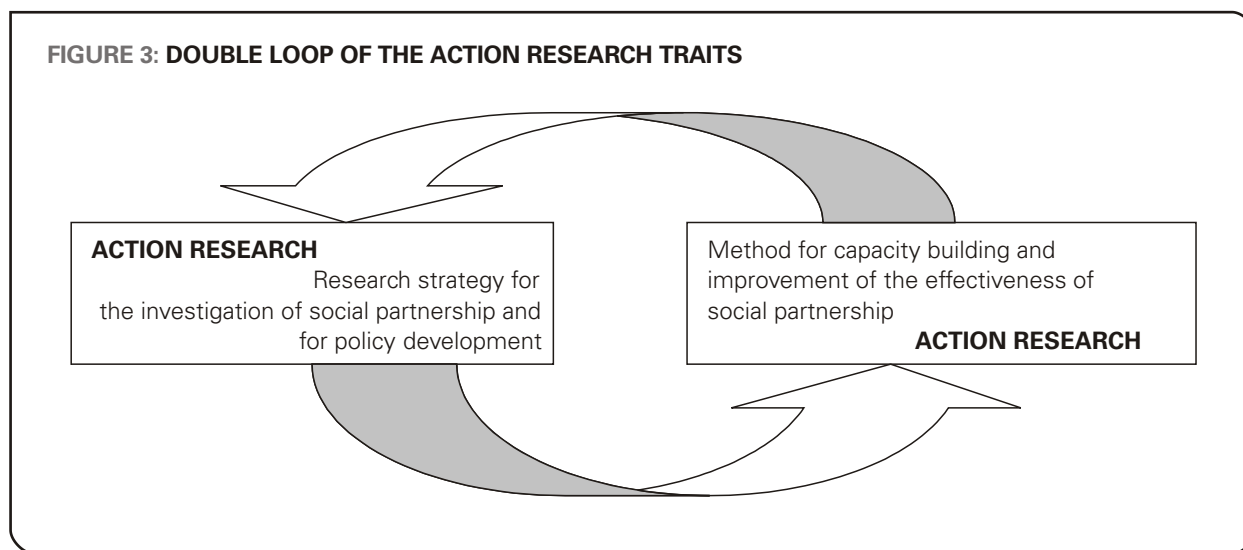
From this perspective, our experience shows that Romania must now shift its focus towards making social partnership more effective and efficient at the local level, by empowering social partners to bring about change from the bottom up. This would both help to inform and better balance the many efforts launched by centrally placed institutions. Multi-level governance, as indicated by our research, requires effective participatory institutions at all decision making levels.

ACTION RESEARCH AS A STRATEGY FOR BOTH POLICY DEVELOPMENT AND CAPACITY BUILDING

The other strand of the research strategy was action research which was used intermittently as a tool to achieve continuous capacity building of the social partners. The urgency of the transition context in Romania demanded more than a theoretical explanation of phenomena. There was a pressing need to facilitate development through targeted capacity building. Here our experience shows that joint learning through action research principles is a resourceful tool.

Action research can be described as a strategy for producing research-based knowledge, but most of all it concerns generating knowledge *in* and *from* practice. Today, action research has developed in a number of ways and paradigms, such as practice research, action inquiry and community action research. A common basis for all of these approaches is a normative ideal of participation and democracy in the research process. In fact, this ideal often becomes more important than the actual interest in the production of knowledge. Action research can be of direct instrumental use. It produces new *experiences* more than developing these experiences into new *knowledge* that is academically valid. Thus, one can actually distinguish between education research *on* policy and research *for* policy.

The formative traits of action research are not new. As Birzea (1990) mentioned in his work on the epistemological status of action research, this approach can be applied as (i) a research strategy, (ii) a method for social change and (iii) a method for continuing education.

FIGURE 3: DOUBLE LOOP OF THE ACTION RESEARCH TRAITS

As a method for continuing education, action research started to be made use of in 1957.

As a tool for capacity building, action research is in many ways similar to project-based learning, which has its roots in the works of Dewey and Kilpatrick. It focuses on experiential learning (as opposed to memorisation). Because it is action-based, it ensures a better coordination and complementarity of practice and theory in the learning processes.

What is new in my thesis, in addition to the use of action research for the investigation of social partnership, is the deliberate use of the action research method for developing and activating social partnership, promoting collective action to achieve a common project result. At the turn of the millennium, the preliminary findings of the PhD research were an important support to me as the coordinator of the VET modernisation process in Romania. They helped me to share the results with the key players, using this approach as a new method for policy development and institutional capacity building.

However, social partnership is in itself an ongoing project. As a result there is always a tension between project and reality – a gap which results from the inherent differences between the symbolic construction and the reality it reflects. Partnership represents the ideal shape, a perfect framework for expressing individual identities, yet its actual achievement depends on participants' interests, competences or institutional skills. As any symbolic construction, this perfect framework typically materialises in imperfect shapes. Imperfection means discomfort but should not lead to discouragement. The need for social partnership should not be questioned.

As a social action, partnership expresses itself through a combination of organisations, institutions and rules of the socio-political game – in this case the social dialogue. These rules reflect the power game at a

certain moment and in certain circumstances. Partnership does not exist *per se*, it does not exist only in the form of a written agreement or regulation. It manifests itself only through social action, through an actual project. Social partnership must not mean only formal meetings and half-baked measures taken on the basis of double or 'flexible' standards that serve the interests of one side only or of forces beyond the partnership.

The action learning activities in Romania thoroughly considered all of these aspects. The social partner organisations, the Economic and Social Council and the line ministries – education and labour in particular, all these institutions focused on experiential learning. Of the many lessons learned, the key one was perhaps that learning by doing is indeed the right method and infinitely better than just speaking about social practice. Technical assistance offered by experts who had never themselves practiced social dialogue was shown to have only very limited value.

Action research in regional and local development

One concrete example, which was also validated by the research, may illustrate how capacity development was carried out through the use of action research.

The challenge of developing the capacity of regional and local (county) multipartite bodies that were to be in charge of matching the VET supply with the labour market demand had to be faced. Matching supply and demand was and continues to be a hot issue and the social dialogue among multiple actors was and still is essential to solving this problem.

In Romania, Regional Education Action Plans (REAPs) and Local Education Action Plans (LEAPs) have been elaborated since 2000 by the eight Regional Consortia

(RCs) and 42 Local Development Councils (LDCs). These multipartite bodies are networks of the relevant institutions that are responsible for labour market development and education and training policies. They include governmental as well as civil society institutions. In Romania, social partner institutions were not always perceived as civil society organisations, therefore it is important to mention that other NGOs also participate. When we talk about education and training in relation to social dialogue for local and regional development, it is also important to underline the inclusion of both initial and continuing VET, and of secondary and higher education. Higher education has a crucial role to play due to its contribution to regional development and it provides the possibility for businesses to take advantage of the full vertical complexity of skills, while the learners can have career perspectives. From the perspective of the education providers, the results of the REAPs and LEAPs are a very important input to be used for planning the qualification supply based on an early anticipation of skills.

These networks of Regional Consortia and Local Development Councils were formed by administrative appointment of the members and there was a substantial need to empower their members to function properly in this new role. The national VET Centre in Bucharest was put in charge of this important empowerment activity.

The national VET Centre, which was created as a result of the first but perhaps most relevant EU financed (Phare) VET reform project in Romania that ended in 1998, is a key anchoring institution for VET reform. Capacity building among national, regional and local practitioners is one of its main functions. It carried out early and targeted interventions towards the social partners.

This VET Centre also took charge of the capacity building activities of Regional Consortia and LDCs, making strategic use of the action learning principle. The work of Regional Consortia and LDCs was organised so that it started progressively, with the VET Centre facilitating the elaboration of the plans at the beginning and then ensuring consistent monitoring and evaluation of results at a later stage. The main lesson learned was that it is important not only to formulate a project theme for the network, but that it is equally relevant to plan realistic actions that are concrete and achievable and that motivate and sustain continuity of work.

All members of the network, social partners included, had the chance to work together by using an action research methodology. The joint problem solving approach was essential for improving the professional role of the social partners in education and training, while capacity building based on unilateral communication or even negotiation turned out not to be very effective.

Summing up

This chapter intended, inter alia:

1. to summarise the critical path of research preparing for the development of a useful model for the optimisation of social partnership efficiency;
2. to underline, in connection with the development of social partnership, the cyclical nature of social interaction and learning processes, their iterative character, emphasising the importance of using the same set of variables and of maintaining comparability for application conditions;
3. to iterate a vision centred on the *reflective practitioner* concept, which we consider crucial for the model of shaping and increasing the effectiveness of social partnership;
4. to underline that the action research methodology is a highly useful intervention strategy for capacity building for social partnership.

What can other countries learn from the Romanian experience with social partnership development in education and training?

As has been mentioned, the many historical and institutional features that are peculiar to Romania should present a warning against any immediate generalisations. That said, the concept of social partnership is gaining ground in discussions about decision making structures in most of the ETF partner countries. It has been advocated in recent debates organised by countries from different regions with no immediate or even future ambition of joining the EU.

Any direct repeatability of experience is questionable, but practical experience from Romania (and other new Member States) could inspire similar developments in countries that are in a political and economic situation which bears similarities to that of Romania at the time when the social partnership institutions were developed. Although the term 'transition economies' usually covers the countries of Central and Eastern Europe and the former Soviet Union, this term may have relevance in a wider context and so may these countries' experiences. There are countries outside Europe that are emerging from central command economies³¹ and moving towards a market-based economy. Moreover, in a wider sense, the definition of transition economy refers to all countries which attempt to change their basic constitutional elements towards free market fundamentals. Efficient social partnership and promising intervention strategies to optimise the capacity of social partner organisations could also be a sensible approach in a post-colonial situation, in some heavily regulated Asian economies or in a Latin American post-dictatorship.

³¹ Though 'planned economy' and 'command economy' are often used as synonyms, some make the distinction that under a command economy, the means of production are publicly owned. As such, a planned economy is an economic system in which the government controls and regulates production, distribution and prices, while a command economy in addition has substantial public ownership of industry. Therefore, command economies are planned economies, but not necessarily the reverse. The roles of the government and its stakeholders, however, remain equally relevant.

5. SOCIAL DIALOGUE AND MODES OF COOPERATION IN EDUCATION AND TRAINING IN THE WESTERN BALKANS AND TURKEY

Evgenia Petkova

INTRODUCTION

In Europe, social dialogue³² has been recognised as an indispensable prerequisite for successful transformations in society and an integral part of good governance. Given the challenges faced by the Western Balkans³³ and Turkey in terms of EU enlargement and the need to carry out profound economic and social reforms, social dialogue has a crucial role to play here too. In the last decade, governments in the region have made efforts to establish a solid system of industrial relations, based on supportive legal frameworks and institutions. They have promoted bipartite and tripartite cooperation in a number of spheres, including that of skills and qualifications.

In 2010, the ETF undertook a participatory review of vocational education and training policies in its partner regions in the framework of the Torino Process. It was complemented by an in-depth study on the cooperation between education and business focusing on the policies, approaches, good practice and challenges for beneficial interaction between the world of work and the world of education which also served as an opportunity to reflect on the role of social dialogue in the partner regions.

The study on education and business cooperation was carried out in 27 partner countries and territories in eastern Europe, Central Asia, the southern and eastern Mediterranean and the Western Balkans. It aimed to:

- map existing cooperation between education and business;
- identify to what extent EU approaches and policies are relevant to neighbouring countries;
- provide tailored information and recommendations to national policy-makers and donors for future programming initiatives and capacity building measures.

In each of the countries involved, the study followed a common design comprising desk research, data exchange with partner institutions, focus group meetings and a workshop to validate the main findings and conclusions. During this intensive consultation process, the main

national stakeholders (representatives from relevant ministries, social partners, the education system, businesses and civil society) discussed the state of play and provided recommendations for the improvement of education and business cooperation.

Towards the end of 2010, the ETF produced 27 country reports³⁴ that summarised the key discussion points and messages. On the basis of the country reports the ETF drafted four regional reports covering the Western Balkans and Turkey, Eastern Europe, Central Asia, and the southern and eastern Mediterranean, as well as a cross-regional synthesis overview. All of these were published in the first half of 2011.

This chapter is based on the findings from the education and business cooperation study in the Western Balkans and Turkey.

THE REVIVAL OF SOCIAL DIALOGUE IN THE WESTERN BALKANS

Social dialogue in the Western Balkans was brought to a halt during the communist years that followed World War II. It was reanimated only after the collapse of the central command regimes in Yugoslavia and Albania. The process of dismantling the old social and economic structures and shifting towards a pluralistic society and market-based economy proved to be cumbersome. Governments had to take tough decisions and undertake unpopular measures at a high social price. They needed broader support and turned to the social partners to receive it, thus restoring the practice of social dialogue.

The revival of social dialogue in the Western Balkans was a matter of emergency and a crisis management necessity. It coincided, on the other hand, with the efforts the social partners were making to reinvent themselves after a long period of hibernation.

³² As defined by ILO: "All types of negotiation, consultation and information sharing among representatives of governments, social partners or between social partners on issues of common interest relating to economic and social policy."

³³ Comprising Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Kosovo (under UNSCR 1244/1999) and Serbia.

³⁴ All country reports are available from the ETF website at <http://www.etf.europa.eu/>.

The re-birth of social partner organisations in the Western Balkans was strongly supported by international organisations (Marinkovic, 2002; Viertel, 2010). The advice and assistance offered by the European Union, the International Labour Organisation (ILO), international financial institutions and international trade union organisations played a significant role. The process, however, was difficult; it followed different patterns and logic in the case of the employers' and of the workers' organisations.

Trade unions which have been able to keep their structures in the past had to re-gain their independence from the state and to switch from the mandatory membership of the old communist system to a voluntary membership and free organization (Kriestensen, 2008; Due&Mailand, 2003). Employers' organisations had to start almost from scratch since private businesses were in a process of emerging and so were business communities. At the same time, all Western Balkan countries had as legacies of communist times the quasi-state chambers of commerce and industry that used to coordinate inter-state trade and to mediate cross-enterprise disputes. Following the political transitions, the chambers were re-organised as public entities independent from the state, yet the requirement for compulsory membership remained³⁵, due to which their status of eligible social partners is often questioned (Duvanova, 2007; Kriestensen, 2008; Parkes et al., 2009).

When governments invited the born-again employers' and workers' organisations to share decision-making authority with them, the social partners were not entirely ready for this new role. They lacked bargaining skills and were preoccupied with serious issues related to their own development, yet had to respond to the challenge. Due to the fact that the restoration of social dialogue was initiated and driven by governments and came as a pressing necessity, rather than as a culmination of long-lived cooperation, mutual trust and confidence among the social dialogue parties in the region is still in short supply. The strong dominance of governments and the lack of appropriate capacity of employers' and workers' organisations to engage in equal interaction continue to characterise present day social partnership in the Western Balkans.

TURKEY

Unlike the Western Balkans, social dialogue in Turkey has a long tradition that has not been disrupted in recent decades. One of the features of current Turkish industrial relations is the split nature of its labour market structure, with almost half of all jobs being informal and lacking any social security or legislative provisions. Turkey is also marked by quite restrictive labour laws, a relatively strong confrontational culture, employers' hostility to unionisation, fragmented workers' representation, inter-union rivalry and competition, and resilient state

intervention (Serban et al., 2004; Sural, 2007). The strongest social partners in Turkey are the main employers' confederations (TISK, TESK, TOBB, TZOB) and trade unions (TURK-IS, HAK-IS, DISK).

Turkish legislation provides for the establishment of mechanisms and platforms for social dialogue at national, sectoral and enterprise level. The main tripartite structures for national social dialogue are the Economic and Social Council (established in 1995), the Labour Assembly (established in 1945), the Tripartite Consultation Board, the Minimum Wage Determination Commission, the Supreme Arbitration Board, the Commission on the Cessation of Work in Workplaces or Disclosure of Workplaces, the Social Insurance Institute, and other management and consultative structures under the Turkish Employment Agency (ISKUR). Bi-partite social dialogue platforms do not exist at the national level and only sporadically at the sectoral level. The latter are strongest in the metal, textile, construction and cement manufacturing sectors and primarily cover vocational training issues.

STRUCTURES AND THEIR INTERNATIONAL LINKS

In the Western Balkans and Turkey the will is strong to build pluralistic, market-based societies and to move away from the centralised, hierarchical governance model. Social dialogue is broadly recognised as an important tool in the transition and sustenance of a more decentralised governance pattern that is based on consultation and consensus with stakeholders. It allows large groups in society to be heard in the policy development and decision-making processes. Social partners in the region, however, suffer from relatively low membership rates. This calls into question their representation and the legitimacy of their opinions and positions. As noted in other analyses (Marinkovic, 2002; Serban et al., 2004; Parkes et al., 2009), social partnership in the Western Balkans and Turkey tends to be government-led. The social partners often feel marginalised or undervalued, while they struggle to enhance their capacity for consultation and negotiation.

National tripartite structures are the platform of choice for social dialogue across the whole region. Bipartite dialogue at the sectoral level and in private companies remains weak. Social dialogue at regional and local levels has not yet worked because the decentralisation process is slow.

The most important achievements of tripartite dialogue are the Economic and Social Councils that have been established in the last decade. They are tasked with advising governments on economic and social issues (where VET also plays an important role) in the Western Balkans, with the exceptions of Albania, Kosovo³⁶ and Bosnia and Herzegovina, where such a council exists in the Republic Srpska only.

³⁵ In most cases, compulsory membership is automatic for all respective enterprises registering their businesses and filing their documents with the state authorities.

³⁶ Under UNSCR 1244/1999, hereinafter for the purposes of this paper referred to as 'Kosovo'.

BOX 1. ECONOMIC AND SOCIAL COMMITTEES IN THE WESTERN BALKANS

The establishment of the national Economic and Social Councils in the Western Balkans was initiated by national governments.

In general, it is considered that national tripartite councils have played a useful role, particularly in the beginning of the transition process. They enabled a certain form of tripartite consultations between governments and social partners at a time when their countries were going through painful transitions. They helped social partners to gain national and international legitimacy. They also significantly improved social partners' access to information and helped them to gain experience in the process of policy making.

Notwithstanding these achievements, most of the tripartite bodies are still in their early stages of development and do not function as effectively as desired. Some do not meet on a regular basis: in the former Yugoslav Republic of Macedonia, the Council meets less than three or four times a year; in Montenegro, the Economic and Social Council did not function between 2001, the year of its establishment, and 2005.

In most cases the Councils have not yet established specialised committees or working groups as foreseen in their regulations. Many lack human, financial or technical resources. Governments, on the other hand, remain the most prominent, if not dominant, actors in the tripartite structures: they finance their operations, they run their secretariats through the ministries of labour, and to a large extent they determine their agenda and the frequency of meetings. There is a widespread belief among social partner organisations that they are not properly consulted before decisions are taken, or that the consultations are mere formalities and decisions not implemented.

Source: Minet. G., Some aspects of social dialogue from an ILO standpoint, ILO, Geneva, 2008

The EU and international organisations (ILO in particular) have actively supported the establishment of the Economic and Social Councils, as well as capacity building in general among social partners in the region through a variety of services ranging from technical assistance projects, training activities, technical seminars, advisory missions and regional meetings for the exchange of information and experience on common issues related to social dialogue and tripartism among the constituents in the region.

An important tool and impetus for enhancing the capacity of the regional social partners has been their affiliation to international networks of employers' and workers' organisations and their exposure to international good practice. The whole region is represented in the International Trade Union Confederation (ITUC), which is the main international organisation representing the

interests of working people worldwide. Turkish, Croatian, Montenegrin and Serbian employers' organisations are members of the International Organisation of Employers (IOE) which is a recognised communication channel to all United Nations agencies including the ILO, and to other international fora (see table in annex). Turkey also has an affiliate (TURK-IS) to the Trade Union Advisory Committee to the OECD (TUAC) and three members (TOBB, TISK and TUSIAD) of the Business and Industry Advisory Committee to the OECD (BIAC), which are international trade union and employers organisations, respectively, representing the interests of workers and employers from the OECD countries.

Given the EU perspective of the region, the affiliation to the European social partners, such as BUSINESSEUROPE, UEAPME, CEEP and ETUC³⁷, is of primary importance. Turkish, Croatian and Montenegrin employers have an observer or associate membership status in BUSINESSEUROPE and UEAPME. The Serbian Association of Small and Medium-sized Enterprises is also represented in UEAPME, while the Union of Turkish Public Enterprises (TBIK) is the only representative from the region in CEEP. In the European Trade Union Confederation (ETUC), syndicates from Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia and Turkey are represented (see annex).

THE IMPORTANCE OF TRADITIONS

The ETF's Education and Business Study reports have revealed that the involvement of social partners in education and training in Croatia and Turkey is stronger, more mature and delivering better results than in the rest of the region. When looking for possible explanations of this finding, it should be noted that these two countries have not only better performing economies, but also historically well-developed trade and craft sectors and a better developed infrastructure of their social partner organisations.

Craftsmanship in Croatia is centuries old. In the south of the country it dates back to Roman times, while the brotherhoods and guilds in the north belong to the Central European tradition. The first Chambers of Trades and Commerce were founded in Zagreb, Rijeka and Osijek in 1852. The activities of Croatian tradesmen before World War II were manifold: they were important local players and founded a number of cultural, social-humanitarian and credit institutions. After World War II, private craftsmen were pushed to the margins of the economy and their association was forbidden or suppressed until 1994 when the Croatian Chamber of Trades and Crafts was re-established.

In Turkey, apprenticeship has been part of the small business culture since the time of the Seljuk Turks in the 11th century. There were three levels of apprenticeship in Ottoman times: the apprentice, or *çırak*, the pre-master, or *kalfa*, and the master called *usta*. Only an *usta* was

eligible to take in and accept new *çıraks* for training. A boy would usually start the training process as a *çırak* at age 10-11 and finish as a master at the age of 20-25. Many years of hard work and disciplining under the authority of the *usta* was the key to the young apprentice's education and learning process.

In contrast, the long-standing fight of Montenegrins for independence and their centuries-long warrior history (especially during the Ottoman period) made heroic deeds and gallantry a norm in Montenegrin society, while producing the still dominant ethical ideal of *Čojstvo i Junaštvo (Humanity and Bravery)*. This mindset has deeply influenced daily life among Montenegrins and even their economic undertakings. Some occupations, such as crafts for instance, have never been popular in the country as they are perceived as an antipode of *Junaštvo* or heroic behaviour. This underdevelopment of crafts and trades has prevented the development of apprenticeship schemes and the nurturing of a tradition for involving employers in vocational education and training. The lack of tradition is one of the main reasons for the failed attempt of the government to introduce the option of alternate school and work-based learning in 2003. It did not catch on and was abolished in 2010 (Petkova, 2010).

SOCIAL DIALOGUE IN EDUCATION AND TRAINING POLICY FORMULATION

With the transition to market-based, open and globalised economies that make skill requirements very dynamic and volatile, all key actors in the Western Balkans and Turkey began to perceive social partnership as a key factor for equipping the labour force with relevant, flexible and adaptable skills. The European social model and EU standards have exerted a strong influence on legislation in the region too. There are now a variety of mechanisms and platforms for structured dialogue and consultations on issues related to education and training policy. Currently, social dialogue in the field of education and training in the Western Balkans and Turkey takes place predominantly in the form of conventional bipartite and tripartite structures.

Turkey set up a High Board of Vocational Training and Education in the 1970s to strengthen relations between the education system and industry. In 1986 a National Vocational Education Council was established in Ankara and Provincial Vocational Education Councils (which later merged with the provincial employment councils) were set up in every district.

The Western Balkan countries (with the exception of Bosnia and Herzegovina) have set up national VET councils (or similar structures) in the last decade. Some of the Western Balkan countries have also established national multi-stakeholder structures dealing with skills and knowledge in the context of lifelong learning, such as Adult Education Councils (Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia) and Qualifications Framework Councils (Croatia, Montenegro).

Regional and local partnership is almost non-existent in the Western Balkans, since the governance of the countries in general and of the education and training systems in particular remains strongly centralised and social partner organisations operate predominantly in a nation-wide context with very limited local and regional involvement. Social partners do sit on tripartite governing boards of regional and local labour offices as well as on the steering boards of public schools and vocational training centres (though not in Albania). A true regional dimension of social dialogue in education and training exists in Turkey only.

Sectoral social dialogue on VET exists only in Croatia and Turkey. Skills councils have been set up in Croatia in 13 sectors: (1) agriculture, food processing and animal health; (2) forestry and wood processing; (3) geology, mining, petroleum and chemical technology; (4) textiles and leather; (5) graphic technology and audio-visual media; (6) mechanical engineering, shipbuilding and metallurgy; (7) electrical engineering and computer science; (8) construction and geodesy; (9) economics, trade and business administration, (10) tourism and catering; (11) traffic and logistics; (12) health and social care; and (13) personal, safety and other services. Their main task is to establish a set of national qualifications following a revision of occupation standards that replaced the outdated occupation system with a modern, demand-led set of standards and qualifications (Parkes et al., 2009). Turkey has established sectoral Occupational Standards Committees with its Vocational Qualification Agency.

On paper, this south eastern European constellation of structures and mechanisms for social dialogue in education and training looks advanced and developed, but its outputs do not sufficiently feed into the national policy making processes. In fact, it is only in Turkey that social partners are deeply and actively involved in all stages of VET policy development. Just as an example, the Ministry of National Education has developed its Action Plan 2008–12 based on a participatory approach (Majcher-Teleon, 2010; Parkes et al., 2009). At the other extreme, social partners in Serbia and Albania have hitherto not yet been involved in VET legislation at all. They have only been consulted regarding future policy developments, without touching upon financial issues and budget allocations. Even the 2010 Qualifications Framework Law in Albania does not provide for the participation of social partners in the composition of the newly established Albanian Qualifications Framework Council (Viertel, 2010). Social partner engagement in, and influence on national VET policies is largely limited in Croatia to the thirteen sector councils (Parkes et al., 2009).

In Serbia and the former Yugoslav Republic of Macedonia, the National VET Councils were established only recently and it remains to be seen which topics will be put on their agendas, whether the economic and social partners will participate fully and whether their voices will be listened to. In July 2010, Montenegro decided to merge its councils for general education, VET and adult education into one structure. How this institutional streamlining will influence the dialogue with the social partners also

remains to be seen (Petkova, 2010). In Kosovo and Bosnia and Herzegovina, where national VET councils do not yet exist, consultations with social partners are conducted only on an ad hoc basis through inputs made at conferences, seminars, etc.

Thus, although the social dialogue bodies have an advisory statute and are supposed to generate new visions and strategies, in reality only a small proportion of VET policies in the region (mainly in Turkey) emerge from active dialogue with the social partners. While governments are supposed to provide a forum for consultations with the social partners, the respective legal and institutional arrangements have been put in place only recently or are subject to constant revisions and adjustments.

The existing platforms and mechanisms for social dialogue, on the other hand, are characterised by an imbalanced representation of the state and the social partners, the latter complaining that their voice is not appreciated and listened to. Even in Turkey, out of the 21 members of the National Vocational Education Council, 16 represent the government, three represent employers' organisations, one is from the trade unions and one from the banking associations. In spite of the rhetoric about the importance of social partners' contributions to the design and development of education and training policies, in practice governments in the region seem insufficiently willing to share decision making responsibilities and ownership with employers' and employees' organisations. Real tripartite dialogue demands that government and social partners act on an equal footing and take joint decisions with regard to VET development.

But it is too easy to simply put all the blame with the authorities. Social partner organisations have generally demonstrated insufficient interest and capacity in the dialogue with the state actors. Issues related to skills needs analysis, occupational standards, curricula development, programme accreditation, learning outcomes assessment are specialist matters and demand profound expertise, systematic involvement and well-prepared positions and interventions. Yet, being faced with burning issues, such as low, frozen and unpaid wages, mass lay-offs and poor working conditions as a result of the processes of restructuring, privatisation and the recent economic downturn, social partners have not been able to prioritise education and training.

SOCIAL PARTNER INVOLVEMENT IN EDUCATION AND TRAINING POLICY IMPLEMENTATION

The involvement of social partners from the region in the implementation of education and training policies is even more difficult to achieve than their participation in policy formulation because it is less regulated and institutionalised. Furthermore, it requires cooperation and coordination with the ministries responsible for education

and for labour, who are not always keen to embrace participatory and consensus-seeking governance approaches.

For their part, the social partner organisations have their own problems that hinder effective engagement in education and training practice. Many suffer from rivalry and insufficient capacity. Trade unions are highly fragmented and often fail to recognise the importance of their involvement in VET.

On the other hand, chambers (of commerce, of industry, of crafts, of the economy) play a very active role in education and training social dialogue in the region, especially in the area of qualifications and work-based learning. Chambers overlap to a great extent with employers' associations and compete with them for influence. As mentioned by Parkes et al. (2009), they are both part of recent history (rightly or wrongly seen as a historical part of government) and part of a more informal present and future, illustrating the extension of the notion of social partnership beyond bipartite and tripartite arrangements.

Employers in the Western Balkans are often perceived as being quick to criticise the education sector for failing to deliver the skills needed by the labour market without actually rendering support for its reforms, assuming that this responsibility lies almost exclusively with the state (Holmes et al, 2010; Klenha, 2010b; Petkova, 2010; Nikolovska, 2010; Van-Meel, 2010). There is, as noted by Sultana (2007), a strong disparity between the policy intentions of employer associations that are formally articulated through official documents and speeches, and the way these intentions unfold in reality. Employers are also perceived as being keener to see what they could gain from their involvement with schools (e.g. cheap labour from apprenticed students, identifying potential workers, etc.) than what they could offer schools (e.g. in terms of equipment, knowledge transfer, etc.) (Sultana, 2007).

In Turkey there is a strong awareness of the fact that joint efforts from the government and social partners are needed to ensure that the needs of the labour market are met. Employer associations, such as TISK (the Turkish Confederation of Employer Associations), place a great deal of emphasis on skills development and contribute to the planning, development and evaluation of VET through representatives on vocational education committees, both at the national and – through their provincial chapters – at the district level (Majcher-Teleon, 2010; Sultana, 2007). Furthermore, following the adoption in 2006 of specific legislation, a Vocational Qualification Agency was established in Turkey that is governed and financed on a tripartite basis. Its main role is to develop a Turkish national qualification system, including tripartite Occupational Standards Sector Boards and awarding bodies for the assessment and certification of qualifications. Similar activities and the active engagement of social partners in the NQF development take place in Croatia and Montenegro within the framework of EU funded projects.

A good mix of school-based and work-based learning within the national VET systems exists and is facilitated by employers' organisations in Turkey and to some extent also in Croatia. While VET is predominantly a school-based and state-run activity across the region, workplace learning is important for developing practical skills of students, as well as for preparing young people for the world of work and smoothing their initial transition to the labour market. Currently in Croatia 61 out of approximately 320 professions are trained through the apprenticeship system with the active involvement of the Croatian Chamber of Trades and Crafts. In Turkey the dual form of vocational education is available in 165 vocations and there are 178,000 apprentices in the system. Enterprises receive no incentives for participating in the dual training schemes, yet they have a legal obligation to provide training places. They also seem to have a genuine interest (or sense of moral obligation) to contribute to the training of the future labour force. The scheme currently includes mainly public enterprises, bigger private enterprises and more traditional craftsmen and artisan guilds (Majcher-Teleon, 2010). The Union of Chambers and Commodity Exchanges of Turkey (TOBB) not only encourages its members to participate in the apprenticeship scheme, but also invests efforts and resources in its innovation and transfer to tertiary education, as illustrated in the box below.

BOX 2: TOBB ECONOMICS AND TECHNOLOGY UNIVERSITY, TURKEY

Description: The university was founded by the Union of Chambers and Commodity Exchanges of Turkey (TOBB) with its campus in Ankara. Education is based on a trimester system and alternating cycles of academic and practical learning for students.

Start: July 2003

Results: Cooperation protocols with more than 500 leading companies in Turkey have been signed and have provided some 1000 workplaces; 60% of the graduates are hired by the companies in which they did their practical placements.

Source: Education and Business Study, Turkey, ETF, 2010.

This mediating role of the chambers in Croatia and Turkey is not repeated by their sister organisations in the rest of region. As a consequence, school-enterprise relations exist only on the basis of informal and often personal contacts, leaving the practical skills of graduates poor.

CONCLUSIONS

The Western Balkans and Turkey have recognised social dialogue as a driving force for successful economic and social reforms. The awareness within the region of the special merits that social dialogue has in such innovative areas as modernising the organisation of work, promoting equal opportunities and enhancing skills and qualifications is also growing. The region has made substantial progress in promoting the involvement of social partners in education and training policy making and practice but the ETF's Education and Business study and the analysis above also document that there is still very much room for further actions and improvement.

In the Western Balkans the strong legacy of half a century of centralised, predominantly vertical governance has left many traces that are hard to erase. Turkey does not have a tradition in participatory governance either. Therefore, the introduction of social dialogue and social partnership in education and training, which is synonymous with discouraging top-down, hierarchical methods of governing, faces difficulties and barriers related mainly to a lack of trust among the various actors and a lack of skills for implementing a different model of governance that relies on the collective efforts and contributions of all actors, rather than on the omnipotent state as the only policy making force. The switch to a new model needs capacity development among all stakeholders and a change of cultural stereotypes and mindsets.

Apart from contributing to better governance of education and training, social dialogue can also provide substantial input for improving the quality and relevance of education and training outputs. The Education and Business study reports have highlighted the development of work-related learning in both VET and higher education as a priority area for establishing action-oriented modalities of social partnership in the Western Balkans. Although relatively well-established in Turkey, VET and apprenticeship learning suffer from low attractiveness. Strong social partner involvement will be needed in order to include more practical training in VET and higher education curricula and to improve the status of VET in these countries.

An important platform for constructive and efficient social dialogue that has been gaining ground in the Western Balkans and Turkey is provided by national qualifications frameworks. Good momentum has been reached and efforts from all stakeholders are needed to sustain this and further develop their cooperative approach. The implementation of the other common European tools for cooperation and transparency, such as the recommendation on key competences for lifelong learning, the common principles for the recognition of prior learning, credit systems and quality assurance also need to be prioritised on the regional social dialogue agendas.

ANNEX : AFFILIATION OF SOCIAL PARTNERS FROM THE WESTERN BALKANS AND TURKEY TO INTERNATIONAL AND REGIONAL ORGANISATIONS

EU SOCIAL PARTNERS			IOE	ITUC	Adriatic Region Employers' Centre	Association of Balkan Chambers
BUSINESSEUROPE	UEAPME	CEEP	ETUC			
Albania				Confederation of the Trade Unions of Albania (KSSH); Union of the Independent Trade Unions of Albania (BSPSH)	Council of Employers Organizations of Albania (KOPSH)	Union of Chambers of Commerce and Industry of Albania (UCCIAL)
Bosnia and Herzegovina			Confederation of Trade Unions of Bosnia and Herzegovina (KSBiH)	Confederation of Trade Unions of Bosnia and Herzegovina (KSBiH)	Association of Employers of Bosnia and Herzegovina (APBiH)	Foreign Trade Chamber of Bosnia and Herzegovina (VKBiH)
Croatia	Croatian Employers' Association (HUP); Croatian Chamber of Trades and Crafts (HOK)		Union of Autonomous Trade Unions of Croatia (SSSH); Independent Trade Unions of Croatia (NHS)	Union of Autonomous Trade Unions of Croatia (SSSH); Independent Trade Unions of Croatia (NHS)	Croatian Employers' Association (HUP)	
Kosovo (under UNSCR 1244/1999)			Union of Independent Trade Unions of Kosovo (BSPK)	Union of Independent Trade Unions of Kosovo (BSPK)		
The former Yugoslav Republic of Macedonia			Federation of Trade Unions of Macedonia (SSM)	Union of Independent and Autonomous Trade Unions of the former Yugoslav Republic of Macedonia (UNASM)	Confederation of Employers of Republic of the former Yugoslav Republic of Macedonia (CERM)	Economic Chamber of Macedonia (SKM)
Montenegro	Montenegrin Employers' Federation (UPCG)	Montenegrin Association of Craft, Small and Medium-sized Enterprises (MACSME)	Montenegrin Employers' Federation (UPCG)	Confederation of Trade Unions of Montenegro (SSCG)	Montenegrin Employers' Federation (UPCG)	Chamber of Economy of Montenegro (PKCG)
Serbia	Serbian Association of Small and Medium Enterprises (SASME)	Confederation of Autonomous Trade Unions of Serbia (CATUS); 'Independence' Trade Union Confederation (NEZAVISNOST)	Union of Employers of Serbia (UPS)	Autonomous Trade Unions of Serbia (CATUS); 'Independence' Trade Union Confederation (NEZAVISNOST)	Union of Employers of Serbia (UPS)	Belgrade Chamber of Commerce (PKB)
Turkey	Turkish Confederation of Employers' Associations (TISK); Turkish Industrialists' and Businessmen's Association (TUSIAD)	Confederation of Turkish Tradersmen and Craftsmen (TESK)	Turkish Confederation of Employer Associations (TISK)	Confederation of Turkish Trade Unions (TURK-IS); Confederation of Turkish Real Trade Unions (HAK-IS); Confederation of Public Employees' Trade Unions (KESK); Confederation of Progressive Trade Unions of Turkey (DISK)	Turkish Confederation of Employer Associations (TISK)	Union of Chambers of Commerce, Industry, Maritime Trade and Commodity Exchanges of Turkey (TOBB)

6. THE VOICE OF SOCIAL PARTNERS IN THE DEVELOPMENT OF NATIONAL QUALIFICATIONS FRAMEWORKS

Jean-Marc Castejon and Borhène Chakroun

PURPOSE

This chapter focuses on the institutional learning process which has been initiated by the new outcomes-based approach to qualifications. Until now, most stakeholders in education have worked from a rather different approach to the organisation of education and training and the role of qualifications. The most efficient education and training systems relied on developing learning pathways located in specific institutional, occupational and academic communities and not on a detailed specification of outcomes.

This chapter argues that social partners have a key role to play in changing this education paradigm. They should ensure that the new outcomes-based approach continues to reflect shared practice aiming not only at recording what a qualified person can do or know, but also at preserving the institutional value of qualifications so that they are not separate instruments of reform but embedded and accepted features of education and training.

A national qualifications framework (NQF) typically looks like it can be borrowed from elsewhere. Many policy-makers are tempted to do so, particularly in times of increased mobility and international benchmarking. But an NQF must be embedded in its national context and it is precisely in ensuring this embeddedness that the social partners have a crucial role to play. Other tools can be used for international benchmarking. There is no reference to the role of social partners among the 10 criteria of referencing of national systems to the European Qualifications Framework because the EQF is not a national framework.

It is argued that NQFs increase the involvement of stakeholders in the development of qualifications, with the result that VET systems are more responsive to the needs of the labour markets in which they operate. In their discussion on the advantages of NQFs, Bjørnavold and Coles (2006) write that “the coordinating effects of NQFs, especially in terms of stakeholder engagement and institutional roles and responsibilities, make it more likely that broader, coordinated programmes of reforms can be proposed with confidence” (p.4). As such, NQFs would give employers’ and workers’ organisations a more important role to play in VET reforms, especially in developing agreed learning outcomes for qualifications (Tuck, 2007). Others (Young and Allais, 2009; Chakroun

and Jimeno Sicilia, 2009) consider that, although NQFs have this potential, the situation in developing countries – with social partners who are weak and lacking the capacity to play the role they are expected to play – keeps the public sector in the driving seat of the process.

This chapter tries to show that the role of social partners in the development of outcomes-based approaches to qualifications reflects the existing institutional framework of interaction among stakeholders and that the presence or absence of social dialogue will shape the resulting type of NQF. The case of France and of four countries in the Mediterranean region³⁸ will illustrate this view.

CHALLENGE

The recent trend of governments using qualifications as a driver of education reform, especially in the field of vocational education and training, has provided a growing body of literature on national qualifications frameworks. There is no doubt that global economic changes and the related changes in skills and knowledge demands force countries around the world to rethink the role of qualifications. So the rising tide of expectations among policy-makers should come as no surprise. And yet, there is no conclusive evidence that qualifications frameworks make a difference.

It is quite striking that so many countries (and from the point of view of the ETF, so many partner countries) have expressed the will to go for a national *framework* of qualifications (NQF) with no precise knowledge of what this entails. This knowledge is not hidden from them; it simply is not yet available. First assessment initiatives (e.g. by the ILO) have been based on very little evidence. The entire debate is still more conceptual than evidence-based.

In partnership with the ILO, the ETF is undertaking extensive research on international NQF development. The objectives of this study are to map the existing regional framework initiatives that currently exist, assess their progress of development and analyse the objectives of each of these frameworks, their impact on national frameworks, their interaction with other international initiatives, and their potential as tools to promote international mobility supporting broader policy initiatives.

38 This chapter does not describe in detail the structure and organisation of the social partners in the southern Mediterranean countries as this is already covered in Chapter 7.

The joint ETF-ILO study across 16 countries seems to demonstrate that, so far, the qualifications frameworks are not delivering the expected results: "The case studies in this study, comprising many of the countries which are most advanced in terms of qualifications frameworks internationally, clearly reflect considerable difficulties. In many cases, these difficulties are related to very specific contextual factors, as well as institutional arrangements and traditions in the countries which this study could not investigate in great length." (Allais, 2010: 111).

While more conclusive evidence remains pending, the ETF has expressed the view that the very process of modernising the qualification systems is in itself a positive move. The study rightly underlines difficulties, but these seem to be rather theoretical. It questions, for example, the feasibility or usefulness of promoting fully outcomes-based systems. This may be valid, but for the time being the concept of qualifications frameworks still appeals to all as it seems intuitively to offer answers to problems that most VET systems have faced for a long time, such as transparency, equity, access, pathways and status.

One of the reasons why a qualifications framework looks so appealing is that it forces relevant stakeholders around the table. This is especially true if the framework is designed to include all levels of qualifications from basic skills to postgraduate degrees. Involving all stakeholders is an achievement in itself. Understanding all technicalities and forming an opinion on the relevance of qualification reforms can already be a challenge in countries where traditionally the education or labour ministries have always been what we may describe as the Great Certifiers.

As any education reform stirs an existing institutional logic, it is inevitable that debate and tensions arise during a reform process that involves many stakeholders. Institutional changes occur through interaction between organisations and the resultant change depends on the bargaining power of each of them. "It is the bargaining power of individuals and organisations that counts. Hence, only when it is in the interests of those with sufficient bargaining strength to alter the formal rules will there be major changes in the formal institutional framework.", writes North (1990: 68). This insight into how institutional changes occur and especially into the nature of interaction between organisations must inform any work on NQFs. The central issue in fleshing out frameworks is that the interests of all involved parties – the educators, the educated, and the employers – are scrutinised *against each other*. Social partners are not just present to support the process, they are present to put forward social values that are the basis of the credibility and acceptance of a qualification by its users.

Alison Wolf (2002) has aptly described the irruption of the private sector in the qualification debates and has underlined the fact that outcome-based reforms are dealing with what should be vocational knowledge and skills. North writes that "the incentives that are built into the institutional framework play the decisive role in shaping the kinds of skills and knowledge that pay off" (1990: 78). Skills and knowledge that pay off are context-bound and

verifiable. As such they can be recognised. A certification is a 'signal' of qualification but it does not constitute a qualification. Diplomas and titles are only signals. The big challenge is to make them reliable for the world of work. So the outcomes-based logic is to be learned. If stakeholders gather around the table, they do so to learn together to align learning outcomes and qualifications and to identify the true qualifications through a screening process. This is a technical issue, a legal issue and a policy issue, and it goes without saying that it takes time to learn and to be qualified on qualifications. This is true for all stakeholders and especially of the social partners.

THE INTRINSIC VERSUS THE INSTITUTIONAL APPROACH

Institutional changes are path dependent³⁹ which means that history matters. No reform can therefore be successfully borrowed entirely from the outside (Chakroun, 2010). Reforms sustain certain things and change others. It is important to look at what the reform will change but equally important to look at what it will maintain. With the exception of Malta, EU countries which now operate a national qualifications framework (e.g. France, England, Germany) used classifiers before, which has made the transition to an NQF easier. Spain operated an embryonic framework around 1993 where social partners were the key players but they disappeared from the stage when the Ministry of Education took on a more prominent role.

Not all countries have shown equal enthusiasm for qualifications frameworks. A number, most notably those associated with the Germanic and Nordic traditions of education and training, have largely resisted the pressure to develop outcomes-based qualifications frameworks of the kind found in the UK and other Anglo-Saxon countries. The experience of those countries that have developed (or are developing) outcomes-based approaches of qualifications reform suggests that they tend to share a common notion of their intrinsic logic: what they hope the qualifications framework will achieve.

Intrinsic logic as defined by Raffe (1992) refers to the claim made for a reform, such as introducing a single qualifications framework, that is independent of the actual contexts in which reform might be implemented. It is the basis for any 'borrowing' of ideas between countries. Intrinsic logic claims to reflect national aspirations and is therefore closely associated with the political purposes of government. Intrinsic logic contrasts with institutional logic, defined by Raffe as the social, political and institutional contexts, the divisions, the power relations and interests that constitute them, and the role that contexts are likely to play in how a reform is implemented. The intrinsic logic of an outcomes-based framework is summarised in the following way by Michael Young: "First, by doing away with distinct types of qualifications, it fits in with the increased flexibility that is assumed to be a necessary condition of successful modern economies. Second, a single framework can in

³⁹ Path dependence explains how current choices are influenced by past practice, even though this past practice may no longer be relevant.

theory provide learners throughout their working lives with the confidence that they can transfer qualifications between sectors and move between jobs and places of study and at the same time accumulate 'credit' towards further qualifications. Third, the clear specification of levels means that in principle no one is excluded from obtaining higher-level qualifications, even if they do not have access to a university – nurses can become doctors and craftsmen can become engineers – at least in theory." (Young, 2001: 132)

In an institutional approach, qualifications are not treated as separate instruments of reform but as embedded features of the wider education and training system. In a case such as Germany, Young writes, vocational education is linked to vocational colleges for instruction, to universities for training vocational teachers, syllabuses, assessment methods and learning programmes, and to partnership between employers, trade unions and providers who are working within the overall leadership of the regional ministries, the federal minister and the National Institute for Vocational Education and Training (BIBB). Qualifications on their own are not used by these authorities as an independent lever for change. They rely on periodic reviews and clear input definitions based on syllabuses and learning programmes and progression depends on trust in qualifications by peers within the tripartite 'dual' system and social partnerships created through institutional links.

An institutional approach corrects the shortcomings of the intrinsic approach: the credibility of a qualification is only partly based on its record of what the person who is qualified knows or can do. Of far greater significance is the trust that society in general and specific users in particular (those with the responsibility of selection, recruitment and promotion) has in the qualifications. In the case of Germany, this trust has been embedded in various forms of communities, such as trade and crafts associations. These 'communities of trust' have taken time to become established and have developed their own forms of exclusiveness and resistance to change. However, if new communities of trust are not created to give substance and add practical experience to criteria, new outcomes-based qualifications will not gain credibility among users.

Social dialogue is a vehicle for embeddedness and it is a platform which helps to avoid the abstractions of intrinsic logic. With the new relationship between qualifications and learning outcomes, new communities of trust need to be created, but not through the current strategy of establishing employer-led organisations with the responsibility for developing and imposing national occupational standards. In sectors with a long tradition of apprenticeship and college-based programmes, such as engineering, employer-led sectoral organisations can take the lead because they build on an existing community of trust.

Trust can be threatened by credential inflation, which denotes a situation where the value of a qualification in the labour market declines over time as more people acquire this qualification. "As more and more people

acquire a given level of qualification, it becomes less useful for employers as a basis for selection. Employers, consequently, demand higher and higher qualifications for the same job [...] The steadily increasing demand for higher levels of qualification in the labour market cannot be explained in terms of increasing the skills requirements of jobs in themselves (contrary to the logic of human capital theory). Rather employers raise credential demands in pace with the increasing qualification level of groups from which they wish to recruit employees. At the same time, successive generations of students have to gain higher levels of qualification to keep pace! This expansionary dynamic creates a vicious upward spiral within which each generation needs more education than the one before simply in order to maintain the same occupational level." (Moore, 2004: 100)

Michael Young and Alison Wolf are not optimistic about the multiplication of qualifications. The English case with its multitude of qualifications might be extreme but the case of France is also telling. The Ministry of Education has 620 diplomas, the Ministry of Agriculture has 160 diplomas, and the Ministry of Labour has 260 diplomas. In higher education there are 40 post-secondary diplomas (*Diplomes Universtaires de Technologie*), 2000 bachelor degrees of which 1700 are vocational, 8000 master degrees and 500 engineering degrees. These are granted by universities in the name of the state. Vocational qualifications (*Certificats de Qualification Professionnelle – CQP*) include around 600 certificates delivered by about 50 sectors. Of these, 100 are actually registered in the national classifier. Diplomas are registered upon request by the ministries. They total 1600 and their numbers are increasing by the day.

So there is room for reasonable disagreement about credential inflation. An approach is needed that does not only rely on employers generating demands for more qualified people but also on the more social demands of learning. These social demands can only come from the trust that qualifications at large inspire. The next section describes the way in which France has used a readability principle to screen its qualifications system in order to weed out diplomas which can be considered a signal of qualification for all users. The case of France is chosen because in this country the reform of the qualification system is embedded in a wider lifelong learning policy that aims at aligning the social demand for learning with employability.

THE CASE OF FRANCE

France offers a good example of path-dependence in the sense that the national qualifications framework has made so *little* difference in the on-going reforms.

In the early 1970s, rising unemployment and the need for massive re-skilling among workers laid the ground for a continuing education system that was based on the principle that initial and continuing training should target the same qualification. Faced with the problem of identifying among the huge number of existing diplomas those which acted as a qualification signal or indicator, the

choice was to reserve the term 'qualification' only for those diplomas that were related to both a level and a field of training.

Initially, the duration and the quality of training were considered relevant defining features but as lifelong learning principles came to dominate the discourse, the reference to the duration of training lost its value and the quality of a qualification came to be measured by its relevance for the labour market, the extent to which it had been developed on the basis of job analyses, and how well it defined what competences needed to be assessed. An inventory of diplomas recognised as indicators of qualification was created at the end of the 1990s by the Centre de Recherche sur l'Emploi et les Qualifications (CEREQ) and this new inventory became the classifier of national qualifications in 2002. So when the recommendation on the European Qualifications Framework came in 2008, it simply became the national qualifications framework.

"The French decision to call 'certification' what the rest of the world calls qualification indicates that the definition of outcomes – which is a feature of all qualifications – changed from being a guide for those devising assessment and curricula, to an indication of a person's capabilities, to claiming to be a precise definition of a person's competence or what he or she should be able to do" (Young p. 122). The French definition of a 'qualified person' is the following: "a person is said to be qualified when she/he has demonstrated a set of knowledge, know-how and aptitudes which allow her/him to carry out a combination [*combinatoire*] of activities in a given professional context, at a given level of responsibility and autonomy". (Anne-Marie Charraud, 2010). Certification is described following a unique format which has to include the competences that have been assessed as well as the activities targeted.

Only the diplomas considered as indicators of qualification are registered in the *Répertoire National des Compétences Professionnelles*. The 2002 law aimed at clearer descriptions of people's competences for the world of work as a way of combatting rising unemployment. This was based on the belief that owning a formal diploma was the best way to find a job

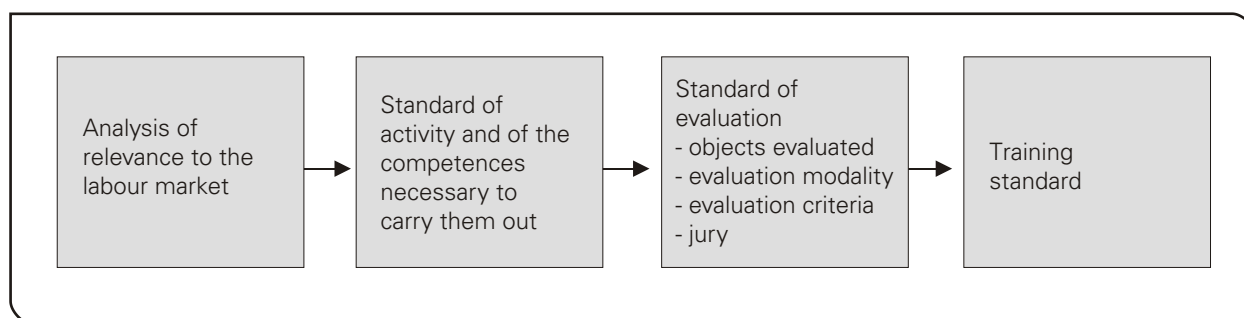
for people if this diploma gave evidence of a number of years of professional experience. As a result, not all the diplomas in France could act as evidence of a qualification. The only eligible diplomas now are those that are the result of tripartite consultation. All policy decisions pertaining to vocational training in France must be the result of negotiations between social partners, the conclusions of which are translated into law. The logic applied to the registration of qualification in the national repertoire is that qualifications resulting from tripartite consultation are registered first. Requests for the registration of qualifications that are not the result of such consultation are examined by a national committee which itself is composed of representatives from the state and from the social partners. A ministerial decree then ratifies this registration.

As a result, the national framework includes three registers of qualification:

- Vocational diplomas, whether delivered by the state or not, that are registered by law. The main ministries ('the certifiers') have tripartite Vocational Consultative Committees (*Commissions Professionnelles Consultatives*) with state, employer and employee representatives. Their task is to assess the relevance of a qualification to the labour market, to describe the job and the competences needed to occupy it, and to define the evaluation standards.
- Vocational qualifications (CQP) delivered by economic sectors, registered upon request and defined in the framework of a national parity committee composed of representatives of employers and employees.
- Diplomas registered upon request by public and private bodies, chambers and ministries which do not have any national committee (such as the Ministry of Defence).

The outcomes-based approach to training is a new exercise for social partners and the process leading to the registration in the national classifier is a learning exercise for all. It goes through the following phases:

In the case of continuing training in France, certification applies evenly to initial and continuing training. In cases



where a certification is not registered in the *Répertoire*, the courses cannot be refunded by the state to the companies.

MEDITERRANEAN PARTNER COUNTRIES

Most countries around the Mediterranean have embarked on NQF initiatives with various success and various degrees of progress. A closer look at developments in Maghreb (Tunisia, Morocco) and Mashrek (Jordan, Egypt) countries shows that both regions have taken opposite paths to national frameworks and this is reflected in the role and involvement of social partners in the initiatives. Mayen (forthcoming 2011) refers to groups of countries with regard to the role that social partners play in the VET systems.

The Mashrek (Egypt, Jordan) is influenced by Anglo-Saxon traditions and here the intrinsic logic seems to prevail: the quasi absence of social partners shows that the state perceives the value of an NQF as part of an over-arching vision for the VET system. For example, the task of implementing the NQF in Egypt has been delegated to one organisation, the National Agency for Quality Assurance and Accreditation. This is part of a wider cultural and historical tendency to promote change through regulation rather than through consultation and consensus building. This comes with a real risk that the NQF is developed in a vacuum because key institutions, such as ministries and federations are not on board initially and ownership is not ensured. Tripartism is unknown in the region. Public-private partnerships do exist and are described in this way by Mayen:

“It is a phase where government and the private sector interact following a bipartite approach in the active implementation of projects (rather than policies). Trade unions are not engaged in an active way or are not associated. Cooperation between employers and the government is based on a Memorandum of Understanding with a role played by one or more employer institutions which become engaged in various activities, such as training needs analysis, guidance and counselling, management of schools, curricula development, definitions of qualifications, etc. There is no long-term history of involvement of social partners in policy making”. (Mayen, op.cit.: 31)

In the Maghreb region, Morocco and Tunisia show much more of an institutional logic. Mayen writes: “In Morocco, social partners are deeply and influentially involved in VET. In Morocco, the new labour law has activated the role of both employers (CGEM and CCIS) and employees (UMT and UGTM) in decision making. VET is included as an issue in collective bargaining. Social partners are directly engaged in the management of the continuing vocational training system, including its financing.” (Mayen, op.cit.:14).

As explained above, in France social partner representation is quite common in the organisation and even in the delivery of VET. In such a situation, an NQF

needs the full support and input of employers’ and workers’ representatives. The limited development of VET in Mediterranean countries is generally mirrored in weak institutional support to advisory and managerial roles for the social partners (Sweet, 2009). This leads to a paradoxical situation in relation to NQFs: whereas private sector or social partner involvement is presented internationally as a *sine qua non* for NQF development (Bjørnavold and Coles, 2009; Tuck, 2007), in southern Mediterranean countries involved in NQF peer learning projects, governments are sometimes reluctant to involve social partners or social partners show no interest in participating. In the report on NQF peer learning activities in the southern Mediterranean region, Feutrie and Mghirbi (2007: 13) highlighted the difficulties encountered in this regard, noting that “in Tunisia social partners have been involved at an early stage of the project, although for the moment they are adopting a wait-and-see attitude. The others have not yet reached this point. The social partners are not involved at present in Jordan, and planned participation is restricted to the economic stakeholders. In Egypt, the plan is to involve the social partners at the beginning and end of the project implementation process. In Morocco, their participation is currently regarded as premature.”

There is a fundamental difference between institutional and the regulatory approaches in terms of social partner involvement, as they refer to different types of policy making. An institutional approach is embedded in a vision of the state where social equity of access to education and the redistribution of wealth are valued. Hence, the importance of collective bargaining. A regulatory vision of the state is in pursuit of efficiency above all. Public powers are transferred from legislatures that are perceived as unstable to independent authorities capable of making long-term commitments without interference from the public.

In the first case, the social partners are involved in the process whereas in the other they are merely informed about the process of changes. Institutional approaches will unfold where there is a quasi monopoly of qualifications by the state, whereas the regulatory approach will develop in the historical absence of such a monopoly. It is thus likely that under an institutional approach the management of the qualifications framework would be placed in the hands of a public committee accountable to the state (like the CNCP in France and Tunisia), whereas under a regulatory approach this role would go to expert agencies whose role is to regulate a market of qualifications from which the state is absent (Egypt, Jordan, Scotland, England). The logic of regulation is an increasing severance of expert authority from the public domain. Reliance upon qualities such as expertise, credibility, fairness and independence is considered more important than reliance upon direct political accountability. Moreover, “the beauty of regulation is that it requires minimal funding – just the salaries of a handful of experts – since the cost of regulation is borne, not by regulatory authority, but by the bodies or individuals subject to its rulings.” (Anderson, 2010: 109).

Such differences (institutional equity versus intrinsic efficiency approaches) have far-reaching consequences for policy making and especially for the type of qualifications framework which is possible in each of the two cultures. Equity approaches are redistributed in search of social equity: it is a zero-sum game in which one group must lose what the other obtains (what collective bargaining is all about). Efficiency approaches on the other hand can be thought of as positive-sum games where everybody can gain, provided the right solution is discovered. Agencies have the mission to discover such solutions as independent authorities. But social partners are not called upon in this case. So a single solution to these different contexts will not be possible. However, everywhere capacity building of the social partners is required either for them to play an active role in collective bargaining or to decipher the functions of regulatory bodies which the intrinsic approach to NQFs will cause to proliferate behind grey acronyms (Ofstel, Ofgem, Ofreg, Ofwat in England, NAQAA, EOS and others in Egypt). A different idea of democracy is at stake in each case (Majone, op cit.: 52).

CONCLUSIONS

The description of the two approaches to qualifications frameworks in this chapter is not meant to portray good against bad practice in NQF development and implementation, but to show that the road to change is highly context-bound, and that this road is to a large extent determined by existing practice in policy making. Where the role of social partners is institutionally

ascribed, capacity building will help them to increase their bargaining power because the space for negotiation is built into the policy making system. This is the case in Tunisia and Morocco. In other countries, social partners play only a consultative role which reflects civil society, but this role too requires capacity development.

The ETF is developing regional projects on social partnership to contribute to this capacity building and to mutual learning among different actors. What both models have in common is the fact that consultation is a key element throughout the process, even if it is not evenly embedded in policy making. In its role of facilitator and go-between, the ETF respects national differences. This involves clarifying in each case the challenges at stake and fostering necessary policy dialogue across widely different legal contexts so that a common language is used by all. With the western wind of regulatory approaches blowing over Europe and its partner countries, and the perspective to see qualifications flourish in a free market out of public control, the voice of the social partners must continue to be heard. It is one of the most crucial communication channels of the community of learners.

The sense and rationale of ETF support to qualifications frameworks development in partner countries are described at length in a recent publication (Jean-Marc Castejon et al., 2011) which summarises the experience of the ETF to date in terms of support to design and implementation of NQF. The weight of social partners in the process is amply analysed in 20 ETF partner countries.

7. SOCIAL PARTNERSHIP IN VOCATIONAL EDUCATION AND TRAINING: THE CASE OF EIGHT COUNTRIES OF THE SOUTHERN MEDITERRANEAN REGION

G rard Mayen

INTRODUCTION

Reforming education and training to make it more relevant to labour market needs is an urgent issue in the EU's partner countries in the southern Mediterranean⁴⁰. These countries are characterised by rapid population growth and a large informal sector. Their economies are run by very small and medium-sized enterprises. In the region, social partners play very diverse roles in VET policy and decision making⁴¹.

Against the backdrop of an introduction to the European reference context, this chapter will look at the different environments in which social partnership in VET is activated in the region. Country by country, the chapter provides information on the current set-up for (or absence of) social partnership in VET. After identifying strengths and weaknesses, the chapter concludes with suggestions for improvement by formulating a set of recommendations and policy options covering the development of institutional and legislative settings, the need to help social partners to learn to deal with VET issues, and more generally the need for donors and international institutions to put more effort into supporting social partners to play a role in VET policy and decision making.

BACKGROUND

Recent meetings that have brought together ministers and social partners from the region under the umbrella of the Union for the Mediterranean⁴² have concluded that involving social partners in the process of education and training reform can help to make it more relevant for countries' economic needs.

"Successful social and employment policies require the involvement of all relevant stakeholders, particularly the social partners. In this connection, the cooperation of

social partners across the Euro-Mediterranean region should be further developed,"⁴³ concluded the conference of the Euro-Mediterranean ministers of foreign affairs held in Marseille in November 2008.

In the same year, a conference of employment and labour ministers of the Union for the Mediterranean held in Marrakech, Morocco, confirmed the "crucial importance of effective social dialogue for enhancing employment, employability and decent work in the Euro-Mediterranean countries". This was corroborated in a framework for action adopted at the conference⁴⁴. The conference urged the countries to promote bipartite dialogue between employers and trade unions, to enhance their contribution to managing economic and social change and to reinforce the capacity of the social partners.

At another conference in Brussels in November 2010, ministers set out nine priorities. These included the reinforcement of vocational training systems, the promotion of social dialogue and the cooperation of social partners on this subject.

Following up on the 2008 Ministerial Conference, the first Euro-Med Social Dialogue Forum was held on 11 March 2010 in Barcelona. This was the first opportunity for social partners and ministers from across the region to meet and discuss common challenges, particularly the training and employment of the growing cohort of young people.

Several other initiatives have existed for some time. These include the TRESMED project implemented by the European Economic and Social Committee, which began in 2001 and helps to strengthen the role of economic and social agents in decision-making processes in the Euro-Mediterranean partnership, and the Euromed follow-up committee which was also established by the European Economic and Social Committee and helps to raise awareness on social partnership and strengthen the capacity of social

⁴⁰ This chapter focuses on: Algeria, Egypt, Jordan, Lebanon, Morocco, occupied Palestinian territory, Syria, Tunisia.

⁴¹ This chapter is based on the content of an ETF study prepared in 2010 on the role of social partners in vocational education and training in the southern part of the Mediterranean region (Mayen, 2010). In this study more in-depth analyses of policies, structures and functions can be found.

⁴² The Union for the Mediterranean is the successor to the Barcelona Process for cooperation between the countries of the Mediterranean region.

⁴³ http://www.europa-eu-un.org/articles/en/article_8272_en.htm

⁴⁴ http://ec.europa.eu/external_relations/euromed/conf/employment_health_conclusions_1108_en.pdf.

partners. Supporting this work, the final declaration of the Euromed Summit of Economic and Social Councils and Other Institutions held in Rome in November 2010 called for the modernisation of vocational training systems and for close involvement of the social partners in vocational training.

SOCIAL DIALOGUE IN VET – THE NEED FOR A COMMON DEFINITION

The concept of ‘the European social dialogue’ comprises the discussions, consultations, negotiations and joint actions among organisations that represent the two sides of industry: employers and workers. It comes in two forms, both referred to as social partnership. A tripartite dialogue involves the public authorities, while a bipartite dialogue is limited to just employers and trade union organisations.

European social partners themselves define the term social dialogue rather narrowly, reserving it for their bipartite, autonomous work. Whenever European public authorities are involved, the social partners prefer to speak of a tripartite dialogue. In the field of human capital development and more narrowly in vocational education and training (VET), social dialogue can take place at different levels (national, regional and local) and addresses the lifelong development of competences and qualifications in line with economic requirements.

In the field of VET, evidence shows that none of the countries of the southern Mediterranean region would comply with the narrow European definition of the topic.

SOCIAL PARTNERSHIP AND VET – A REALITY, BUT NOT A TRADITION

All countries of the region accept that they need to modernise their education and training systems to make them more responsive to the needs of the labour market and compatible with the principles of lifelong learning. The tradition of centralisation and disproportionate public sector employment levels, coupled with a large informal sector and a plethora of small and medium-sized enterprises are real challenges that need to be tackled. These issues are exacerbated by the fact that their populations will continue to grow until at least 2020, putting massive pressure on labour markets to absorb the newcomers. For these reasons, the reform of the education and training sector has been identified as one of the most important engines for economic development in the region. Slowly but surely, demand-driven systems are replacing the supply-driven and centralised systems, which lack the flexibility to adapt to fast-changing economic needs.

This recent shift has put the issues of social partnership high on the agendas of most of the countries in the region. Well-functioning demand-driven systems require the involvement of employers in policy design and governance, while individual interests (of students, unemployed people and employees in continuing training) can be taken into account by engaging trade unions in the policy discussion so as to ensure that relevant skills are taught to enable greater mobility and increasingly active citizenship of students and workers.

The choice of official representation of social partners varies from country to country and the modus operandi for partnership are legally defined in each local context. In most cases, these partnerships already operate in a form of tripartite social dialogue as defined by the International Labour Organisation (ILO)⁴⁵. For employers, in some countries (Jordan and Syria) the chambers of commerce and industry are considered the official partners of the government in tripartite negotiations, while in others (Algeria, Egypt, the occupied Palestinian territory, Morocco and Tunisia) employers’ federations play this role. On the trade union side, in all countries except Morocco employees are represented by a single trade union federation. In Morocco several trade unions work closely with the government.

Although social partners participate in a range of discussions and agreements with national governments, without exception vocational education and training is so far rarely considered as a regular and permanent agenda item during formal tripartite collective bargaining discussions.

A combination of several factors still limits the effective participation of social partners in vocational education and training development. Traditionally, VET policies are elaborated by the authorities through a top-down and centralised governance process. This offers little space for other constituents of civil society in the decision making process. The legal environment often limits the social partners to a consultative role when they are engaged in decision-making processes.

At the same time this top-down approach may be reinforced precisely by the lack of an active involvement of industry associations, employers’ bodies and trade unions and lead to a lack of commitment from their part to engage in human capital development. A large number of social partner organisations are not prepared or keen to engage in a field that they are not sufficiently familiar with and that, so far, they do not consider strategically important. A limited number of them have a clear policy regarding VET and more generally human capital development but the reality is that only a few organisations have internal structures enabling them to elaborate strategies, follow-up on policy development, provide support to their members in charge of VET issues in councils and on boards, and provide analysis and targeted technical input in the implementation of national, regional and local policies. The weak capacity of trade unions and

⁴⁵ The ILO defines social dialogue as including “all types of negotiations, consultation or simply exchange of information between, or among, representatives of governments, employers and workers on issues of common interest in relation to economic and social policy”.

their limited involvement in human capital development is a persistent issue.

Generally, representation of trade unions is lower than that of employers. This could be linked to the fact that trade unions often do not consider training and human capital development as a high priority in countries where labour and employment discussions constitute the most important part of the social dialogue and where social benefits are often lacking.

Finally, across the region, there is no formal umbrella organisation for social partnership or dialogue as there is in the European Union. A structured policy framework or forum for social dialogue in which all countries could engage does not exist, but its establishment in the context of the Union for the Mediterranean is an initiative that could help to coordinate and reinforce links between social partners.

DIFFERENCES ACCORDING TO NATIONAL CONTEXTS

To a varying extent, national conditions for social partnership are established in all countries. Employers and employees are officially represented as recognised institutions acting in a legal and organised context, and 'official' social partner organisations are active in a number of discussions with governments regarding social and employment issues. Local legislation and arrangements appear to be the most important factor determining the extent of their involvement in human resources development issues.

In reality, in the field of VET only Morocco and Tunisia have elaborated formal and efficient tripartite structures that act in a way that may be considered close to the experience of European Member States. Their coverage ranges from decision making to implementation in a limited number of priority sectors. It is remarkable to note that these two countries, which to some extent replicate a model elaborated in one of the EU Member States (France), are also those which have elaborated structured models for continuing training. This may, however, also be explained by their generally more forward-looking vision and the fact that they have an interest in being closer to Europe because of special agreements.

In other countries with a stronger British influence, no such contractual or binding agreements with social partners exist in the field of VET. Their role is mostly consultative (Jordan and Syria). Bipartite agreements between employers and the government are the most common structure, with trade unions not participating (Egypt, Lebanon, Syria), and cooperation takes the form of sector partnership. The degree of success with this configuration of social partnership seems to be linked to the capacity of employers (i) to be organised at sector level, (ii) to identify their needs in human resources and (iii) to build active working structures with their governments.

Considering the variation among the countries in VET development, it is perhaps no surprise that there is great

variation among the structures for cooperation between employers, employees and governments and in their involvement in system governance and management.

In **Algeria**, the role of national employer organisations and trade unions appears modest, although they do take part in the national consultative council for vocational education (CNCFP) as well as in the consultative commission on vocational education. Consultative bodies at the regional (Wilaya) level that should include both employer and regional representatives either do not exist at all or are inactive. In terms of apprenticeship schemes and in-service training, national legislation accords a formal role to employer and employee representatives (Sweet, 2009).

In **Morocco**, there is a legal basis for a tripartite national commission and for regional VET bodies. The administrative council of the OFPPT⁴⁶, the main but not exclusive deliverer of continuing vocational training programmes, brings employers and one trade union together for planning and consultative purposes. Following recent government initiatives to expand apprenticeship, agreements have been signed with a number of industry bodies that have reinforced their negotiating skills for training issues and strengthened their role. Another important initiative is the decision to entrust the employers organisation (CGEM) with the management of the in-service training fund (CSF).

In **Tunisia**, the reforms in vocational education of recent years have involved a major change in system governance. Employer and union representatives have been given a stronger central role in national advisory and management bodies, as well as in the management of vocational education colleges. Formal conventions have been signed with major employer and industry bodies to help to strengthen their involvement (which appears relatively weak) and to give them a clearer responsibility for areas such as the identification of training needs, the mobilisation of local employers, and involvement in training centre management. Recently, the UGTT (the trade union federation) together with UTICA (the employers' federation) have managed to include human resources development as a regular area for discussion in tripartite national negotiations.

In **Egypt**, specific projects such as the German-supported Mubarak-Kohl initiative have put social partnership on the agenda. The National Centre for Human Resources Development, which emanates from the Union of Investors' Association, has a direct influence on national human resources development policy. Other important initiatives are run through the sector-specific training councils (industry, construction and tourism). The Egyptian Federation of Construction and Building Contractors, for example, operates employment and training programmes in all 26 of the country's governorates. They are the direct employers of the young people, contracting their workers out to individual businesses. The EU-supported TVET Reform Programme has set up Enterprise and Training Partnerships in 12 relevant economic sectors and Local Enterprise Education and Training Partnerships in a number of governorates. Mobile training programmes are run by

the Ministry of Tourism and the Egyptian Tourism Federation in a variety of locations. However, on the whole, trade unions are not actively involved in these projects.

In **Jordan**, the employment and vocational training sector reform process is an opportunity to actively involve official social partners both in governance and sector dialogue. The Jordanian Chambers of Industry and Commerce and the General Federation of Trade Unions are the three social partners represented on the governing bodies of the main vocational education governance structures such as the E-VET council, the Vocational Training Corporation, and the national training and employment project. These bodies have recently become members of the Economic and Social Council. In the absence of a real structure for social dialogue and an elaborated strategy, however, it may take a long time before social partners can influence policies directly and take part in the governance of the human resources development system. It should be noted that very recently, with the support of the ETF, the three social partners have begun to strengthen their internal capacity by establishing dedicated units working with human resources development.

In **Lebanon**, there are no examples of national involvement of social partners in the governance of the human resources development system. One pilot project involves employers from the agro-food sector in setting up a demand-driven pilot school. This project is supported by the EU.

In the **occupied Palestinian territory**, tripartite dialogue should take place within the Higher Council for Vocational Education and Training. In reality the council practically never meets and the two ministries (education and labour) in charge of coordinating and implementing curriculum development and projects work without the effective involvement of the social partners. In fact, social partners play a very limited role in governance although there has been an attempt to set up local employment and vocational training councils in several governorates with the support of GTZ. Social partners are formally represented in these councils and aim at playing a key role in identifying labour market needs.

In **Syria**, the process of involving social partners is at an early stage and is not formally regulated. No formal structures for cooperation appear to exist nationally or regionally. A tradition of government-directed steering dominates. Nevertheless, social partners are invited to contribute to the preparation of the national five-year planning process. A pilot project on apprenticeship elaborated with the support of the ETF involves the Chambers of Industry of Damascus, Aleppo and Homs but trade unions are absent from this process.

Overall, employers are represented more strongly than trade unions in social partnership in the region where traditional social bargaining focuses on labour, social welfare and employment rather than on the impact of human resources development on employees. The weak position of trade unions could also stem from national governments reducing their role and controlling their human and financial resources.

One area where social partners do have a strong role is in reviewing and updating occupational standards. However, this is rarely planned or structured and often a consequence of requests from training providers. In other words, social partners do not lead the formal process for occupational standards development and other activities like curricula development and revision, quality assurance, and accreditation. In some countries (e.g. Morocco and Egypt), a number of priority economic sectors do benefit from more structured development, mostly with donor support. Such models of social partnership actually seem to function successfully. However, more effort is necessary to share and mainstream these results.

Reluctance from governments to share responsibilities

The decision making process in the countries in the region remains highly centralised and the governments of some countries see the involvement of social partners in decision making as an intrusion into territory that has always been considered the preserve of the public sector. By and large, legislation is not tailored to a real demand-driven approach and social partners are often only consulted at sector or technical levels.

In some cases social partners cooperate locally, even though no effective agreements on decentralisation can be identified in any of the countries. Furthermore, there do not appear to be any examples of sharing responsibilities for policy delivery with social partners at this level.

Need for more capacity and resources

Without strong and dedicated capacities and resources, the social partners in the region will not be able to genuinely influence the path of reform. Very few social partner organisations have dedicated and trained staff to follow up on activities related to human resources development. Employer and employee representatives have not taken the evolution of the social demand for more and better education or the need to continually upgrade the workforce very seriously. At the same time, in the absence of appropriate structures and resources to monitor developments in the field, they have not developed a real strategy or clear vision for human resources development.

In terms of financing, social partners in the region do not contribute to human resources development. There are, however, rare cases where special funds are generated from enterprises (e.g. in Algeria, Jordan, Morocco and Tunisia), but the management of such funds requires improvement as regards efficiency and transparency. The exception is the decision of the Moroccan government to entrust the employers association (CGEM) with the management of the in-service training fund (*Contrat Spéciaux de Formation*). In general, institutions representing employers are involved in training activities which are often organised in the specific interests of their members and financed independently.

POLICY OPTIONS FOR IMPROVEMENTS

Social partnership in the field of vocational education and training can lead to a win-win-win situation if a public system can be adapted to labour market needs, employers can get the skills they need, and employees and students can learn for and from a changing environment. In this context, social partners can play a stimulating role by putting forward values conveyed by civil society and the economic environment.

Policy-makers are looking for solutions where poverty alleviation builds on solid social cohesion. VET systems can contribute to this if they are made more demand-driven and responsive to the needs of local labour markets and the globalisation of the economy. This requires the commitment of civil society and the elaboration of structures and mechanisms to support this involvement.

Employers look for a more competitive approach to selling quality services and products. This can be achieved with the provision of a qualified workforce and the elaboration of a high quality VET system.

Employees, students and families genuinely look for options that improve their working and living conditions. Relevant vocational education and training is an option which can respond to such expectations. Trade unions and NGOs that represent these end users in the policy dialogue need to consider afresh the opportunity to play an active role in building such a VET system.

In the region, a number of actions need to be taken to improve the participation of social partners in VET. These actions require a strong involvement of all parties and should benefit from external aid to boost their accomplishments.

In an environment where civil society is expressing its desire for reduced top-down decision making in the region, a number of policy options can help policy-makers and social partners to enter a virtuous circle of cooperation and partnership in the field of VET as an instrument of social integration.

Setting-up and/or strengthening a legal environment

Policy-makers need inputs and consensus for better policy making. By integrating the themes of VET and human capital development as key topics for regular discussion in the framework of the formal bargaining process, authorities and social partners could start the process of re-establishing trust and opening the information channels necessary for developing policies that fit the needs of civil society and market demand. Another option is to change the institutional settings by providing, through legislative decision, the space for social partners to be fully engaged in decision making processes and giving them the chance to directly influence and implement parts of the VET system.

In some countries this may be done by setting-up a structured continuing training system where all partners participate in the decision making process.

Strengthening capacity among the social partners

Being an active player requires good preparation and capacity. Across the southern Mediterranean, social partners are lacking fora for debate and discussion and for building mutual trust and understanding. Projects that bring together employer and employee organisations (in bipartite dialogue) to discuss common interests should be encouraged. Considering the mutual interest to support the development of human resources, common, national, strategy platforms could be developed to better influence the decision-making process during tripartite discussions with the government. In this context, the role of economic and social councils (when existing) may be crucial.

Social partner organisations need to adapt their internal structures to reflect their new involvement in regular and systematic social partnership in VET. They need two key types of competence to play an active role in VET. First, they need policy and decision making skills, through formal representation of elected members. Secondly, they need technical skills, with staff dedicated to supporting decision-makers. For the first group (high-level representatives) priority should be given to a selection of board members that are convinced of the key role of human capital development. A minimum technical structure is needed at the central, federal, regional and local levels that makes it possible for them to supervise any business that deals with TVET activities.

Trade unions in the region lag behind employers' organisations in both capacity and resources to enter the dialogue on VET. Special capacity building programmes could be developed, with the support of governments, donors and international organisations, that would concentrate on one or more of the following elements: strategic vision and development, structural and functional organisation, and negotiation skills. Trade unions should be supported to elaborate strategies for VET and develop adequate resources (membership, organisation, staff, and equipment) to follow up their activities in this field.

The EU and donors as policy drivers for mainstreaming social partnership in VET

In EU employment and education policies the role of social partners in promoting sustainable development and growth is seen as essential. At present, EU and other donor assistance activities that reinforce the role of social partners in VET are sparse. A number of projects address public-private partnerships, but not much is being done to assist all social partners in taking the driving seat in education and training reforms. Donor programmes may consider to systematically include capacity building activities for social partners, aiming at supporting VET reform processes in the southern Mediterranean region.

8. THE NEW SKILLS AGENDA: DEVELOPING SHORT-CYCLE TERTIARY VOCATIONAL EDUCATION AND TRAINING IN PARTNERSHIPS FOR THE FUTURE

Rosita Van Meel and Ulrike Damyanovic

INTRODUCTION

The chapter is rooted in an ongoing ETF Mutual Learning project on post-secondary education covering the Western Balkans⁴⁷ and Turkey, which are those countries in which there is an EU membership perspective.

It focuses on short-cycle tertiary education programmes as a means to match the future skills agenda and increase access to tertiary education. Existing policies and practice are presented together with ongoing controversies. From these we aim to distil lessons learned and recommendations for candidate and pre-accession countries in the Western Balkans and Turkey. The role of partnerships in tertiary vocational education will be given special attention. Finally, the priority areas for further development of short-cycle tertiary education programmes will be highlighted.

THE GROWING IMPORTANCE OF SHORT-CYCLE TERTIARY VOCATIONAL PROGRAMMES

In the global economy, knowledge, skills and ingenuity are considered to be important for economic growth. Many countries are therefore diversifying their tertiary education supply to increase participation. Various studies demonstrate that tertiary education enrolment levels correlate with the level of economic development. In OECD countries enrolment ratios are over 50% on average compared to 20% in middle income countries and 6% in low income countries (Mikhail, 2006).

ETF partner countries in the region are either high income (Croatia) or upper-middle income, with only Kosovo still considered a lower-middle income country, as defined by the World Bank⁴⁸.

At present, tertiary education includes most forms and levels of post-secondary education in both conventional

universities and non-academic institutions. The explicit inclusion of post-secondary VET programmes in the tertiary education agenda stresses the importance of the higher skills agenda for economic development.

Growing awareness of the role of tertiary education in development has changed the tertiary education landscape in most European countries. More vocationally oriented institutions have become a real alternative to the traditional universities. These new institutions have the potential to provide additional flexibility, access, equity and alignment with the occupational requirements of the labour market.

An additional step in the diversification of tertiary education is the provision of short-cycle programmes as an alternative to the traditional bachelor and master programmes. For a number of students, short-cycle programmes can be a first step towards additional tertiary education degrees while for others they allow access to tertiary education qualifications that would otherwise have remained out of reach.

THE IMPORTANCE OF HIGH LEVEL SKILLS FOR THE FUTURE OF THE EU

The EU 2020 forecast shows an increased need for higher level skills in EU countries. It specifies that by 2020, at least 40% of 30-34 year olds should have completed tertiary or equivalent education. In this context, equivalent education refers to advanced learning outside higher education institutions. In addition, the EU 2020 forecast indicates a growing need for people with intermediate level (vocational) skills.

This trend towards a greater demand for high and medium level qualifications is depicted in the table below:

⁴⁷ Albania, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Kosovo (under UNSCR 1244/1999), hereinafter 'Kosovo', Montenegro and Serbia.

⁴⁸ The groups are: low income: US\$995 or less; lower middle income: US\$996 - US \$3,945; upper middle income: US\$3,946 - US\$12,195; and high income: US\$12,196 or more.

TABLE 1. NEEDED SKILLS FORECAST PER LEVEL OF INSTRUCTION 1996-2015

	1996	2006	2015
Low qualification ISCED 0-2	32.9%	26.2%	20.8%
Medium qualification ISCED 3-4	46.2%	48.6%	49.9%
High qualification ISCED 5-6	20.9%	25.3%	29.3%

Source: CEDEFOP, 2008

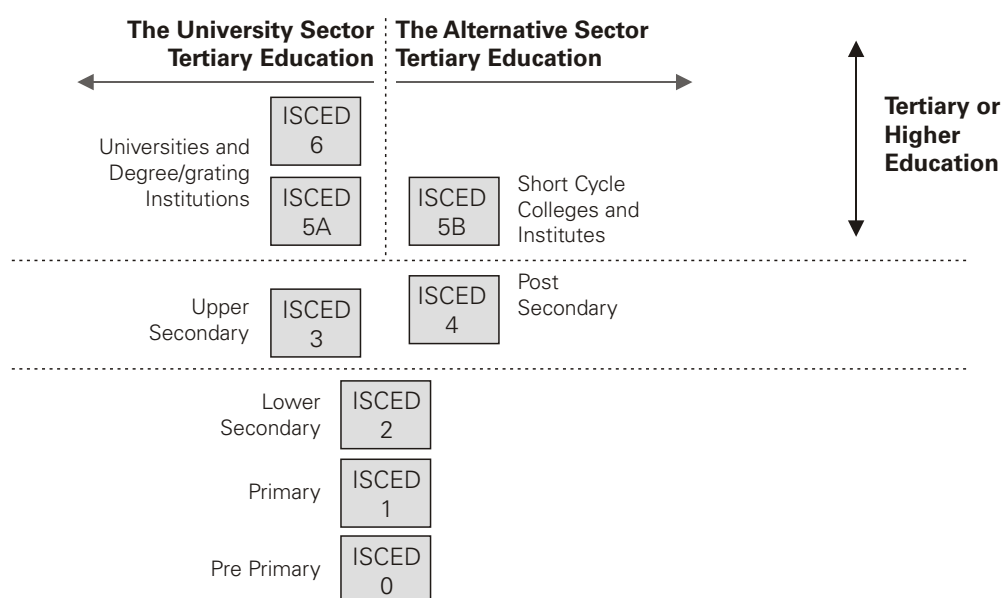
These figures are for EU Member States and may be different for the Western Balkans and Turkey, but labour market conditions for young people in the countries concerned suggest similar needs. The importance of the skills agenda for business development in the Western Balkan and Turkey is also illustrated by the findings of a 2007-09 survey⁴⁹. The results show that the lack of access to appropriate skills is already a major concern for business development in the region.

SHORT-CYCLE TERTIARY EDUCATION: A BRIEF CLARIFICATION

The terminology of this middle qualification level is quite complicated and perhaps even somewhat confusing. We will therefore first clarify the key concepts and levels used and what they refer to.

When taking stock of the existing policies regarding short-cycle tertiary education in various countries one will very soon notice that references are made to three different frameworks for education and higher education. This makes comparative analysis difficult as each framework starts from a different set of assumptions.

According to the oldest framework, the International Standard Classification of Education (ISCED), level 5 programmes are part of the tertiary education cycle in the broad sense. They cover both academic and vocational higher education. Traditionally ISCED 5A programmes were seen as part of the university sector whereas ISCED 5B programmes were considered to be part of professional higher education. **FIGURE 1** below illustrates the ISCED typology.

FIGURE 1: THE INTERNATIONAL CLASSIFICATION OF EDUCATION TYPOLOGY

Source: Mikhail, 2006.

One problem with this classification is that the strong articulation of the difference between level 5A and level 5B may lead to restrictions for 5B graduates who would wish to continue their studies at level ISCED 6.

The second framework, the Qualification Framework of the European Higher Education Area (QF-EHEA) outlines three cycles (bachelor, master and doctorate) and provides short-cycle higher education a place within the first group (Bologna process), (Bergen, 2005). It is important to note that the adoption of short cycle higher education within the first cycle of higher education has the potential to level out the segmentation between levels 5A and 5B as used in the ISCED-typology. Both streams are considered to be part and parcel of the European Higher Education Area. Typically, short-cycle programmes represent around 120 ECTS credit points while bachelor degrees equal a minimum of 180 ECTS credit points.

The recognition of short-cycle qualifications as part of the first cycle of higher education remains voluntary for the Member States. This leads to divergent practice in various EU countries. We will look at this in the next section.

The third education framework was adopted by the European Parliament in 2008. Contrary to the QF-EHEA, which focuses solely on higher education, the European Qualification Framework for Lifelong Learning (EQF) incorporates education in its entirety in a model of eight levels of education starting with level 1 for primary school up to level 8 for the doctorate level.

The EQF provides a common reference framework which assists in comparing national qualifications frameworks (NQF), systems and levels, whether for general and higher education or for vocational education and training. Qualifications within national qualification frameworks are compared to the EQF through a process which is called 'referencing'. Albania, Turkey and Kosovo use the EQF levels as national levels, and Croatia, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina,

Montenegro and Serbia have started to work on eight-level NQF systems.

The diagram below presents in a schematic manner how the qualifications frameworks of two countries can be held against the EQF.

As depicted in **FIGURE 2**, each country's national qualification framework can be referenced against the EQF which will serve as the common reference platform. It is important to stress that the feature that distinguishes these latter frameworks from the QF-EHEA is that they take their starting point in actual skills and competences while the EHEA framework looks at the study load measured in ECTS units.

In the EQF, short-cycle tertiary education programmes are placed at level 5.

How these education frameworks are used in a national context can be illustrated with an overview of the NQF system of Croatia, which consists of eight levels mirroring the EQF system. In the Croatian NQF, short-cycle tertiary programmes are at level 5.1 and 5.2. Level 5.1 in the Croatian system is the professional stream which is not considered to be part of the higher education system, while level 5.2, the academic stream, is. In other words, some NQFs can adopt the logic of ISCED 5A and 5B while others may adopt the QF-EHEA approach.

As such, the Croatian education system illustrates one of the major controversies about the position of EQF level 5 qualifications in the education systems in the EU and the ETF partner countries.

In the Croatian approach, level 5.1 is considered to be post-secondary non-higher education. The same approach is followed in Germany, Austria and Hungary, while in countries like the Netherlands, France and Belgium (Flanders) level 5B is considered to be the first stage of higher education. In Cyprus, Malta, Norway, Sweden and

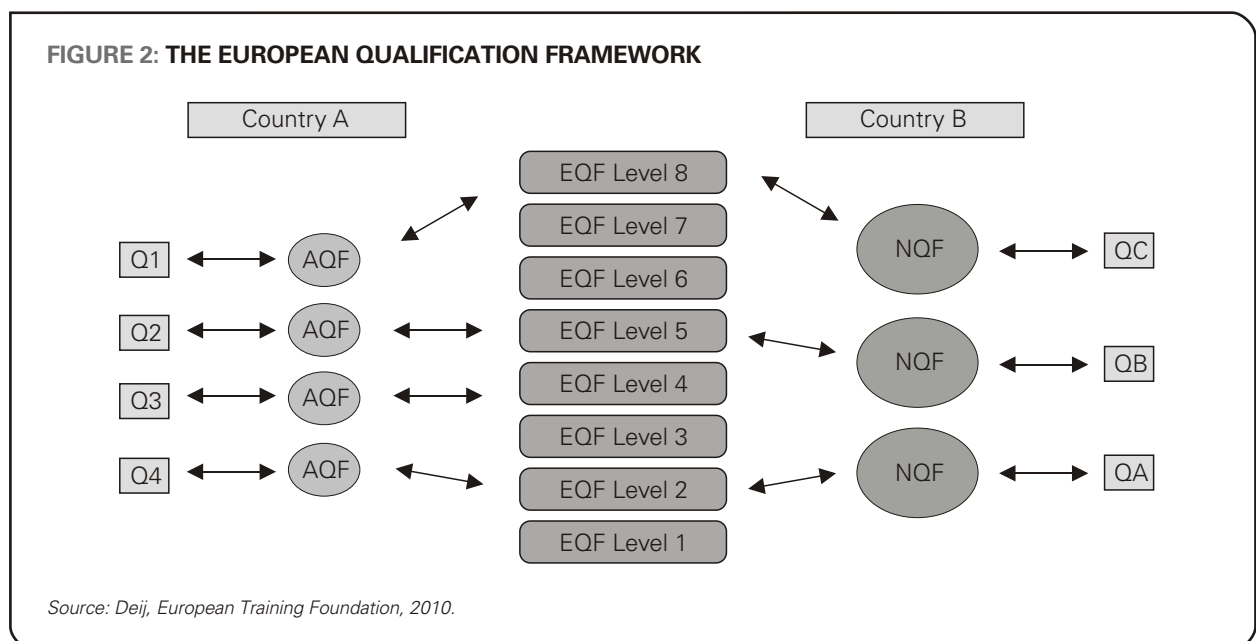
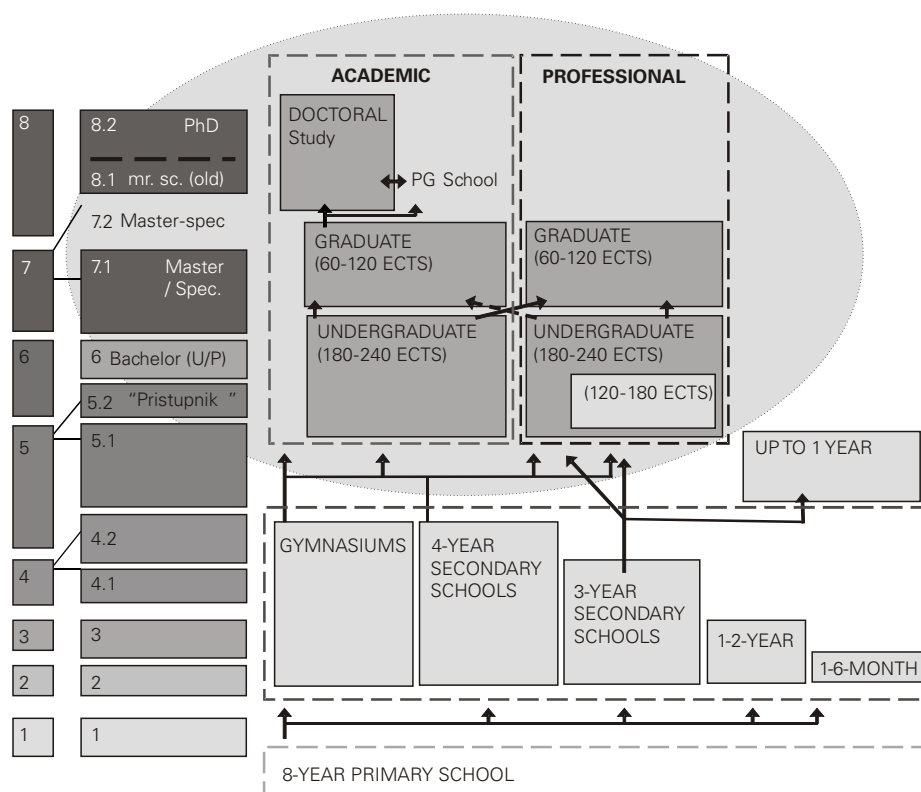


FIGURE 3: CROATIA: NQF OVERVIEW AND THE HIGHER EDUCATION SUB-SECTOR (IN THE CIRCLE)

Source: Dželalija, 2009.

the UK the general term used for level 5B is 'sub-degree qualification'. These studies are part of an integrated system and can eventually lead to a degree.

THE POTENTIAL CONTRIBUTION OF SHORT-CYCLE TERTIARY EDUCATION PROGRAMMES TO THE EU-2020 STRATEGY

Despite the controversy related to the position of short-cycle higher education programmes in the various education systems, about 1.5 million students are enrolled in such programmes in Europe (Kirsch, et al, 2010) which indicates the importance of this type of education and its potential.

Having EQF level 5 programmes within the first tertiary cycle could be a means to increase access to tertiary education and a successful strategy to reduce drop-outs. Priorities for enhanced European cooperation in VET for the period 2011-20 stress the importance of developing or maintaining post-secondary or higher VET at EQF level 5

or higher in order to achieve the EU target of 40 % of 30-34 year olds with tertiary or equivalent education⁵⁰.

Between 1999 and 2008, the number of new entrants in ISCED levels 5A and B increased significantly in all OECD countries. Existing figures indicate a marked expansion of level 5B in Turkey and Spain, while in all other countries the increased participation in level 5A is more significant. In the Western Balkans and Turkey, the expansion of level 5 programmes follows the trend of increased demand for tertiary education in OECD countries.

While level 5 qualifications are important for the labour market, some authors, such as M. Kirsch, argue that from an equity point of view, ISCED level 5 programmes offer additional opportunities for students who need a transition phase to go from secondary to tertiary education. It is assumed that students from a weaker socio-economic background could benefit from intermediate qualifications. So could students coming out of the VET system and children from first generation immigrants whose mother tongue is not the language of instruction (Kirsch & Beernaert, 2009). As a result these authors urge policy-makers to position level 5B programmes on an equal footing with level 5A programmes, which is also consistent with the Bologna 2005 proposal.

⁵⁰ Priorities for enhanced European cooperation in vocational education and training 2011-2020. Conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, 2010.

SHORT-CYCLE TERTIARY EDUCATION IN THE EU: PROVIDERS AND INSTITUTIONAL CHALLENGES

In the EU, short-cycle tertiary education is provided both by public and private providers (in equal numbers) and both in higher education and VET institutions. A survey in 2010 showed that professional organisations and industry are only involved to a limited extent. **FIGURE 4** below presents an overview of the findings of the survey.

Recently, most Western Balkan countries and Turkey have revised their legal frameworks underpinning tertiary education, incorporating a special focus on VET. One of the institutional implications of these new legal frameworks is the establishment of institutions to coordinate the work on NQFs. They also change terminology distinguishing between academic and non-academic higher education as a result of the Bologna process. Most affect the pathways through tertiary education and the provision of the different tertiary education programmes. The provision of programmes leading to EQF level 5 qualifications varies from country to country without a clearly discernible pattern other than that there seems to be a trend to deliver such programmes through the public higher education system. The main reason for this would probably be the more pronounced recognition of public higher education certificates.

In **Albania**, education leading to EQF level 5 qualifications has recently been launched as a pilot initiative by the university sector. The labour market has expressed a demand for new skills and competences which the education system at present cannot provide. In response, the Durres Aleksander Moisu University

started a Faculty of Applied Sciences with seven specialities (120 ECTS points) for students to become qualified professionals.

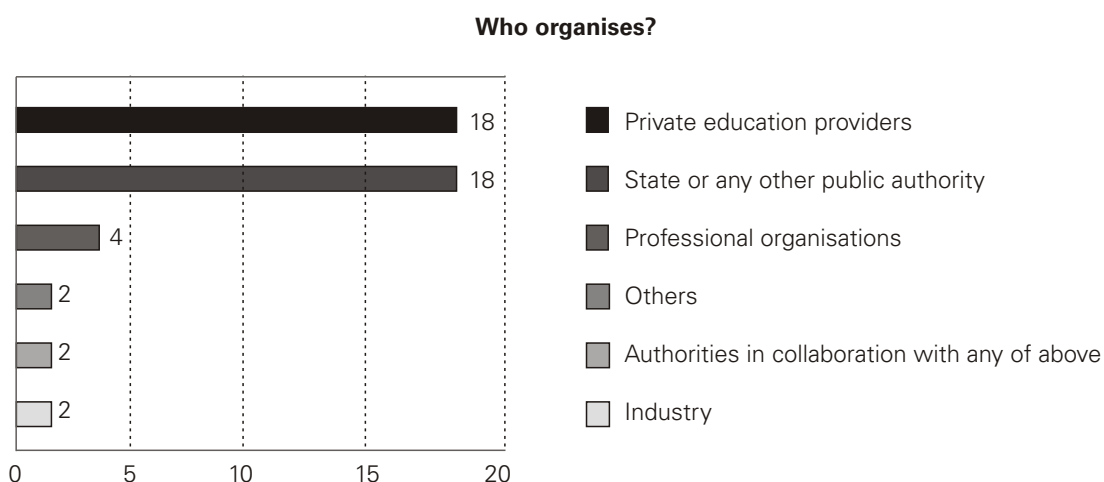
In **Turkey**, under the patronage of the Higher Education Council, short-cycle higher education has a long tradition. It is organised by public as well as private (non-profit) education providers and in some cases industry contributes to its funding, although their contribution is limited compared to funds provided by the public authorities. The government is currently revisiting the institutional setting of the short-cycle programmes, as these cater especially for students who cannot access regular higher education and their graduates have only limited access to further higher education through a quota system.

The latest reforms in **Serbia** have led to a redefinition of the institutional setting and scope of the *Vyse Skola*, which offered specialist post-secondary VET programmes with a maximum duration of two years and with very limited possibilities to continue in regular higher education. In 2007, these institutes were assessed through an accreditation process and were subsequently reformed into 48 academies or colleges of vocational studies. These academies are part of the higher education sector and the duration of the programmes was harmonised with bachelor programmes. At present, education is reported to be more academic and seems to have increased the gap between VET and higher education.

In **Kosovo**, there is no public funding for short-cycle programmes but some diplomas delivered by the private American University can be categorised as EQF level 5. In the framework of setting up an NQF, the institutional setting of level 5 is being considered.

In **Montenegro**, short-cycle higher education is being discussed in the framework of the NQF. The idea is to

FIGURE 4: PROVISION OF SHORT-CYCLE TERTIARY PROGRAMMES IN EU COUNTRIES 2010



Source: Kirsch & Beernaert, 2010.

have short-cycle higher education delivered by higher vocational schools as part of the VET system. Employers have asked for labour market oriented education in the fields of tourism, catering, electronics and security. First discussions have shown that it will be important to define the differences between level 5 and the regular bachelor level (EQF level 6). A review of occupations delivered by higher vocational schools and links with existing bachelor programmes are considered. Yet, evidence from the labour market shows that graduates with bachelor or master degrees do have the highest employment perspectives. These trends will be scrutinised when identifying the providers' short-cycle programmes.

In Croatia, professional higher education is the responsibility of the Council for Higher Education. The *Vyše Skole* have been accredited and transferred from VET into the higher education system. In line with the Croatian National Qualifications Framework it is expected to be provided by VET institutions (Croatian NQF level 5.1) and higher education institutions (Croatian NQF level 5.2). These issues are currently being debated in the framework of changes to the higher education law.

In the **former Yugoslav Republic of Macedonia** and **Bosnia and Herzegovina** the institutional setting of post-secondary VET is discussed in the framework of the QF-EHEA. Laws and strategies are under revision. In Bosnia and Herzegovina, programmes leading to EQF level 5 qualifications are expected to be placed under higher education.

PROMOTING THE INVOLVEMENT OF SOCIAL PARTNERS

The involvement of social partners ensures that employer and employee organisations participate alongside the central government to determine key policies and supervise their implementation.

The view that social partnerships are critically important in the development of education and training is widely supported in the EU and beyond. Education with its pivotal role in economic development, employment and social inclusion has many stakeholders and their involvement in all stages of education development provision is a requirement for fine-tuning and balancing the various insights and interests.

However, involving social partners in education has proven to be difficult for a number of reasons that are discussed in depth in the other chapters of this Yearbook.

This has been thoroughly analysed under the ETF's 'Torino Process' which was carried out in partner countries in 2010. Its final report, (ETF, 2011) identifies a number of factors that are barriers to effective social partnership:

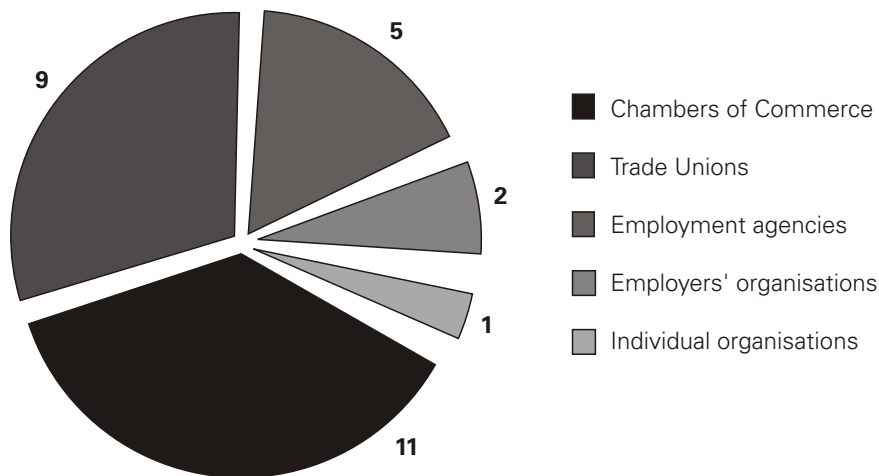
- The legacy of the socialist countries, where employer associations did not exist and trade unions played a completely different role than they do today. The change towards an active role in a modern market oriented economy is huge and needs time and capacity building.
- A persistent reluctance of some governments to give an effective role to the social partners in VET management. Employers' associations often complain about being involved in several committees and working groups but with only an advisory role.
- The lack of resources that governments reserve for the newly established VET Councils which often receive a heavy portfolio of responsibilities. Many also complain of being consulted only infrequently.
- A widespread reluctance among employers' associations to be involved in VET issues because they do not believe that the VET system can provide the right answers to their needs.
- A shortage of technical capacity among social partners to effectively contribute to the design of new VET system components.

Notwithstanding these challenges, it is important to find ways to promote social partnership in the Western Balkans and Turkey.

There is growing awareness that stronger links between education and business are needed for Europe's future competitiveness. A number of policy initiatives promoting such links have been launched in all countries. The findings of a 2010 survey indicate that the bodies that are most actively involved in short-cycle higher education in the EU are the chambers of commerce and the trade unions, followed at a respectable distance by employment agencies and employers' organisations as shown in **FIGURE 5**.

In the Western Balkans and Turkey, reforms are almost entirely initiated by the education sector. A major reason to involve the social partners is the need for education that is more relevant to the labour market. One may argue that much closer links between education and social partners are still needed but a close look at developments in the Western Balkans and Turkey reveals that several initiatives have been launched to achieve a better dialogue. (See also Chapter 5). While these initiatives are not specific to EQF level 5 education programmes, the involvement of social partners in the design and delivery of education programmes with a direct route to the labour market is critically important.

In Albania, a new legislative framework has been devised for VET and tertiary education to cooperate more closely with private companies and to engage with social partners in general. In Kosovo, work on a sector-wide approach is laying the foundation for addressing multiple and competing demands in the education sector. Working groups in Kosovo involve social partners at all levels. In collaboration with the education ministry, various donor initiatives are helping to strengthen education and business cooperation, especially at the local level. Turkey

FIGURE 5: INVOLVEMENT OF SOCIAL PARTNERS IN SHORT-CYCLE HIGHER EDUCATION IN EU COUNTRIES (2010)

Source: Kirsch & Beernaert, 2010.

has a strong tradition for social partnership involvement in VET and comparatively qualified and professional social partner organisations. The country also has a long tradition of apprenticeships in non-formal and formal VET and efforts are being made to intensify education and business cooperation at all levels of education. In the former Yugoslav Republic of Macedonia, awareness is being raised of the importance of education and business cooperation and learning from good practice. The country's VET law refers to the involvement of social partners, like in Serbia, Croatia and Montenegro. The education strategy for Bosnia and Herzegovina also stipulates social partner involvement in VET reforms.

Most of the countries concerned have by now set up an institutional infrastructure that is conducive to education policy development which takes into account the current realities of the labour market. This includes VET or Higher Education Councils that have social partners as regular members. Their role, however, remains mainly advisory. They are consulted on policy issues and developments, but are only to a limited extent involved in implementation processes. Yet, in the former Yugoslav Republic of Macedonia and in Serbia industry representatives chair the VET Council. In Kosovo, the Accreditation Agency and the Agency for Quality Assurance involve social partners. In Bosnia and Herzegovina the Employers' Association is the only body involved in state level education reforms. Structures also include Economic and Social Councils as tripartite bodies which advise on the design of the government's economic and social policies. Croatia has set up a National Competitiveness Council. Serbia and Turkey are about to set up Sector Councils. These developments are encouraging, but they need to be accompanied by capacity building measures to ensure joint ownership of the reform process and mutual trust in its design and implementation. Implementation of joint developments with all parties empowered to contribute is considered a key challenge.

CONCLUSIONS: PRIORITY CHALLENGES FOR THE SUCCESSFUL INTRODUCTION OF SHORT-CYCLE TERTIARY EDUCATION PROGRAMMES

Short-cycle tertiary education at EQF level 5 is an important component of the EU 2020 strategy to support skills development and improved education attainment for meeting the changing needs of the labour market in the EU. The challenges faced in the EU are similar to those faced by countries in the Western Balkans and Turkey. Some EU Member States have already reformed their short-cycle higher education. Germany's *Berufsakademie*, the French BTS, Swedish higher vocational education (YH), Italy's *Istruzione e Formazione Tecnica Superiore*, Slovenia's *Višje Strokovne Škole*, the UK's Foundation Degrees, and the Dutch Associate Degrees offer diverse pathways into the labour market and into higher education with a strong component of workplace learning. These programmes are attractive to employers and to young people. They make it possible for initial VET graduates to pursue tertiary education degrees and to increase employability.

Notwithstanding these examples, in the EU and the ETF partner countries short-cycle tertiary education often sits somewhat uneasily in the grey zone between upper secondary VET and higher education. This may impede the development of such programmes to their full potential as an attractive option for young people. In addition, in some countries ISCED level 5A (the academic stream) is part of the higher education area whereas level 5B (the professional stream) is considered to be part of the upper secondary VET. A policy which defines both levels as tertiary education seems to be a more pragmatic

way forward to increase the attractiveness of short-cycle higher education programmes, in line with the Bologna recommendations. A clear emphasis on quality and relevance remains equally important in this context.

An additional route to supporting the integration of EQF level 5 programmes into the QF-EHEA and to improving national and international comparability is to link all EQF level 5 programmes to the Bologna process in terms of ECTS points. Even if most EQF level 5 programmes cover less than 180 ECTS points (the minimum required for a Bachelor degree), a reference to the ECTS system would enable a stronger link to other tertiary education programmes in terms of access policies and credits.

Most countries are engaged in important education reforms at all levels and this may slacken the focus on ISCED level 5B programmes. In the past, the Western Balkan countries have mainly focused on secondary and higher education. Recent EU support related to NQFs and the EQF aims to speed up the development of platforms for aligning education systems to the needs of the respective labour markets in a transparent manner. The alignment of education levels and competency profiles at various levels is expected to reinforce the streamlining of short-cycle higher education programmes into tertiary education.

From a policy perspective there is a need for greater public commitment to establish strong links between education and business for Europe's competitiveness. This commitment is equally important for the Western Balkans and Turkey. A number of ongoing reforms in education reflect that policy-makers have started to pave the way for more synergetic relations between education and business at all levels including EQF level 5 programmes.

Finally, the involvement of social partners in the above reform agenda is growing, particularly through established tripartite councils and the organisation of internships. Despite the progress made in the Western Balkans and Turkey, the availability and quality of workplaces for training remains an important constraint, especially for ISCED level 5B programmes. Some EU countries have developed expertise and know-how in this specific area. To improve the quality of internships, intermediate organisations have been set up in the Netherlands to coordinate the dialogue between the education and economic sectors. These intermediate organisations also accredit companies which are interested in providing internships to students. Clear learning objectives and activities to be carried out are specified for internships in line with the qualification profile of the study programme. This professionalisation of internships has brought added value for both parties as students and companies have a better understanding of each other's expectations and objectives. The accreditation of internship providers and the specification of the learning objectives and activities are an important policy element to improve the quality of internships. To increase the amount of internships, a number of EU countries have introduced tax incentives to promote active collaboration between the education and business sectors. Some countries of the countries discussed in this chapter are also exploring fiscal policy options to create business environments that are conducive to such collaboration.

Nonetheless, work on the various NQF/EQF and QF EHEA frameworks in the Western Balkans and Turkey still requires substantial efforts to grow to its full potential. The involvement of social partners remains a key factor for success at all levels of policy making and implementation but this is also a rich and fruitful field for joint policy learning with EU countries.

9. FLEXICURITY: THE NEED FOR STRONG SOCIAL PARTNERS VERSUS THE REALITIES IN MIDDLE-INCOME COUNTRIES

Lizzi Feiler

INTRODUCTION

This chapter⁵¹ will explore the role of social partners in promoting more flexible and secure labour markets in middle income countries. Social partners, e.g. representatives of employees (trade unions) and representatives of employers, have been playing a key role in the development and implementation of flexicurity in EU Member States. But is this also the case in transition and developing countries outside the EU? And what is their specific role in enhancing lifelong learning strategies?

The chapter draws on the main findings of the ETF project Flexicurity and Lifelong Learning in Transition and Developing Countries. The project was set up in line with the EU commitment to promote “decent work throughout the world as part of its efforts to strengthen the social dimension of globalisation, both in the EU and outside”⁵². At the same time it built upon the principle that the “EU’s economic and social model cannot simply be transposed to other parts of the world”⁵³. The ETF project was implemented in four ETF partner countries: Morocco, Kazakhstan, Ukraine and Turkey. Here we find background conditions which contrast from those in EU Member States: large informal labour markets, relatively weak labour market institutions, tight public budgets for active labour market measures and social security, and weak social dialogue mechanisms.

Flexicurity is nevertheless a relevant policy mix for countries outside the EU if we take into account their specific framework conditions. Transition and developing countries experience rapid change as a consequence of global competition and technological advancement. They need to invest in effective lifelong learning strategies to better adapt their workforce and enterprises to changing skills demands. On top of these structural changes, the impact of the global economic crisis has led to more pronounced labour market segregation, with shrinking regular employment and an increase of vulnerable forms of employment. Social partners are challenged to reconcile the demands of the employed and the unemployed, and of large and small enterprises. They may also find it hard to contribute to a better balance between flexibility and security on the labour markets.

The chapter starts with a brief synopsis of the flexicurity approach, followed by a snapshot of the relevant backdrop in the four countries of the ETF project. It looks at how the social dialogue is set up in these countries and which role the social partners may adopt in strengthening lifelong learning policies. Finally some policy options are suggested for debate.

THE CONCEPT OF FLEXICURITY, TRENDS AND POSITIONS

Flexicurity is an approach for designing comprehensive labour market policies. It has been developed to address in a balanced way both (i) enterprises’ needs for a flexible management of their labour force so as to be able to adapt to changing economic conditions and become or remain competitive; and (ii) workers’ needs for protection against labour market risks and relatively smooth transitions between education, work, unemployment, training, and periods of family care.

Flexicurity requires a policy mix and the active involvement of government, social partners, enterprises and individuals. However, there is not a unique model for flexicurity, neither can practice that promotes it be replicated in other countries without taking into account their specific socio-economic context. The balance between flexibility and security and the policy options towards flexicurity is the outcome of negotiations between governments and social partners and depends on national contexts, namely the specific labour market challenges that each country is facing and its institutional setting.

The flexicurity package developed in the framework of the European Employment Strategy contains elaborated elements and tools:

- i) analytical frameworks, e.g. core components of flexicurity, types and levels of flexicurity and flexicurity indicators
- ii) strategic guidelines, e.g. eight common principles of flexicurity, and,

⁵¹ I would like to thank ETF colleagues Anastasia Fetsi and Ummuhan Bardak for the discussions and comments as well as Sanja Crnković-Požaić as an external expert. The paper is based on ETF flexicurity reports from Ukraine, Kazakhstan, Turkey and Morocco.

⁵² European Commission (2008a). Report on the EU contribution to the promotion of decent work in the world. [http://www.europarl.europa.eu/registre/docs_autres_institutions/commission_europeenne/sec/2008/2184/COM_SEC\(2008\)2184_EN.pdf](http://www.europarl.europa.eu/registre/docs_autres_institutions/commission_europeenne/sec/2008/2184/COM_SEC(2008)2184_EN.pdf)

⁵³ ILO: The Social Dimension of Globalisation <http://www.ilo.org/public/english/wcsd/global/documents.htm>

- iii) policy options, e.g. pathways towards flexicurity. (European Commission, 2007).

For the ETF country reviews we used flexicurity as part of the analytical framework and focused the analysis on the four core components of flexicurity:

- *Flexible and secure contractual arrangements and work organisations*, both from the perspective of the employer and the employee, through modern labour laws and modern work organisations.
- *Effective Active Labour Market Policies (ALMPs)* which help people to cope with rapid change, unemployment spells, reintegration and, importantly, transitions to new jobs.
- *Reliable and responsive lifelong learning systems* to ensure the continuous adaptability and employability of all workers, and enable firms to keep up productivity levels.
- *Modern social security systems* which provide adequate income support and facilitate labour market mobility. They will include provisions to help people combine work with private and family responsibilities, such as childcare.

There are different types and levels of flexibility which are important for the purpose of analysis as well as for the purpose of implementation (Wilthagen, 2007 and 2008):

Types of flexibility

- *External numerical flexibility* implies the capacity of enterprises to easily modify the number of their employees through the relaxation of employment protection regulation: easy hiring and firing procedures, including flexible, temporary, or atypical contracts, outsourcing, subcontracting, temporary work agencies, etc.
- *Internal numerical flexibility* implies the capacity of enterprises to modify working hours and arrangements without changing the number of employees through the introduction of flexible working hours, part-time work, short-time work, overtime, variable shift hours, night and weekend work etc.
- *Internal functional flexibility* implies the capacity of enterprises to deploy their employees in different jobs and tasks through job rotation, teamwork, changes in the work content of employees. This requires on-the-job training, skills development, organisational learning, advanced human resources management and organisational skills.
- *Financial/ wage flexibility* implies the adaptation of wages to changing labour market conditions and wage variability including rewarding systems or performance-based pay.

Types of security

- *Job security* implies employment security with the same employer, resulting in a high job tenure in relation to a specific job.

- *Employment security* (or employability) implies the ability of workers to remain attractive for the labour market in terms of skills and qualifications (e.g. education level, previous work experience, training, transferable skills, informal qualifications, etc.).
- *Income security* implies access to income and protection of minimum level of life standards in case of job loss or (temporary) vulnerability or inactivity (illness, disability, maternity, retirement, etc).
- *Combination security*, which provides job security for various types of leave (family care, education, etc.).

The literature suggests that there is an optimal combination between flexibility and security (a win-win situation for both employers and workers), and that trade-offs and vicious circles may result from an inappropriate policy mix and can be avoided. CARMA (2007), indicating the complex relation of these two poles, argues that there is not only a trade-off between flexibility and security. "Flexibility gains do not necessarily mean a loss of security among employees; similarly, security gains of employees do not necessarily have to go along with flexibility losses among employers. Therefore, the talk about a balance between flexibility and security – usually thought of as a compromise between employers and employees – unduly simplifies the nexus."

It is obvious that the legal framework, rule of law, good governance practices, corporate social responsibility of enterprises, and an effective social dialogue at all levels are of paramount importance. "Flexicurity requires a climate of trust and broadly-based dialogue among all stakeholders, where all are prepared to take the responsibility for change with a view to socially balanced policies." (No.7 of the *Common principles of flexicurity*, European Commission, 2007).

Because of diverging framework conditions in different EU Member States (e.g. different welfare regimes and labour market institutions), four different pathways have been developed as a guide for policy action. They prioritise either a reduction of labour market segregation, the adaptability of companies and the workforce, higher investment in skills, or increased institutional capacity to prevent long-term unemployment and regularise informal work (European Expert Group on Flexicurity, 2007). We will see that all four priorities are highly relevant for transition and developing economies, but different strategies and approaches are needed to address their specific challenges.

From the Lisbon Agenda to the EU 2020 strategy

The flexicurity approach of the EU was inspired by the positive labour market results of Denmark and the Netherlands in the 1990s and has been developed and implemented in other EU countries during a phase of economic prosperity, when employers faced skills shortages and bottleneck problems resulting from industrial and technological change in the context of globalisation. In our times of global economic crisis and its

negative impact on the labour markets, flexicurity has been reconfirmed as a good approach in bad weather conditions. The need to improve activation policies and social security to achieve a more inclusive labour market has been strengthened, specifically by new Member States which do not have a long tradition and large coverage of active and passive labour market measures and social protection systems. Recently, flexicurity has been highlighted in the *Agenda for new skills and jobs* (European Commission, COM(2010) 682/3), under the its priority to achieve better functioning labour markets: "Flexicurity policies are the best instruments to modernise labour markets: they must be revisited and adapted to the post-crisis context, in order to accelerate the pace of reform, reduce labour market segmentation, support gender equality and make transitions pay".

These issues are equally relevant for non-EU middle income countries. However, it should be noted that flexicurity is mainly a supply-side approach which does not directly address the demand side of the labour market. Job creation, a priority of the 'new skills and jobs' agenda, has high priority for the four countries studied indeed.

ILO and the Decent Work Concept

The International Labour Office (ILO), based on experiences in transition economies⁵⁴ and in line with its Decent Work concept, launched a project to assess flexicurity in central and eastern Europe (Cazes, Nesporova, 2006)⁵⁵. The findings confirmed that unemployment growth was widespread and that flexicurity did not bring about the expected labour market flexibility, despite reforms to reduce employment protection and offer better social protection. They also reported some cases where flexicurity had rather adverse effects on employment and labour reallocation, in particular for women. Based on recent research, ILO concludes that the policy prescription enforced over the last decade in the region is a jacket that may not suit all sizes. The difference of approaches applied in EU Member States (e.g. predominance on internal versus external flexicurity, type of security, role of social partners) suggests that there are complex and varying institutional settings which determine flexicurity and security. Therefore tradeoffs and complementarity need to be analysed in the specific context of transition economies. This will offer a relatively wide range of policy choices.

The relevant backdrop and policy context in four ETF partner countries

Labour markets of the EU countries differ widely between north and south, and 'old' and 'new' Member States,

most of which have experienced an economic transition phase. Even more pronounced are the differences with transition economies and middle income countries outside the EU.

The four ETF partner countries were selected for their different labour market, economic and demographic characteristics. Kazakhstan and Ukraine are transition countries that have moved from centrally planned economies where employment for the entire working life was provided for all, towards a market economy (albeit with a persistent high share of state owned, large industrial enterprises), while the economies of Turkey and Morocco are characterised by a traditional divide between a dynamic sector with modern working conditions and social security on one side, and a traditional sector with small and micro enterprises and low productivity on the other.

Income inequality is highest in Morocco, and lowest in Ukraine (although here too inequality has risen in recent years), and there are marked differences in GDP, with Turkey and Kazakhstan ranking as upper middle income countries and Morocco and Ukraine as lower middle income countries. Inequality is a serious issue in Morocco and Turkey having the most unequal distributions of wealth of the four countries and a Gini index⁵⁶ of 44 and 43, respectively. There are also huge differences regarding the role and position of women in society. The gender gap differs largely, with Morocco and Turkey ranking much worse than the transition economies. Turkey and Morocco rank well behind the Western Balkan countries and even some Arab countries. Kazakhstan is the only country where the gender gap index has improved during recent years.

We also find marked differences in the area of education. Ukraine's strength is a highly educated population. Kazakhstan has traditionally given high priority to education. In contrast, the literacy rates and mean years of schooling are much lower in Turkey, and even more so in Morocco.

Looking at some basic labour market indicators, we can see that there are striking differences between the transition economies on one side and Morocco and Turkey on the other; the latter having a much lower activity rate, which is also due to the extremely low female activity rate. Unemployment rates, at first glance, look moderate, but this is due to a very restrictive definition of unemployment according to ILO international standards for labour force surveys, and there are large territorial differences and an alarming rise in youth unemployment (with the exception of Kazakhstan, where the youth unemployment rate is even declining).

⁵⁴ See website of the Regional Office Budapest, <http://www.ilo.org/public/english/region/eurpro/budapest/index.htm>

⁵⁵ <http://www.ilo.org/public/english/region/eurpro/budapest/employ/flex/index.htm>

⁵⁶ The Gini coefficient is a widely used measure of the level of evenness in the distribution of wealth in society, where total equality equals 0 and total inequality equals 1. It is often (as in this chapter) multiplied by 100. The only country in the world with a Gini coefficient lower than 25 is Sweden. The highest rates of inequality are found in southern Africa. The whole of the EU is estimated to have a Gini coefficient of 31.

KEY BENCHMARK DATA FOR KAZAKHSTAN, MOROCCO, TURKEY AND UKRAINE

	Kazakhstan	Morocco	Turkey	Ukraine
Gini index	33	44	43	28
GDP per capita (\$ current, 2008)	8,435	2,764	10,745	3,898
GDP per capita (\$ PPP, 2008)	11,314	4,388	13,920	7,271
Gender gap index, score	0.7055	0.5767	0.5876	0.6869
Gender gap index, rank	41	127	126	63
Human Development Index (2010)	0.714	0.567	0.679	0.710
Literacy rate (% , 2007)	99.6	55.6	88.7	99.7
Mean years of schooling (adults above 25 years)	10.3	4.4	6.5	11.3

Sources: ILO (2010): *World Social Security Report 2010/2011*, WEF (2010): *Global gender gap report 2010*. UNDP (2009 and 2010): *Human Development Report*.

KEY LABOUR MARKET INDICATORS

	Kazakhstan	Morocco	Turkey (2009)	Ukraine	EU 27 (2009)
Total activity rate (15-64, %)	76.9	55.3	47.2	71.6	71.1
Female activity rate (15-64, %)	73.3	28.3	25.5	68.4	64.3
Unemployment (% of labour force, 2008)	6.6	9.4	14.0	8.8	8.9
Youth unemployment (15-24) (2009)	3.4	17.9	25.3	17.8	20.8

Sources: Kazakhstan, Morocco: ILO (2010), *World Social Security Report 2010/2011*; for youth unemployment: ETF country reports. Turkey: LFS 2009. EU-27: European Commission (2010), *Employment in Europe 2010 report*. Ukraine: LFS 2009 (working age population 15-54/59).

These labour market indicators do not fully explain the differences between EU labour markets and non-EU countries. For the purpose of assessing the relevance of the flexicurity approach to transition and developing countries we should also take into account the issues of informal employment, underemployment, the weak enactment of laws, specifics of skills formation, and the outreach and capacities of labour market services.

Informal employment

Informal work has various forms. It may have the legal forms of self-employment, subsistence agriculture and unpaid family work, or the illegal forms of undeclared or under-declared employment (when only a minimum part of the wage is declared). Informal labour has negative effects on social insurance budgets (taxes and social security contributions are not paid), on participation in lifelong learning, and on the defence of basic rights. This has also significant consequences for the role of social partners, who are challenged by combating illegal forms of undeclared labour, but also by representing the needs of a large share of the workforce engaged in vulnerable forms of work.

Self-employment plays an important role as a provider of some basic income and a part of micro enterprises may have a potential for additional job creation and sustainable

entrepreneurial activity. Support schemes for self employment exist in all four countries as a measure of active labour market policies, but more comprehensive support to sustainable job creation is generally needed.

Informal employment in Morocco and Turkey has predominantly the form of self-employment in micro enterprises and as unpaid family work (in rural areas as well as in the urban centres) in trade, crafts and services. It is also important to note that the percentage of contributing family workers is much higher for women in Morocco (48.6% of the female employed) and in Turkey (37.7%). In Ukraine, informal employment rather acquires the form of undeclared or under-declared labour. Enterprise envelope payments are a common phenomenon.

What is the relevance of these differences for the flexicurity concept? Most importantly, labour legislation is predominantly linked to wage employment and to the relation between employers and employees, while self-employment, also regulated by laws, follows different rules. Self-employed workers are not always organised or affiliated to interest groups. In Turkey, their affiliation to TESK is compulsory and they are covered by the social security system, but generally, the organisation of these workers is a challenge for the trade unions. "The issue of organising the informal sector is at the heart of the

STATUS IN EMPLOYMENT (2008) (%)

	Kazakhstan	Morocco	Turkey	Ukraine
Wage & salaried workers	67.5	47.5	59.0	83.2
Self-employed workers	31.9	37.4	25.6	16.2
Contributing family workers	0.6	15.0	15.4	0.4

Sources: *World Social Security Report*; Turkey: *LFS 2009*

necessary transformations the trade union movement must undergo to recover its potential as a global social force." (Gallin, 2001)

In such a setting, a deregulation of employment protection does not bring much change for the majority of the workforce. However, segmented labour markets with high flexibility in the informal economy on one side and rigid rules in the public and formal private sectors could be addressed with adequate and tailor-made flexicurity-type measures (Crnković-Pozaić, Sanja, 2008).

One of the biggest challenges is to reduce labour market segmentation and create favourable conditions for regular jobs. The functional advantages of informality (cushioning negative effects of structural change and unemployment) are outweighed by disadvantages like vulnerability, low productivity and tax evasion. Low-skilled workers are trapped in low-paid, casual jobs and the majority of companies with low-skilled entrepreneurs operate at the margin of profit. Improving the quality of work and the skills of the workforce are therefore major challenges for policy-makers and social partners.

Under-employment

We use the term under-employment to describe the situation of people who formally have a job, but are (involuntarily) temporarily not working (on leave) or working part-time in a way that they suffer from cuts in earnings – not to describe workers who have more skills and qualifications than they can deploy in their job. We would call these overqualified workers.

Under-employment constitutes a larger problem for transition economies like Ukraine than informality. While the practice of retaining workers in their jobs keeps open unemployment low, a considerable share of the workforce has to cope with wage cuts, periods of under-employment and deskilling. There is a need to better adapt the workforce to changing skill requirements and to negotiate modern working time arrangements. There is also a window of opportunity to develop and implement socially responsible approaches to restructuring large companies, with workforce training. This must go hand in hand with a well functioning social dialogue, based on mutual trust and negotiation capacities.

Ukraine is an example of a transition economy with low labour productivity and competitiveness, relatively moderate unemployment rates and low wage levels – mainly due to delayed political reforms and modernisation, restructuring and privatisation of their industries. Unemployment has been kept low even in times of shrinking demand and industrial output, thus increasing underemployment. Employers (including state-owned enterprises) prefer to cut labour costs than staff numbers. The practices of involuntary unpaid leave, short-time work without wage compensation and wage arrears – highest in the mid-1990s – recently regained popularity against the backdrop of the economic crisis. 16% of the workforce in formal wage employment in 2008 and 13.7% in 2009 experienced under-employment and wage cuts.

Short-time work was also a common practice in EU Member States to mitigate the impact of the economic crisis and to avoid unemployment. But EU governments and social partners agreed on subsidising short-time work, which was in many cases contingent to further training of staff during the period of lower production.

The difference between de jure labour regulations and de facto practices

Labour regulations are not always fully respected and implemented in practice. While labour laws usually contain detailed and often rather strict regulations, enactment is generally very weak. This gap between de jure and de facto creates a culture of low trust and also tends to create disadvantages for small and medium enterprises who have fewer possibilities to avoid bureaucratic regulations than large companies.

For the case of Ukraine, as an example, we can say that there is more flexibility with a less strict level of employment protection than the official scores and ranks in international benchmarks would suggest. Labour market segregation is mainly caused by formal versus informal employment, by formal wage employment versus vulnerable forms of employment, and to a lesser extent by indefinite versus fixed-term labour contracts. Frequent breaches of labour laws are a challenge for social partners and call for their stronger involvement at company level.

Advancement of skills in line with labour market demands

The fourth specific issue concerns the level of human resources development. The education level of the population is high in Ukraine and in Kazakhstan, but low in Turkey and Morocco. Their education and training systems leave a large part of the Turkish and Moroccan population with low qualifications and skills. Modernisation of education and training systems, in line with the demands of the economy is of primary importance. To improve school attendance and education achievements, the government of Morocco introduced an emergency plan. For the case of Turkey, the ETF report suggests that the country should concentrate efforts on the education and training system with the aim of providing good quality education for all, extending the duration of mandatory basic education, providing minimum vocational education as well as continuing vocational training, and prioritising gender equality in all types and levels of education, VET and adult training.

Ukraine, in contrast, has the comparative advantage of a highly educated population, but youth unemployment is increasing and there is evidence of a growing skills mismatch. Much more will have to be done in the field of continuing vocational education and training, specifically workplace-related training. Large companies would need a deregulation of strict procedures, whereas small companies might need support and incentives to engage in staff training. There is a serious need for up-skilling in the context of enterprise modernisation. Enterprises, their representatives at sector level and trade unions need to adopt a proactive role in training.

Low coverage of active and passive labour market measures and weak institutional capacities

Active labour market measures that facilitate the transition from one job to another and that increase skills and employability with labour market training are a cornerstone of the European Employment Strategy and a core component of flexicurity. The same applies to an effective unemployment insurance system.

In non-EU countries, only a small part of the unemployed and inactive population enjoys activation measures and income support. This is due to budget restraints, weak labour market administrations and poor involvement of social partners. In Kazakhstan, 5% of the unemployed receive cash benefits. The corresponding figures for Turkey and Ukraine are 13% and 34% respectively. Morocco does not have an unemployment benefit scheme at all (ILO, 2010c).

Welfare regimes which depend more on the family than on public social transfers are common in developing countries where the informal economy is a way to survive. Accordingly, public social security expenditure varies largely: in Morocco it was 3.02% of GDP in 2000, in Kazakhstan it was 3.91% in 2007, in Turkey it was 8.3% in 2005, and in Ukraine it was 18.76% in 2007, (data without health expenditure, ILO, 2010c). The expenditure

of Ukraine is comparable to many European countries but is not well targeted to combat poverty.

We may conclude that:

- There is an increasing segregation of the labour market, between a regular employed workforce in the large (private or state owned) companies and the public sector on one side and informal employment in small and micro enterprises and various forms of vulnerable work on the other side.
- Labour regulations are weakly enacted and applied mainly to the formal sector of employment.
- Active labour market measures as well as continuous vocational training are constrained by budgetary restrictions and low capacities for design, delivery and evaluation of measures. As a consequence, there is a very low coverage and effectiveness.
- Social security in the form of social protection in case of unemployment has a very low outreach. Where it exists, the coverage rate and wage compensation rate of unemployment or social security payment is very low. As a result, the informal economy expands even further.

Although significant differences with EU countries exist, this does not mean that the flexicurity approach is not applicable. But it can be a challenge to find a suitable flexicurity pathway.

The role and capacities of social partners in flexicurity

“Flexicurity is above all a social agreement on the degree to which free market forces will be allowed to influence labour market outcomes. There are necessarily conflicting interest groups around this issue and a system of potential conflict resolution is necessary to achieve some level of consensus.” (Crnković-Pozaić, 2008:16).

Social dialogue is the mechanism for achieving consensus. Social partners have an important role in achieving viable and sustainable agreements at various levels: at political and tripartite level, in collective bargaining at sector or company levels, and finally in service provision (advocacy, counselling, control of regulation enactment, and even in training delivery).

Social partners and social dialogue in Kazakhstan, Morocco, Turkey and Ukraine

The historical roots of social partners and social dialogue are very diverse in these four countries: workers' organisations in the two transition economies existed already in times of communism, but social dialogue was only established after the countries' transition. Morocco and Turkey draw on a history of some decades. Social dialogue in Turkey gained momentum with the alignment of the legal and institutional framework with the EU's *acquis communautaire*. It is a common feature of all four countries that the state plays a relatively strong role in setting the agenda for social dialogue.

There are large differences in trade union density. It is highest in Ukraine where unionisation reaches 75% of the formal wage employed. It is around 10% in Morocco and 12.5% (or 16.6% if we include the public sector) in Turkey⁵⁷. One of the reasons of low unionisation is the structure of the economy and employment, with high shares of micro and small enterprises in Turkey, Kazakhstan and Morocco, a high incidence of informal employment in Turkey and Morocco, and the weakness of trade unions in organising vulnerable workers and representing their interests. It should be mentioned, that there are also large differences between EU countries, with high union density rates in the Nordic countries (where trade unions administer the unemployment insurance funds) and with France at the lower end at only 7.7% (OECD data for 2008). The unionisation rate is not the only criterion for measuring the strength or weakness of workers' organisations. Also important are their representativeness status (are they legally acknowledged), their recognition and bargaining power *vis à vis* the government, employer representatives and employers, the coverage of collective agreements, and their capacity to mobilise people.

"The traditional concept of a worker, reflected in the legislation of many countries, is based on a direct employee/employer relationship. Instead, it should focus on the worker and on his/her needs for protection and representation." (Gallin, 2001). There are examples of successful organisation of self-employed people in many middle income countries, but they need strong representation and support. The lack of organisation and representation of the interests of large parts of the workforce, women, informal employees, self-employed, as well as unemployed people and discouraged jobseekers is an enormous challenge for the social dialogue, as well for an effective flexicurity approach. A snapshot of social partnership in the four countries is given below.

Social dialogue and trust in society in Kazakhstan

According to the definition in the Kazakh *Labour Code*, social partnership is a system of trilateral relations between representatives of employers, employees and the government. Besides the republican tripartite commission, sector commissions and regional commissions have been established. The interests of employers at national level are represented by various associations and unions of employers that are established and operating in accordance with the law.

The interests of wage workers are represented by trade unions, organising 25.4% of the employed population⁵⁸. Since 2008, the negotiation of collective agreements at company level was strongly promoted by the government, with the result that 40,000 collective agreements have been signed, covering 25% of all the enterprises. In the majority of collective agreements considerable attention was paid to professional training, retraining and upgrading the qualifications of workers. But the wage levels remain low, and many breaches of labour legislation occur.

The principles of the UN global agreement in the field of social-labour relations were also promoted, including social responsibility of businesses and corporate ethics, covering issues of health and safety at the workplace, human resources development and the recruitment of young people to a minimum level of 5% of total staff.

The practice of concluding memoranda and agreements on the social responsibility of businesses between local executive bodies and employers is gaining popularity. Since 2008, over 4,000 memoranda have been concluded with considerable investments in social projects. This has made a noticeable impact on local development in terms of constructing schools, health institutions, cultural centres, sport facilities, and support to low income households. Monitoring of corporate social responsibility and respect of the law (e.g. eliminating all forms of forced labour and eradicating child labour) has been given high priority by the government.

On the whole, it can be concluded that social partnership is advancing under the active patronage of the state and has gained even stronger momentum with the economic crisis.

Social dialogue in Morocco

Social dialogue in Morocco is weak. However, there has been some progress since the new labour code of 2004 which regulates the institutional and legal framework (ILO, 2010). Sector-specific employers' organisations are engaged in vocational training. As in other countries, collective bargaining is mainly limited to large companies, with no influence on the vast majority of small enterprises (almost two-thirds of the workforce work in micro enterprises with less than five employees). In tripartite discussions, employers are represented by the Moroccan General Confederation of Enterprises (CGEM). They are also organised in the Moroccan Federation of Chambers of Commerce, Industry and Services (FCCIS). CGEM, established in 1947, has a long tradition and represents companies of any size and in all sectors. 95% of its members are SMEs. Many sector-specific professional associations are operating under the CGEM leadership. One of the most active in training is the sector association for textile and garments (AMITH). Similar training approaches are currently implemented in many other sectors, such as tourism, ICT, construction, IMMEE (electricity, electronics, metallurgy and mechanic), automobile and aeronautic. These are sectors of the governmental economic diversification and innovation strategy. Workers are organised in four main trade union confederations. The unionisation level is around 10%.

Social dialogue in Turkey

The foundation of social dialogue in Turkey was laid by the 1961 Constitution by which the employees and employers gained the right to unionise, conduct collective labour agreements and strike and lock out. Thus, the history of social dialogue is quite recent and rather confrontational, more than consensus-oriented. Obstacles like weak industrialisation, lack of class consciousness and the political

57 ETF country reports Morocco and Turkey, 2010..

58 Data provided by Agency of Statistics of the Republic of Kazakhstan .

approach of the ruling elite to trade unionism can be cited among the factors that hindered their development.

Trade union membership is concentrated in few sectors of the economy (textile, food and metal) and geographical areas (Istanbul, Izmir, Bursa and Ankara). Traditionally, trade unions attracted mainly manual workers from industrial and manufacturing sectors, in particular male blue-collar workers from the State Economic Enterprises (SEE). With the demise of the SEE, however, they needed to expand their membership towards non-manual occupations and female workers and adjust themselves to the changing contexts of the market and of power relations introduced through the EU harmonisation process. Attracting members from the private sector has proven to be extremely difficult for the unions, so there is a need for more modern and democratic laws on trade unions and collective agreements. There is less interest in attracting informal and female workers. In fact, the unions have very few members among informal and female workers, which is also reflected in their staff and management cadres that are male-dominated and as a result less sensitive to the problems of these types of worker. The same applies to some employers' organisations (e.g. TESK, TOBB).

The share of workers covered by some form of collective bargaining agreement is also low at 17% of all companies, compared to 63.8% in the EU. Social dialogue within companies remains weak. Only 16% of the companies have employee representation, compared to 41% in the EU. (Eurofound, 2009; European Company Survey, 2009)

There are four confederations that represent employers at the national level, where it is remarkable that also SMEs and tradesmen and craftsmen are represented. Workers (both public and private) are represented at the national level by three trade union confederations and public employees are represented by seven confederations of public employees' unions. Women and the informal sector are underrepresented in terms of membership and leadership.

Despite the inadequacies and shortcomings, social partners are keen to be involved in labour market and employment issues and there are special efforts by the Ministry of Labour to promote social dialogue. Nevertheless, an effective participatory role by social partners as envisaged by the laws does not seem easy and therefore the government is likely to continue to play a dominant role in national development policies in the years to come.

The industrial relations context (the Mediterranean conflict-style) makes the process more complex and emotional. Although the present system is severely criticised by all stakeholders, when a reform is to be introduced, the trade unions in particular tend to have a status-quo bias against reforms due to the polarisation and credibility gaps among the players. Job security is the highest priority for the trade unions that are also deeply fragmented in the absence of consensus on reforms. Constructive opposition or any compromising attitude is regarded as a sign of weakness. Being an aggressive hard-liner is equated with being strong and influential.

This holds true not only in industrial relations but also in the political system at large and indeed in all areas of life including private and family life (Sural, 2009: 341).

The social partners have a tendency of pressuring the government to introduce legal changes in their favour instead of discussing and trying to reach amenable solutions through bilateral negotiations. This impedes the development of genuine collective bargaining and stifles social dialogue. Collective bargaining is merely wage bargaining, but a greater role has to be given to collective agreements in determining employment relations. As a result, the Turkish authorities often bypass obstacles by introducing reforms with very long transitory periods or by making reforms applicable to the new entrants into the labour market.

Social dialogue in Ukraine

Social dialogue mechanisms have been developed in Ukraine since independence. Their legal basis is defined by several laws and presidential decrees. The core institutions of the social dialogue are a trilateral body, and joint representative bodies for the employers' side as well as for the workers' side, each made up of three national confederations.

Measured by the degree of unionisation of the workforce, trade unions are quite strong in Ukraine. While 75% of all wage employees are affiliated to trade unions, as much as 83% of all employees are covered by collective bargaining agreements (ETF, 2010). Trade unions play an important role in wage setting at the national level, where the government, national trade unions and national federation of employers sign the General Agreements, which describe the main principles of employment and wage policy, and training and retraining procedures. The fact that the state still assumes an important role in wage setting affects both the public and private sector. The Agreements regulate major employment and remuneration principles rather precisely for the entire economy. This makes them difficult to implement as sectors differ in many ways. A rather weak position of the trade unions at company level leads to poor labour law enforcement and frequent breaches of regulations.

Although there is an established setup and structure of social dialogue at the national, sector and enterprise levels, many important decisions on social and employment issues are taken by the government without consultations with social partners. Overall the efficiency of social dialogue remains low, to the disadvantage of both employers and the workforce. Business conditions are deteriorated by the instability of policies, a growing informal sector and a high level of corruption. Workers have to cope with low wage levels, non-compliance with their rights and an increasing polarisation of wealth. A further improvement of social dialogue is supported by ILO capacity building measures⁵⁹.

The views and role of European social partners

Employers' organisations at the European level (BUSINESSEUROPE, the SME federation UEAPME, and

CEEP representing enterprises with public participation) generally wish to see the flexicurity approach implemented more strongly. In their opinion, only a few National Reform Programmes (NRP) have taken a systematic flexicurity approach on board.

European workers' organisations take a different position. ETUC is stressing the need to reinforce rights for workers (ETUC communication 13.9.2007) and promotes stable employment relations. ETUC also calls for reversing the trend towards precarious work and for investing in human resources through training and tailored support for workers who have to change jobs⁶⁰. In the light of the economic crisis and as a sign of a lively social dialogue about flexicurity at the European and Member States levels, the European social partners have agreed to jointly monitor the implementation of the eight common principles of flexicurity⁶¹.

According to Eurofound⁶², which has screened the views of social partners in the EU Member States, "a number of trade unions consider that the interpretation and the debate on flexicurity focus primarily on the flexibility aspect, while neglecting security"⁶³. An assessment of the role of social partners in all European countries (CESifo, 2009⁶⁴) confirms their heterogeneous role in flexicurity. There are countries where they assume an important role in political social dialogue, in regulatory collective bargaining and in service provision (e.g. Ireland, Luxembourg, Portugal, Sweden), and there are countries where their role is rather weak (e.g. Cyprus, Czech Republic, Greece, Poland).

With regards to the types of flexibility mentioned at the beginning of this chapter, there are specific actions and roles for social partners:

- For external numerical flexibility, the relevant policy areas are employment protection regulation, legal frameworks for mass lay-offs, active labour market measures to facilitate job transitions (including labour market training), and anticipation of skills demands.
- For internal numerical flexibility, legal frameworks for working time arrangements (part-time, flexible working time, leave schemes, restructuring measures) are the core areas.
- For internal functional flexibility, regulations and collective agreements for the (re-)training of employees, training needs assessment and implementation of training at sector and company level are focal areas for social partners.

With regard to the different types of security (keeping a specific job, being employable, maintaining a decent income level, or enjoying a good work-life balance), the same dimensions are relevant: employment protection regulation, collective bargaining and active labour market measures.

If we juxtapose the role of social partners in Europe and in the four ETF partner countries, we see that there are large differences in the awareness and the state of the debate about a comprehensive policy mix which combines flexibility and security. This debate should be continued and deepened.

CONCLUDING REMARKS AND ISSUES FOR DEBATE

A major difficulty in drawing general conclusions across the four countries – Kazakhstan, Morocco, Turkey and Ukraine – comes from the great differences between these countries. However, we can make some general conclusions which are valid for all countries.

The desirable goal of making the labour market more dynamic, with easier transitions from one job to another and an easier entry into the labour market for the young population requires more job openings. What is needed is a job-rich recovery after the period of economic downturn (ILO, 2010c). More jobs are also needed to achieve a more inclusive labour market, with equal opportunities for both women and men and better chances also for disadvantaged groups.

Skills demands have to be actively linked to skills supply and the mediating role is best performed by the social partners, who represent both the employers and the workforce. Social partner involvement is a requirement for modernising education and training systems in all countries. Their active involvement in developing coherent and holistic education and training strategies, based on sound methodologies for needs assessment and anticipation of future trends, is of key importance.

Another challenge for social partners is their representation of the interests of those working in the informal sector, those working under atypical contracts, and those who are unemployed or inactive. Tackling the complex issue of informal work may have a greater impact on overall labour market performance than putting more effort into liberalising labour codes. As concerns social dialogue, there are basically two options available: enhancing and supporting the organisation of informal workers with like-minded interests, or promoting their inclusion in traditional unions.

Strengthened capacity, better information and higher involvement of social partner organisations are preconditions for their active and effective contribution at national, sector, and company levels. The concept of an integrated policy approach like flexicurity is valuable, but must be based on improved governance with the regular involvement of social partners.

⁶⁰ www.etuc.org/a/4288, accessed on 7.4.2010 and 22.12.2010.

⁶¹ European Commission (2007). Towards Common Principles of Flexicurity: More and better jobs through flexibility and security. COM(2007) 359 final

⁶² The European Foundation for the Improvement of Living and Working Conditions in Dublin.

⁶³ http://www.eurofound.europa.eu/eiro/studies/tn0803038s/tn080038s_4.htm, Eurofound, accessed on 6.1.2010

⁶⁴ Role of Social Partners in Flexicurity, survey of 2009, available at http://www.ifo.de/portal/page/portal/ifoHome/a-wininfo/d3iiv/_DICE_division?_id=6745832&_div=6746433&_cat=c&_action=all&_row=1&_count=56, accessed on 22.12.2010

10. CAPACITY DEVELOPMENT OF SOCIAL PARTNERS – CAN PEER LEARNING BECOME A RESOURCEFUL TOOL?

Margareta Nikolovska and Arjen Vos

INTRODUCTION

Social partners are important players in the development of vocational education and training (VET). This view is widely supported in the EU and its Member States. However, involving them is more easily said than done. The transition economies of south eastern Europe are slowly recovering. Most companies are fragile. They often have short-term visions and perspectives. Since education and training is a long-term investment, social partners face a challenge prioritising it over more immediate needs in the slipstream of the global financial crisis.

In 2008, the ETF's peer learning exercise bore the title: 'Social partners in education and training: from policy development to implementation'. It took its starting point in the argument that social partners and policy-makers, as peers, share common problems, such as highly centralised and regulated VET systems, inflexible financial mechanisms, curriculum reform and development needs, and communication within and among sectors.

The ETF exercise involved peers from four countries: Croatia, the former Yugoslav Republic of Macedonia, Serbia and Turkey. It aimed to develop an understanding of the role of social partners in VET reform.

The design of the peer learning activity was in part based on the assumption that confronting the social partners with the realities of VET policy implementation could result in more effective VET policy development and implementation. The expectations were that policy learning among peers would be supported by improved mutual understanding and a deeper knowledge of VET systems, issues and developments. Other beneficial results that were expected included networking, exchanges of experience and cooperation among peers, and increased opportunities for learning from VET reform experiences in participating countries.

Based on the outcomes of this particular ETF peer learning exercise, the chapter discusses its applicability in capacity development among social partners, and how social partners can benefit from taking part in knowledge sharing events where the design includes tailored and relevant activities for them.

More concretely the chapter addresses the following issues:

1. How did social partners develop new knowledge in the ETF peer learning exercise?
2. What are the possibilities for the ETF peer learning instrument as a learning tool and how can learning from experience and reflection be further developed in order to support the role of social partners in VET?
3. How can learning in networks be of most relevance to capacity development among social partners?

At the outset we need to underline some challenges that we face.

In this chapter we will be using terms such as capacity development and policy learning. Capacity development and policy learning are concepts that are slippery and difficult to delimit, particularly when the context is VET reform. They are interlinked. However, the biggest challenge is that they are associated with individual players in VET reform, and they are at the same time associated with the institutions and their formal and informal organisation.

The purpose of this chapter is not to elaborate on these challenges, either from a theoretical or a practical perspective. Rather we would like to reflect on the ETF peer learning experience with social partners from our field work, and to draw up a summary of issues that may prove useful in understanding how ETF peer learning can be a resourceful tool for the capacity development of social partners.

LEARNING FROM THE ETF PEER LEARNING EXERCISE 2008

One of the instruments that the ETF uses for policy learning is the peer learning instrument. There are a number of different peer learning approaches. The ETF peer learning approach is based on the principle of establishing a learning platform which is carefully facilitated by the ETF around the major policy issues which are of concern in the countries that take part in the exercise. The following methodology is used by the ETF:

1. A common topic for policy learning is decided in cooperation with countries involved.
2. A country background paper in the form of a self-study document is prepared by the country peers – usually a combination of policy-makers and VET experts.
3. A common concept paper based on the selected topic for peer learning is elaborated by the ETF.
4. Visits are organised in the countries that participate in the exercise. They are accompanied by peer workshops for reflection and experience sharing.
5. A cross-country synthesis report on the state of the art in the chosen topic is prepared.
6. Dissemination is organised in different forms, such as through articles, country workshops, a regional conference and other follow-up activities.

Involving policy-makers, education experts and practitioners as peers in this way aims at providing better targeted capacity building for VET policies and policy outcomes.⁶⁵

Why did the ETF choose peer learning as the policy learning instrument for the topic of social partner involvement in education and training?

One way of developing awareness of the importance of key issues in education and training is to enable policy-makers and social partners to meet people who are or have been involved in developing strategies for such policies or in implementing them. Stakeholders in VET are increasingly looking beyond their borders to seek information, examples of good practice and advice from peers in order to launch, develop or implement new policies in their own national context. In the last decades of EU action programmes in education, it has been proven repeatedly that presenting your own system to foreigners is an excellent learning exercise. The policy-makers and social partners taking part in the 2008 peer learning activity therefore had to prepare a programme to present social partnership structures and practice in their own country to their peers from the other countries. This methodology was used to facilitate learning to cope with the challenges faced by policy-makers and social partners in VET reform. (See **BOX 1**)

BOX 1: COMMON ISSUES OF CONCERN FOR SOCIAL PARTNERS AND POLICY-MAKERS AS PEERS IN ETF PEER LEARNING

In the 2008 ETF peer learning exercise, the following issues were used to stimulate the professional debate among social partners and policy-makers as peers:

Social dialogue: Which are the main topics for dialogue between authorities and social partners in education and training? Which topics are of common interest, and where do interests conflict? What is the right balance of social dialogue at national, regional, local and sectoral level?

Education and training practice: Are there good practice examples of social partner involvement in specific areas, such as labour market needs assessment, qualification development, curriculum development, practical training, quality assurance, and examination and certification? What advice can be given to policy-makers, employer organisations and trade unions on realistic strategies for increasing their involvement at different levels?

School-enterprise relations: What are the areas of common interest, and what examples of good practice are there?

The ETF peer learning process lasted for about one year. By the end of cycle, the social partners had compared, discussed and learnt from their experiences as peers. What they had learnt represented new knowledge in the context of their professional environment. An overview of the insights and conclusions acquired by peers is presented in the following sections.

Social dialogue, peers concluded, is still at an early stage in all countries. Employer organisations have only been set up in recent years and are trying to develop their role as partners in policies and collective agreements and to position themselves against the traditionally influential chambers of commerce and industry. Trade unions have had a longer tradition, but are also adapting to the new economic and social conditions. Social partnership in the region is mainly tripartite, with a relatively strong role of the government in facilitating social dialogue. In the area of lifelong learning, several institutions and mechanisms (such as social and economic councils, VET councils, occupational sector councils, national qualifications frameworks, and VET agencies and centres) have been set up at the national level, where social partners participate in the discussion about policies and legislation. In spite of all these mechanisms the social dialogue is often ineffective and social partners in south eastern Europe still feel ignored or marginalised when it comes to critical decisions in VET reform. The peers found that in all four countries social partners are suffering from relatively low membership, a situation that calls into question their representativeness. Their organisation at local and sector level is often weak. Social partner organisations require greater commitment, a sharper focus on the key issues,

⁶⁵ For more information on the ETF peer learning methodology see Nikolovska and Vos: ETF peer learning: from policy learning to policy change in partner countries, *ETF Yearbook 2008*, European Training Foundation, Turin, 2008.

considerable capacity building and the financial means to participate fully.

In relation to education and training practice, peer discussions evolved around occupational and training needs as well as standards and curriculum content. The development of national qualifications frameworks is an area in which social partner involvement is particularly critical. This has been clearly demonstrated in the examples of the Turkish Vocational Qualification Authority and the Croatian Qualifications Framework. In Serbia employers are active in examination boards. In the countries where occupational standards development and qualification standardisation have been introduced through EU VET reform programmes there is social partner involvement, as this is a more or less standardised approach in EU programmes. With regard to continuing VET and in-company training, employers are reluctant to see staff they have trained being 'poached' by other enterprises. Trade union members need to see that standards can improve the employability, wages and mobility for their members. It will ultimately be necessary to develop a general culture of investment in transferable training.

In terms of school-enterprise relations, peers concluded that social partners are involved locally in schools, training centres and enterprises through both public and private initiatives and featuring direct cooperation between employers and trade unions. Cooperation between schools and enterprises concentrates mainly on practical training in companies, but typically this cooperation is more a result of personal networks than of a systematic policy. The peers agreed that providing incentives for building on these existing initiatives is a priority, particularly if they can be 'institutionalised' by broadening the focus to other areas of cooperation and building up a participatory process that involves social partners and local VET policy-makers for ongoing consultation on occupational and training needs.

The overarching conclusion from the discussions among peers was that social partnership requires choices. Social partners do not have the human and financial resources to be engaged in all national lifelong learning policy discussions, participate in shaping the national qualifications framework and be active in policy implementation in all municipalities and schools. Therefore it is necessary for each social partner organisation to set strategic priorities on where their limited resources can yield the greatest benefits.

Reflecting on the insights and conclusions from the peer discussions, one may wonder why and how peers came to such a coherent and comprehensive overview of the challenges that social partners face in VET reform? Besides carefully selected topics for professional discussion, another very important element of the ETF peer learning methodology is the composition of the peer learning team. The core principle on which the team philosophy rests is that learning and knowledge creation is a social as well as an individual process. The selection of peers is therefore crucial. Both social partners and policy-makers need to have direct influence on or

responsibility for VET policy in their countries. The way in which peer learning teams interact and the relationships that emerge between their members help to create a platform that unleashes some specific life and professional experiences. To create an effective learning environment, trust and a certain level of informality within the peer teams have to be built up. Their members have different experiences and different perspectives on the topics discussed. VET policy-makers expect that new policy reforms will be implemented in the way they have planned them, whereas social partners are inclined to take part in these reforms only where they match the interest of the groups they represent. These differences in perspective play an important role in the creation of a favourable environment for rich professional debate and generating workable new ideas and concepts that are relevant and potentially applicable in the national VET reform environment.

While peer learning can foster the development of new ideas and concepts for policy innovation within a group of peers, there is quite some distance between the conceptual world of ideas and their applicability in the VET policy context of each country. One persistent question is how new knowledge is acquired through ETF peer learning. Another one is how these ideas triggered by peer learning events influence the policy process in the countries? In the ETF peer learning methodology there are no built-in mechanisms to evaluate the impact of the peer learning exercise on actual policy processes. But we are not oblivious to the validity of these questions. To catch a glimpse of an answer to them, we reflect on phenomena which in policy theory are labelled 'policy diffusion'.

Policy theory identifies policy diffusion as a trend of successive or sequential adoption of a practice, policy or programme. While national decision making can be influenced by diffusion, policy innovations learnt and understood elsewhere are not in themselves a guarantee of their adoption in the home jurisdiction. The determinants of policy design, adoption and implementation include factors that are internal to the system – more so than external ones – such as the changing dynamics of political interests and the socio-historical make-up of policy (Stone, 2001).

The message is clear: it is unrealistic to expect that new knowledge is easily transferable within the domain where social partners operate on a daily basis. The extent to which individual peer learning becomes collective or organisational learning, or how much policy will change as a result of peer learning, depends on different factors. Although peer learning can influence the actions of governments or donors, this is not enough to make a firm and positive evaluation of its impact. This is also one of the main weaknesses of peer learning as a tool: the national impact of peer learning may remain rather vague. Without a doubt, peer learning activities leave their greatest impact on those who are directly involved in them. Discussing and comparing experiences from different countries is a powerful learning tool, and the cross-national exchange of experience can play an important role in further shaping individual countries' VET policies.

PEER LEARNING: DEVELOPING NEW KNOWLEDGE IN CONTEXT

Learning is related to perceiving an external stimulus, for example by reading, listening or observing. But perceiving it is not enough, it must be actively processed. This can be done by reflecting on or experimenting with it. Defining the right activities to learn from and reflecting on acquired experience are the most important tools in experiential learning. Experience and knowledge will come almost automatically. The concept of policy learning as it has been developed in the European Training Foundation emphasises not just involvement but active engagement of national stakeholders in developing their own policy solutions based on the understanding that there are simply no valid models. At most there is a wealth of international experience in dealing with similar policy issues in other contexts.⁶⁶ (Nielsen, 2011).

Policy learning involves using comparisons both to understand one's own country better and to understand current policy problems and possible solutions by observing similarities and differences across different national settings. Peer policy learning therefore seems to be a more effective way for governments to inform policy by drawing lessons from available evidence and experience (Grootings, 2004; Raffe & Spours, 2007; ETF, 2008). Recent work from the ETF (ETF Yearbooks 2004 - 2008) suggests that policy learning – as distinct from policy borrowing and copying – encourages situated problem solving and reflection. New policies need to be strategically linked to goals and outcomes for national education systems and must be firmly related to the specific institutional context of the country (Nielsen, 2011). To develop this argument further, we elaborate on some issues from the ETF 2008 peer learning exercise, which may help the reader to delve deeper into the potential of peer learning as a capacity building tool.

An important conclusion from the 2008 ETF peer learning experience was that the involvement of social partners in the development of policy strategies will lead to stronger co-ownership and will therefore facilitate cooperation, co-financing and implementation. Social partners are part of the policy process: they shape, they lead, they retreat, they chop and they can have a strong influence on policies, sometimes in unexpected directions. Therefore, at the national level, this process needs to be facilitated by:

- fully understanding social partners' goals, competences and capacities in relation to VET as the first step towards building consensus;
- being fully aware of where developments should be heading, especially with regard to how much decision making power can be transferred to a social partnership structure;

- involving social partners in the process where the government itself is a major player;
- acknowledging that employers (and possibly even trade unions), particularly in transition countries, are reluctant to push harder for influence simply because they are afraid that it might backfire: employers are exploring the emerging opportunities and their boundaries, often taking a cautious approach and making sure they do not step unnecessarily on the authorities' toes.

The difficulty in all of this is the limited administrative and management capacity to implement policy and structures, even when these have been legislated for. Policy development, formulation and implementation should be firmly based on broad ownership and fit within the institutional structures that allow the stakeholders to participate (Nikolovska, 2007). This is the most difficult issue in the entire policy process, and this further challenges the role of social partners in VET. Another challenge is the fact that education and training are traditionally considered (by both government actors and social partners) the responsibility of the state. In spite of the progress made, the underlying logic of governance is still based on a high degree of centralisation. This has an impact on VET reform.

What are the features of the ETF peer learning that ensure learning in real-life situations?

The first feature is related to the dual role the social partners have within the peer learning team. At one and the same time, they act as learners and as experts. This creates a platform and a process through which all participants can exercise their roles as learners and teachers of their peers. The second feature is related to participants' perceptions of VET reforms and the peer feedback on it from neighbouring countries. Experience gained from VET reforms in other countries, which may be different or similar to home country policy problems, functions as a mirror for self-reflection and a critical vantage from which to view VET reform in the home country. The third feature is the participation of social partners in stakeholder interviews during the peer learning country visits. Comparing opinions of different stakeholders on the same topic helps to develop a deeper understanding of the issues and challenges others are facing in VET reform. VET policy processes are often complex and difficult to outline, not least because of the intricacy of the stakeholders. An outside view may assist with identifying some of the key issues. Indeed, the peer learning process is an excellent method to create a better understanding of stakeholders' tacit relationships in a given country. This in turn may shed some light on the role that social partners play in VET policy processes in their own countries. Such features can trigger an optimal situation for policy learning.

All in all, by taking part in the peer learning exercise, social partners got a clear understanding of the varying forms, levels and stages of social partnership in VET in the countries. In an article on mutual learning processes in

⁶⁶ The ETF policy learning approach has been formally endorsed by the ETF general Advisory Forum (AF) conference in 2003 and reinforced by the AF conference in June 2006. See formal Statements on www.etf.europa.eu.

which he attempts to clarify the learning process in international communities, Nedergaard (2006) refers to policy learning as a gradual process of realisation, where cognitive categories are redefined on the basis of new knowledge. The modes of cooperation and the ways of resolving challenges are the result of the different traditions and cultures in each country. They reflect to a great extent the differences in the organisation of the national education and training systems. In such a situation the peer learning tool provides ample opportunity for social partners to develop new policy relevant knowledge. According to Nedergaard, this approach may have great potential by moving away from an expert-driven knowledge-transfer model towards participatory forms of policy learning in which policy-makers and social partners consolidate their understanding and knowledge of reforms in VET systems.

THE DEVELOPMENT OF ADVISORY BODIES: LEARNING IN NETWORKS

A key feature of a network is that it discusses problems and seeks solutions and appropriate responses to these problems. Within such networks, knowledge institutions provide important information and analytical resources. They can be used to spread ideas and reform strategies throughout the network and beyond. Networks involve different interdependent actors and are made up of organisations which need to exchange resources (such as authority, information, expertise and funds) to achieve their objectives, to maximize their influence over outcomes, and to avoid becoming dependent on other players in the game (Stone, 2001). The 2010 education and business studies in the ETF partner countries show that the engagement of social partners in education and training is emerging through different bodies that have recently been established, such as National VET Councils and National Labour Councils. As a rule, these convene public authorities, employers and employee organisations.

Following Stone's definition, the advisory bodies in which social partners are engaged can be characterised as networks. They will be 'policy networks' if they connect public policies with their strategic and institutionalised context: the network of public, semi-public, and private actors participating in certain policy fields (Kickert et al, 1997).

As an example, the National VET Council in Albania⁶⁷ is an advisory and tripartite structure in charge of VET coordination between the Ministry of Education and Science, the Ministry of Labour, Social Affairs and Equal Opportunities and other related public and non-public institutions. Some of its functions and responsibilities include the promotion of social dialogue in VET, recommendations on VET policies and strategies, proposals for professional standards, VET financing, etc. The council has 15 members: seven government

representatives and eight from among the social partners. As such, the social partners have a majority. The chairing role is assigned to the ministries⁶⁸. The Tripartite Administrative Council is a governing body of the National Employment Service and is chaired by the Minister of Labour, Social Affairs and Equal Opportunities. It is composed of representatives of six other ministries, three representatives of employee organisations and three representatives of employer organisations. These two councils are places where business and industry can raise their voice about the labour force needs (Nikolovska, 2010). Similar examples of policy networks where social partners are actively included are found in all countries in the south eastern Europe.

Networks represent a soft, informal and gradual platform for the diffusion and dissemination of ideas and policy paradigms. Networks enable actors to operate beyond their institutional context and they are the means by which organisations individually and together can project their ideas into policy thinking across states and within global or regional fora. Through networks, participants can build alliances, share discourses and construct consensual knowledge. From this basis, policy 'entrepreneurs' can work to shape the terms of debate, networking with members of a policy making community, crafting arguments and brokering their ideas to potential political supporters and patrons (Stone, 2001).

Networks are an organisational form with an extraordinary potential for innovation, managing risk, building trust, facilitating joint action and gathering information in a manner that flows around and between geographical, legal and institutional barriers. When networks include the active participation and involvement of decision makers they have the potential to influence policy (Stone, 2001). A good example of this is the National Labour Council, again in Albania, that acts as an advisory body to the labour ministry⁶⁹. It is composed of 27 members including representatives of seven related ministries, ten representatives of employee organisations and ten representatives of employer organisations. After a long process of policy dialogue, the adoption of the Employment and VET Strategy 2007-13 is considered by the social partners as a good example of successful joint action. The interaction of official decision makers (politicians and bureaucrats) with relevant stakeholders and experts helps to reinforce the credibility and legitimacy of network participants in the formulation and implementation of policy.

All of the four countries that took part in the peer learning exercise are still trying to move towards fully open societies, with governments making efforts to gradually shift from a bureaucratic and authority-based system to a more transparent and inclusive approach towards decision making. The recent ETF education and business studies confirm that all partner countries now carry out legislative and policy development tasks in cooperation with social partners, albeit to differing degrees. The questions we need to ask are: what are the most suitable frameworks

⁶⁷ As established by law no. 8872 of 29 March 2002.

⁶⁸ Draft Law, On Vocational Education and Training in the Republic of Albania, MoES, May 2010

⁶⁹ As established by law no. 7961 of 13 March 2006.

for capacity building among social partners and what opportunities are there for this within the national policy networks? These are complex questions and the answers are not obvious. But we have seen that learning in networks functions best when dealing with real life situations. This suggests that engaging employers, trade unions and government together in the learning process has most potential.

Social partnership development is a long process of experiential learning. It is more successful if the classical 'class struggle' is substituted by consensus or 'win-win' thinking. Education and training, or more generally human resources development, is an excellent topic for this due to the fact that it is a less controversial policy field in the political landscape of the countries concerned. So far, most social partner engagement in education and training takes place at the national policy level, for instance in VET councils. A further exploration of the possibilities of learning in networks therefore needs to be carried out in order to ensure targeted future capacity development of social partners also at other levels and within economic sectors.

ETF PEER LEARNING AS A TOOL FOR KNOWLEDGE MEDIATION

*"Capacity is the ability of people, organisations and society as a whole to manage their affairs successfully."*⁷⁰

A fundamental requirement for countries in transition is to strengthen the capacity to formulate national reform agendas. In VET reform, the capacity of social partners is rapidly becoming a determining factor. Social partners need to develop the competences needed to formulate policies and shape reform initiatives that fit into contexts and that therefore establish better conditions for ownership and sustainability of VET reform. This requires more focus on how to organise policy learning environments in the countries enabling a critical mass of key actors and stakeholders to develop competence in VET policy development and implementation.

Capacity development is the "process whereby people, organisations, and society as a whole unleash, strengthen, create, adapt, and maintain capacity over time" (EuropeAid, 2009). Like learning, capacity development takes place in people or organisations, and, like learning, it cannot be forced upon them.

The role of the ETF in the reform process in south eastern Europe is to facilitate human capital development by making available expertise and information on policies and practice in education and training through participatory processes of stakeholder interaction. As we wrote earlier, one of the ways in which this is done is by involving policy

makers and senior officials from the sector as peers in order to create the conditions for better targeted capacity building (Nikolovska & Vos, 2008). But the ETF's purpose is not simply to create policy learning environments for individuals. The end goal is to enable them to formulate their own reform policies as a result of their learning. For this, there are important aspects that need to be taken into account, including the following:

- VET reform and change has to be carried out largely by existing staff, and despite widespread agreement on global policy objectives and improved policies, reform actors might still be uncomfortable at the prospect of changing traditional ways. Accomplishing change is about reversing deeply embedded policies and strongly held beliefs, including social partners' beliefs.
- While system change in countries was traditionally designed centrally and decreed from above, this political culture is slowly changing. This allows local agents to claim a stake in the design of reform concepts. With the growing acknowledgement of its importance, education is increasingly attracting the attention of many different lobbies and constituencies and it is obvious that VET is one domain that will gradually grow as a priority on the agenda of the social partners.
- Modern reform approaches are seeking ways of involving the various stakeholders in a meaningful way. The same is valid for social partners: they need to see meaning in why they are called upon to take part in the policy process.
- Collaboration becomes a necessity. If all stakeholders are to function together, a clear sense of public purpose is needed and so are new forms of partnerships and new skills.

As has been stated in EuropeAid's *Toolkit for Capacity Development* (EuropeAid, 2009), change is an internal process that has to happen within people or organisations. This basic insight has four important implications:

- Capacity development must be owned by those whose capacity is being developed, otherwise it simply does not happen.
- External partners cannot design and implement capacity development. They can *support* capacity development processes or help to create the right external incentives for them.
- Those setting out to develop their capacity must lead and drive assessment and formulation processes aiming at capacity development to such a degree that their ownership and commitment remain intact or are even boosted.

Without doubt, these guidelines have important implications for how we organise the capacity development of social partners.

CONCLUSIONS

In this chapter we have analysed the following questions:

1. How did social partners develop new knowledge in the ETF peer learning exercise?
2. What are the possibilities for the ETF peer learning instrument as a learning tool and how can learning from experience and reflection become further developed in order to support the role of social partners in VET?
3. How can learning in networks be of most relevance for capacity development among social partners?

As it has been presented in this chapter there are numerous reasons why the ETF peer learning exercise is a promising tool for the promotion of social partnership⁷¹. During the implementation of the ETF peer learning exercise in three consecutive cycles (2006, 2007 and 2008) which sought approaches to the professional development of stakeholders playing a role in VET reforms, we found that facilitating learning from experience and everyday professional needs is a very promising approach. We found that if we applied the 'policy problem solving' approach, derived from real practice and placed within the real cycle of VET policy implementation, this would optimise the learning benefits for social partners engaged in ETF peer learning. They would acquire knowledge by observing and discussing similar national practices and would develop the capacity to reflect on their own situation through exposure to others.

Peer learning is a powerful learning tool but it demands substantial commitment and time from a limited group of peers without a linear learning outcome. The effectiveness depends on the selection of peers that have

similar backgrounds and work situations but that also fulfil functions where they are able to actually transform their learning into practice in their own environment. The step from individual learning to organisational learning and action is a tremendous one. During the peer learning this awareness has been developed by the peers during the evaluation and dissemination phase of the project, but an impact analysis after some years has not yet been made and could offer more insight. The ETF will continue to use the peer learning instrument strategically within its multi-annual projects, bringing different stakeholders together in a learning environment and paying due attention to the follow-up of the peer learning, emphasising that peer learning is not the final objective, but just an instrument to achieve broader goals.

If this form of learning is extended to learning in national policy networks, it will allow for more structured capacity development among social partners. Capacity development will be owned and managed by the social partners themselves. When policy networks which include social partners are closely involved in national policies and this involvement is placed within institutionalised structures, then more targeted and sustainable VET reform measures can be implemented.

This road is not without challenges. Learning in international and regional networks is different from learning in national networks. If peer learning is to be used in national networks for social partners, then its methodology needs to be adjusted. And still, its eventual effect on reforms will be unknown. Decision making in national VET reform policy networks needs further analysis. How public policy knowledge is constructed is still an open question, not only for policy-makers and practitioners in public administration, but also for researchers in the field of public policy and governance.

⁷¹ The challenges of ETF peer learning methodology are analysed in ETF Yearbook 2008.

CONCLUSION: FUTURE SCENARIOS FOR SOCIAL PARTNERSHIP – THE RELEVANCE OF AN INDUSTRIAL AGE SOCIAL STRUCTURE IN THE GLOBALISED KNOWLEDGE ECONOMY?

Søren Nielsen and Xavier Matheu de Cortada

INTRODUCTION

Does it make sense to compare VET systems from different world regions, with their huge variety of traditions, values and structures, and try to identify what is common for the 29 ETF partner countries? And does it make sense to identify lessons learnt, if any, from good practice in social partnership in VET and employment policies in EU Member States as well as in partner countries?

We would argue that two related factors make this meaningful indeed: the recent global political changes affecting education policy making more or less everywhere, and the renewed focus on skills and competences as a key input factor in international competition.

It is against these drivers of change that this concluding chapter will assess future scenarios for social partnership. It will briefly summarise common patterns of challenges and obstacles from the preceding chapters and will then argue that the role of the social partners in VET and labour market policies is indispensable.

After that, it will discuss the relevance for the global knowledge economy of a social structure that was born almost two centuries ago under the rise of industrialisation, responding to very different needs than those faced today. The chapter will formulate five initiatives which may be brought forward to strengthen the social dialogue in VET in ETF partner countries in the years ahead. The overall argumentation is based on the ETF's policy learning approach to facilitating VET reform, the key points of which are briefly introduced below. Finally, we will discuss how international assistance, such as that provided by agencies like the European Training Foundation, can better contribute to sustainable reforms of national VET systems.

Many assistance projects in transition and development countries that are funded and undertaken by international

donors are characterised by some form of policy transfer or policy copying. It is based on the assumption that 'best practice' exists, is relevant for other countries and can therefore be taught by and learnt from international consultants or studied and copied by national policy-makers. The practices are considered 'best' because they fit into particular theoretical or ideological constructs, or because they 'work'.

However, policies based on quick fixes, or based on transfer or copying of best practices have generally proven to be unsustainable. They often do not fit into the context of the countries and there is often no real ownership among key national stakeholders. As a result, the implementation of such policies has only rarely achieved the intended results. Social partnership is susceptible to this development cooperation practice if it is simply 'imported' from successful contexts in other countries without considering the local context and the way in which social participation must be articulated according to this context.

Policy learning can be defined as the ability to inform policy development by drawing lessons from available evidence and experience. Effective policy learning should aim for a deeper understanding of policy problems and processes than what is provided by a simple search for 'best practice'. In the ETF 'Torinet' project, the operationalisation of the policy learning concept includes developing the ability to (i) learn from past national experience, (ii) learn from other countries, and (iii) learn from local, innovative projects.⁷²

Policy learning implies the use of practical comparisons to gain a better understanding of a country's current policy challenges and possible solutions, by observing similarities and differences across different national settings. Peer policy learning therefore appears to be a more effective way for governments to inform policy by drawing lessons from available evidence and experience. Recent work (ETF Yearbooks 2004 – 2008) suggests that policy learning – as distinct from policy borrowing and copying – encourages

⁷² See Serban, M. (2011: 4)

situated problem solving and reflection. New policies need to be strategically linked to goals and outcomes for national education systems and must be firmly related to concrete national policy priorities as well as anchored in specific country institutional contexts.

GLOBALISATION AND THE INTERNATIONALISATION OF EDUCATION POLICY

Internationalisation first peaked before World War I, when world trade was extensive, as was political and cultural exchange. It is interesting to note that the development of the fundamentals of the German VET system in this period (see Chapter 1) was a deliberate policy to become a strong industrial power under the conditions of free global trade. With World War I and the crisis of the 1930s this pattern was broken. Protectionism, strong control of capital movement and barriers for trade shaped a framework for expanding domestic economies where national policymakers had few restrictions on policy choices. This became the foundation under the modern welfare state for which post-war Keynesian economics produced tools to counter the cyclical tendencies of capitalist economies. 'Full employment' became more than a slogan, and the political system and social partners agreed on new roles in a collaborative effort to design state interventions to achieve national goals in employment, education and welfare.

In the last two decades national control of the economy has been eroded by globalisation and neo-liberal policy choices. Regionalisation, and the development of regional markets (in Europe, Asia, North America, Latin America and Africa) is largely a product of, and driven by, globalisation. The EU itself is a new polity which has arguably eroded the national control of economies, yet to date globalisation has definitely strengthened rather than weakened the EU as a political project.

In most countries, globalisation is the current number one driver for change. Thomas Friedmann (2006) argued that recent history has seen the dawn of a new global economy, that the world is becoming 'flat' once again, that this economy is powered by the free movement of capital, the spread of the internet with its world-wide fibre-optic network, by international outsourcing and by the demise of the Iron Curtain. Although we may come to see rising inequality (including inequality of access to new technology), there is hardly a doubt that these forces intensify global interdependencies. The continuous flow of people, ideas, capital and goods ensures that a global knowledge-based economy emerges.

Globalisation presents opportunities but also poses challenges. In most economies the demand for a highly educated workforce will increase, while the demand for low-skilled workers will decrease. According to Cedefop's latest forecast of skills demand and supply in Europe (Cedefop, 2010a), the share of jobs requiring high-level

qualifications will rise from 29% to 35% by 2020, while the number of jobs employing those with low qualifications will fall from 20% to 15%. The share of jobs requiring medium-level qualifications will remain significant, at around 50%. However, all categories of jobs, even the most elementary of occupations, will require higher levels of qualification as new technologies and work organisation change the specifications. A major challenge is therefore to ensure a higher level of education and make everyone able to keep pace with new demands. This is the reason why VET reform in the EU needs to be sustained throughout the next decade.

Globalisation has had a number of implications on education policy studies. Since the late 1970s the global political economic context has grown towards a neo-liberal framework. This has moved the economic impact of education up on the policy making agendas as is illustrated by the increased focus on human capital development. It also coincides with an internationalisation of education, which has altered the landscape of education policy making processes. Both trends have reduced the otherwise recognised role of trade unions which are often seen as a conservative barrier against the free movement of goods, services, capital and labour. In recent years, tensions in transition countries among global and local interests, often triggered by the intervention of international donors, have led to a new focus on *policy borrowing* and *policy learning*.

Even though, internationally, there are diverging and converging trends in the development of vocational education and training policies, some common discourse runs together in all countries. In almost all ETF partner countries it is possible to identify three levels of influence driving policy formation and discourse:

- Globalisation.
- EU education policies (such as the Lisbon objectives, the Copenhagen process, the Bologna process, and the introduction of the Open Method of Coordination).
- National interests and cultures.

Learning how these policy discourses are transformed into practice in the national VET system would be an educational experience for national stakeholders in vocational education and training. Acknowledging this, in 2010 the ETF launched the Torino Process⁷³ which in 2011 will be followed up by an initiative to strengthen the capacity of partner countries for evidence-based policy making.

THE URGENCY OF HUMAN CAPITAL DEVELOPMENT

The EU VET and employment policies are formulated to respond to the need for more sophisticated human capital development strategies. High income economies cannot compete on production prices with low income economies. This means that they need to find other areas than labour costs to maintain their competitive

⁷³ The Torino Process is a participatory review of progress in vocational education and training policy carried out every two years by all ETF partner countries with the support of the ETF. The process was launched in January 2010 and will be repeated in 2012.

advantage. Where investment in skills through education and training is seen as one key to competitiveness, education policy suddenly becomes economic policy. Education systems, schools and teachers are increasingly pressed to ensure that outputs are functional to the economy. This pressure raises key questions about the curriculum, the organisation of teaching and learning, performance and the assessment of learning outcomes. What is taught and who decides are suddenly not only technical questions requiring pedagogical solutions: they are profoundly (economic) political questions.

Concerned that it would be left behind if education and training systems were not modernised, the EU in 2000 launched its Lisbon Strategy to increase competitiveness and in 2002 its Copenhagen Process to strengthen cooperation in vocational education and training. The common European instruments (EQF, ECVET, EQUAVET and Europass) and the common principles and guidelines (guidance and counselling, identification and validation of non-formal and informal learning) should be seen as a European response to globalisation. The Lisbon strategy was an answer to accelerating change. The challenge at the root of it has been reinforced by the meltdown of the international financial system, climate change and the need for sustainable economic and job growth. The drivers of change for the next decade demand that European workers improve and widen their skills to be able to perform well in more skills-intensive and demanding jobs at all levels. The new Europe 2020 strategy to create a smart, green, sustainable, inclusive and high-employment economy emphasises the role of VET in developing competitiveness while fully respecting social inclusion. In an economy that is shifting to services and knowledge and skills-intensive occupations, technology, innovation, and demographic and climate change generate new requirements for skills. All EU countries are therefore developing the capacity of social partners⁷⁴ to play a greater role in VET development to ensure the relevance of standards and curricula to labour market needs.

This urgency of human capital development needs and the role that social partners can play in making it relevant and effective must be better articulated among policy-makers and key stakeholders in all ETF partner countries.

KEY FINDINGS ON THE ROLE OF SOCIAL PARTNERS IN VET AND EMPLOYMENT POLICY

In an attempt to distil common patterns and key findings from the preceding chapters in the *2011 Yearbook*, we identified the following elements:

- In almost all partner countries, social dialogue has developed in an unfavourable environment marked by rapid structural transformation, economic decline, growing unemployment, etc. Nevertheless, some progress has been made in a number of areas in formerly socialist societies towards the establishment of a modern system of industrial relations (pluralistic and independent representation of interests, freedom of association, development of collective bargaining frameworks, etc.)
- The actual transition period is marked by poor employee representation (among social partners) in the emerging private sector (particularly within SMEs), a lack of organisation among employers, and a strong presence of trade unions in sectors and companies under state control, especially in public services.
- The urgent need to reform VET systems and employment policies at exactly the moment in time when unions and employer organisations had to establish themselves according to new socio-economic principles has created a difficult context for their involvement in VET and employment issues, which are still considered as a low priority for social partners, although some promising signs of change have been noted in the country education and business studies.⁷⁵ While a number of countries still lack a clear institutional framework enabling the participation of social partners in VET, policies towards the establishment of national tripartite structures are emerging in almost all countries. The function of these tripartite structures is usually a consultative and advisory one but in some countries it is extended to participation in decision-making.
- Although it is well understood that there is no best or transferable model or method concerning the participation of social partners in VET, there is a growing consensus in the countries that their involvement can have very beneficial effects by:
 - increasing the responsiveness and effectiveness of the VET system to socio-economic requirements,
 - enabling a better accommodation of the needs and priorities of both the individual and the company, which can lead to stronger legitimacy and sustainability of the policy choices made.
- strengthening the role of social partners in VET reforms and nurturing their motivation are priorities. Further supportive frameworks and incentives should be developed, together with a 'continuing training' programme for social partners to speed up the current social learning processes and to foster the autonomous role of the social partner organisations.
- There are remarkable differences between the geographical regions in which the ETF works. As has been famously stated by the former EU Commissioner for External Relations, Chris Patten, *"The EU has proved itself to be an outstanding agent and sustainer of regime change, rather more effective than America*

⁷⁴ 'Social partners' is a term that is generally used in Europe to refer to employers' organisations and trade unions. The term 'European social partners' specifically refers to those EU umbrella social partner organisations engaged in the European social dialogue, as provided for under articles 138 and 139. Some sources consider this definition of social partnership too narrow and include governments and civic society organisations. The Copenhagen Centre defines new social partnerships as: "People and organisations from some combination of public, business and civil constituencies who engage in voluntary, mutually beneficial, innovative relationships to address common societal aims through combining their resources and competencies." See Nelson, J. and Zadek, S (2000).

⁷⁵ In 2010, the ETF carried out a study on education and business cooperation in the countries and territories neighbouring the EU. It drew up an inventory of current cooperation between education and business. It identified to what extent EU approaches and policies are relevant to the EU neighbours and it provided tailored information and recommendations to national policy-makers and donors for future initiatives and capacity building measures.

for all its flamboyant attachment to the notion. So we have stabilised our neighbourhood and exported democracy and markets." (Patten, 2005: 143). The closer partner countries are to the accession process, the more the social dialogue develops. Candidate countries like Croatia, Turkey and to a lesser extent the former Yugoslav Republic of Macedonia as well as Montenegro have developed stronger structures and practices than other Western Balkan countries that have been given an EU membership perspective⁷⁶.

- While common EU policies, principles and instruments may not have direct implications for countries that do not work towards future EU membership, the chapters above document that ETF work in the countries on NQF, outcomes-based education, post-secondary VET and flexicurity is important because it opens the debate on a lot of important issues related to VET and employment strategies. It also establishes a common language between the worlds of work and education, it involves policy-makers and social partners, and it helps to focus on policy making.
- Capacity building among social partner institutions is much needed in almost all partner countries. Worldwide, the EU is perceived as the leading entity on social policy and as an attractive partner because of the unique combination of economic dynamism with a social model. The Open Method of Coordination, adopted at the Lisbon Summit in 2000, is of interest to transition countries specifically because it is 'open' in the sense that it is non-binding, thus stimulating the possibility to learn from each other. It seems clear that the European Employment Strategy inspires national decision-makers to become more reflective with the opportunities it offers to enhance policy dialogue at different levels. It can serve as a political resource for social partners wishing to influence policies. As the development of social dialogue is necessarily going to be a long social learning process, further opportunities for the exchange and dissemination of good practice will form important learning platforms. So will opportunities for familiarising social partners from partner countries with European policies concerning VET, social policy and employment issues.
- As the features of social partnerships vary across time and space, the concept should be more flexibly applied in diverse contexts. There are multiple actors in VET these days, as we would expect from more participatory and holistic approaches towards the development of social policies. Furthermore, VET itself is more complex today, with multiple learning sites, multiple purposes and multiple beneficiary groups, including learners and workers in the informal economy.

IS THE ROLE OF THE SOCIAL PARTNERS STILL RELEVANT IN VET IN THE GLOBALISED KNOWLEDGE ECONOMY?

The historical analysis of the origins of modern social partnership structures in Chapter 1 demonstrated that the emergence of new key roles for employers' organisations and trade unions in vocational education and training was closely linked to the breakthrough of modern industry at an earlier stage of radical globalisation and market liberalisation. The corporatist tripartite structures became the governance model in German speaking countries while in Denmark, for instance, it built directly on the traditions of the guilds. These structures still dominate today and they are cornerstones in the social model of the European Union.

However, one may question whether this structure is intrinsically bound to the industrial society and whether there is a future for social partnership in industrial societies that are transforming into knowledge societies. Post-crisis economic growth will probably take place in innovation-driven new clusters of business, such as environmental and green technology, health and welfare technology, innovation, creativity, digitalisation and ICT. These areas will develop dynamically and they will be based on new and hybrid qualifications where traditional sectoral training committees may find it very difficult to design or adapt existing job profiles adequately and sufficiently fast to cover new profiles with corresponding VET programmes.

Another challenge is the new method of production in the knowledge economy: new organisation forms, the changing nature of jobs and methods for developing human resources which facilitate the creation, communication and use of knowledge in promoting innovative firm behaviour, hence the name: 'knowledge organisation'. How do employee involvement and participation practices matter in relation to building knowledge organisations. And what shape do workplace relations take in modern organisations in the knowledge economy?

The answer to the first question is: yes, social partnership will still matter. In a modern and democratic society, it is vital to have the support of active and committed citizens, as well as of the organisations in which they come together to voice their concerns so as to realise political ambitions and objectives. The economic globalisation of today means that decisions are being taken further and further away from the people affected by them. Ensuring participation of grassroots-level players (through their representative organisations) in policy shaping and decision making processes is therefore critical to the democratic legitimacy of public institutions and their work and activities. Their involvement facilitates the emergence of a new consensus on the sense and direction of public

⁷⁶ See also Communication from the Commission to the Council of 3 May 2006 - Enlargement, Two Years After - An Economic Success [COM (2006) 200 final - Not published in the Official Journal]. Patten's statement is particularly relevant for the accession countries and for the countries with a European integration perspective, where the Copenhagen criteria apply.

affairs and makes it possible to shape new policies and to make decisions in the general interest⁷⁷.

However, in the globalised, knowledge-intensive and predominantly services-driven economy, other actors can also be involved to enrich this partnership. The emergence of the network society⁷⁸ has modified the relationship between capital and labour, on the basis of which social partnership was built and developed in industrial societies. We know from the type of organisation of work in the ICT sector that traditional capital and labour relations are not the only crucial ones any longer, because people work in small units operating in a large and flexible network of interactions. Outsourcing and a sophisticated relationship of competition and cooperation have substituted the old industrial relations. Customer associations also play a very important role in the definition (and follow-up) of the standards that services and products should have, and these standards automatically influence the set of skills that workers need to have to provide a service or product. In other forms of organisations, such as self-employment, self-management, or cooperative work, the two categories may be confused too. In some partner countries, the neoliberal reform of the labour market has resulted in a huge increase in self-employment⁷⁹.

International outsourcing, offshoring and delocalisation are strategies used by multinationals aiming to substitute employment relations with commercial relations. In many of the ETF partner countries the number of people in the informal sector is even bigger than those formally employed. Who represents all these people?

In this new environment, social partnership (understood in the broader sense of involving the key stakeholders interested in relations between VET and employment) becomes crucial to regenerating the role that employers and trade unions have played in the development of welfare systems in industrialised countries. Social dialogue is a basic component of the European social model. The social partners play an important role in the governance of vocational education and training systems by linking the worlds of work and education. However, they will have to adapt their role and probably cannot be expected to keep abreast of emerging job clusters and the 'new work order' with new VET programmes through their sectoral committees (see below).

According to the EC Communication *A new impetus for European cooperation in Vocational Education and Training to support the Europe 2020 strategy*, the social partners should play their part in helping to achieve "smart, sustainable and inclusive growth". As highlighted in the Europe 2020 strategy, partnerships and in particular "the

involvement of social partners in the design, organisation, delivery and financing of VET" are a prerequisite to efficiency and relevance to labour market needs. This involvement must take place at different levels from national VET councils to sectoral skills councils, which can scan labour markets, identify new skills profiles, develop curricula and make certification socially recognised. The social partners also have a role in supporting VET providers' cooperation with local labour markets and in helping to develop common classification systems for skills, competences and occupations based on learning outcomes.

While the active involvement of the social partners is specified as a "prerequisite" in the Europe 2020 strategy, it is still not a given in all EU countries. There are examples of collective agreements that, instead of improving competitiveness and social cohesion, have created obstacles for it. This can be the case where labour rights constitute rigidities in labour markets, or even contribute to dualised labour markets, as is the case in some southern European countries. But by and large, the establishment of social partner organisations at the EU level and the mutual learning among different national organisations have become opportunities in the EU for the dissemination of best practices and a considerable exploitation of this potential (see Chapter 3).

In ETF partner countries with a very weak and often fragile organisation of employers and employees it is probably necessary to develop 'functional equivalents', at least for the time being. Globalisation will force industrial relations to be modernised and the existing social partnership structure, in many cases dating back to the former days of socialist production relations, will also have to be revitalised and updated.

Working in its partner countries, the European Training Foundation can do more to promote its regional and international dimension in order to maximize the potential of mutual learning and the dissemination of good practice. A successful start has been made through the involvement of local social partners in ETF partner countries (see Chapter 10) but much more could be done in the coming years by including EU country social partner organisations.

It is also noteworthy that the European Union is currently discussing how to become the leading entity in the world regarding social policy by promoting social objectives globally, including the rights of the social partners in education and employment policies and the promotion of the social model, as an integral part of the newly established External Action Service.⁸⁰

⁷⁷ See EESC/Themes/Civil Society at <http://www.eesc.europa.eu>.

⁷⁸ The network society is a society where the key social structures and activities are organized around electronically processed information networks. So it's not just about networks or social networks, because social networks have been very old forms of social organization. It's about social networks which process and manage information and are using micro-electronic based technologies. The diffusion of a networking logic substantially modifies the operation and outcomes in processes of production, experience, power, and culture. See Castells, M. (2006). *The Theory of The Network Society*, Great Britain by MPG Books Ltd, Bodmin, Cornwall, 2006.

⁷⁹ See Castel-Branco, 2010: 97.

⁸⁰ European Parliament 2010/2205(INI): *Draft report on the external dimension of social policy, promoting labour and social standards and European corporate social responsibility*.

PROSPECTS FOR FUTURE WORK IN THE FIELD OF SOCIAL PARTNERSHIP

As was mentioned in the introduction to this Yearbook, the *ETF Work Programme 2010* and its Mid-term perspective 2010-13 reflects considerably increased investment in the expansion of the social dialogue in all the ETF's work. This is the reason why this Yearbook concentrates on a broad thematic analysis of the role and function of the social partners in VET in partner countries. Seven out of ten chapters actually report on ongoing activities at the ETF. However, the reality in the partner countries still requires additional analysis and reflection on the role of the social partners, as well as a deeper understanding of the issues involved in social dialogue. We will here formulate five areas which the ETF could develop further in the coming years in order to further stimulate enhanced social partnership in VET and labour market policies.

National qualifications frameworks

A national qualifications framework (NQF) is a framework that links existing qualifications of different levels and types in a coherent and consistent way based on a common and agreed set of descriptors of qualifications and criteria for deciding on level and type. Because of their nature they can provide greater transparency of what qualifications mean and they can offer a way of developing learning pathways that people can follow throughout their lifetime. As such, they are potentially of great interest to everybody involved in education and training: policy-makers and administrators, employers, trade unions, teachers and other practitioners, and of course also students and their parents.

Experience has shown that comprehensive NQF discussions touch on all key aspects of a country's VET system. They raise questions about the relationship between VET and other parts of the education and training system and about its connections with the labour market: how can different types of programmes at different levels be linked in order to establish education pathways that result in qualifications that are relevant to the various types and levels of work in the labour market? They raise questions on the trust of employers in the contents of recognised qualifications. They also lead students to relate qualifications to their own interests: given my current knowledge, what do I still need to learn to get the qualification that is required for the job that I want to have? And what can I do with my qualifications if I want to study something else? These discussions have also implications for how learning processes are organised especially, but not only, in schools. They guide decisions on what needs to be learnt, where learning can take place and how the results from learning can be monitored and assessed.

Answering these and other questions requires dialogue and cooperation between representatives from different sectors of education and the world of work. Since an NQF appeals to the fundamental interests of all major stakeholders in education and training, it is often relatively easy to engage them in such a dialogue. This has the advantage of putting the reform of VET in a wider labour market perspective as opposed to just the modernisation of curricula and the updating of education infrastructure, which are always the immediate concerns of the education and training community.

The two principal stakeholders in NQFs in most countries are employers and national policy-makers. Employers often argue that graduates may have learnt a lot in school but are not really competent when they enter the labour market. Many have lost faith in existing qualifications. For national policy-makers the main concern has been the financial affordability of existing education and training systems, which has led them to review their effectiveness and efficiency. A third important stakeholder is the trade unions. As was argued above (Chapter 3), employers prefer to define qualifications in narrow terms and so that they are of direct relevance to existing jobs, while trade unions tend to articulate the need for broader and transferable skills that may facilitate job and sector shifts. The 'voices' of both sides of industry are therefore indispensable in order to balance the qualification requirements and to ensure a broad definition of learning outcomes. The ETF initiative on NQFs in 2011 will upgrade the involvement of the social partners with the purpose of helping to create more balanced inputs to the definition of learning outcomes as well as to the formulation of what constitutes a 'qualification' in the system.

Sector committees

Modernising initial and continuing vocational education and training is fundamental for a knowledge-based society and for EU and partner country employment strategies for long-term competitiveness and social cohesion. Developing sectoral partnership is a response to these challenges and is based on an ongoing dialogue among social partners that have a common interest in the qualification development process. In EU countries, these sectoral committees, sectoral skills councils, sectoral partnerships, or trade committees play a crucial role in anticipating skills needs and monitoring trends in industry. Different countries use different models but the bottom line is that social partner representation in these bodies is crucial. Employers tend to focus on here-and-now productivity gains and a better deployment of human capital, whereas trade unions have a stronger interest in broader skills and the portability of qualifications. (See further Chapter 3).

The Danish model (see Chapter 1) gives the social partners full responsibility for the renewal of VET and continuing training programmes. The trade committees

monitor training needs, define new qualification needs, construct new job profiles and formulate the outlines of corresponding VET programmes. Competition between different trade unions to be the first to provide training coverage for new job functions has produced a degree of innovative ability. Qualifications are recognised all over the country by companies and employees: their own representatives guarantee the quality and relevance of the skills levels achieved by having been involved in the input, process and output (journeyman's test) aspects of the curricular process.

However, the ability of collective bargaining institutions and the state to sustain a collective VET system depends largely on their capacity to adequately adjust their VET programmes to new skills needs in a timely fashion. This may become more complicated in new emerging sectors of the knowledge economy. The establishment of 'Development Committees' (see chapter 1) in Denmark indicates that the traditional 'self-government of the trades' might face increasing difficulties in covering new clusters of work with education programmes in the post-industrial society. Three future industrial clusters in particular have posed difficulties for the trade committees in recent years: environmental and green technologies, health and life sciences, and creative industries. Since 2006, the Danish government has allocated resources to a central analysis and research fund for VET tasked with initiating cross-cutting studies in order to uncover trends in industrial and technological developments and to identify their impact on qualification requirements. The activity does not have an institutional home but functions as a grant system where research and development institutions can apply for money. Analytical findings are immediately channelled into the trade committees and the National Council for Vocational Training.

Operational sectoral committees comprising representatives of employers and trade unions are crucial for the development of qualifications in a dynamic market economy (including a transition country). Other actors can also be invited to this collaborative process: experts who can anticipate the evolution in the application of technologies and its impact in production relations and work organisation, professional associations, student associations and other sector organisations with an opinion on, and a say in, the future of work and professions. Based on a prognosis of sector needs, social partners must be actively involved in planning and implementing VET. Employers must be involved in developing new or updated occupational standards, curricula and examination catalogues. They should also be involved in the external testing of student achievements at the end of training and schooling periods⁸¹. This is indeed an enormous task that can only be implemented gradually. The best guidelines may well be found in new EU Member States (see chapter 4 on the example of Romania), and a combination of social

partner-led sectoral committees with an applied research and development-based qualification analysis and prognosis function would probably be needed. The ETF will continue its development work in this field in the coming years.

Development of social partnership at company level

The social partner arrangements in ETF partner countries are often situated within such economic, political and social conditions that social issues in the given transition context may require a less top-down policy approach in these countries. In most countries, weak social partner organisations operate in an environment where there is a tendency to subsume these organisations under the global and very broadly designed tripartite 'economic and social councils'. From this trend, there seems to arise a need to start developing social dialogue at a lower and much more practical level. New institutions have to be developed from co-decision-making structures also at company level, if they are to develop into more autonomous and voluntary voices, which together may develop a joint dialogue in training and labour market matters.

There are areas where the social partners have a shared interest. One characteristic of the collaboration and role of the social partners in VET is that the improvement of the competitiveness of a company can be a shared interest. This can cover competence and skills development (including training), and changes in the organisation of work (such as the development of a 'learning organisation' approach). It affects both employers (through the potential increase of profits) and employees (for whom improved competences and skills can lead to better salaries and better employability). Contrary to the collective agreement fights over salaries and working conditions, social dialogue on training, learning and development of the industrial relations type can generate win-win-win situations.

There are two classical ways of collectively voicing interests in industrial relations. The first is based on membership of a trade union. The second one is based on rights to information, consultation and participation in management decisions. While collective bargaining primarily treats 'hard' and quantitative issues such as wages and working hours, consultation and participation focus on qualitative issues, such as work organisation, health and safety, human resources matters, training, but also potentially on the overall strategy and management of the company. Collective bargaining may be perceived as a zero-sum game where competition is in the foreground, while participation is played out as a positive-sum game based on cooperation and the expectations of mutual advantages.

⁸¹ These specifications of social partner roles are part of the *Action Plan for Implementing the Strategy of Vocational Education Development in Montenegro (2010-2011)*, Ministry of Education and Science, Podgorica, 2010.

FIGURE 1. VOICES IN INDUSTRIAL RELATIONS⁸²

Forms of representation	Trade unions / employers' associations	Works councils / board representatives
Type of interaction	Collective bargaining (and collective action)	Consultation and participation in management decisions
Issues treated	Wages, pensions, working time and related issues	Work organisation, health and safety, HRM, training, etc. company strategy
Predominant logic	Zero-sum game, competition	Positive-sum game, cooperation

Furthermore, the involvement of companies in the delivery of training – initial as well as continuing – may also be consistent with the fundamentals of the new learning paradigm: on-the-job learning, learning by doing, and experiential learning establish concrete opportunities for skills formation and competence development. Involvement of both sides of industry in VET often takes the form of enabling work environments as learning situations, particularly useful for those individuals who are reluctant to continue in or return to a school-based type of learning. The social dimension of learning under the new paradigm can also be applied in real work situations, where pedagogical principles such as teamwork, problem-solving, and applying theoretical knowledge to practical situations are not simulations but real.

However, a clear commitment of both employers and trade unions is needed to ensure the learning aim of in-company training. Bad practice, such as exporting the dual system to countries where social partners are not sufficiently committed to the role this requires of them, has been taking place in some of the ETF partner countries. This again illustrates that the potential of this type of approach can be totally undermined if the social partners do not play the strong quality assurance role necessary.

As one of three core themes of the ETF's work, *Enterprises and human capital development: education and business partnerships* will focus on enterprise development and skills and learning with the active involvement of the social partners.⁸³ After the recent upheaval in some of the countries in the Southern Mediterranean region, ETF's new three-year social partnership project could probably capitalise on interventions at the company level. (See further Chapter 7).

A new role for teacher trade unions

In a world characterised by fast changing job requirements, learning outcomes should not just be more relevant at the moment of graduation but they should be durable, flexible, functional and application-oriented. New kinds of learning outcomes have become important, such

as the ability to learn, think, collaborate and reflect. People should be able to adapt quickly to changing situations, be able to cope well with continuing uncertainty, and know where and how to find the information they need in order to cope with the challenges of their work situation. The sheer amount of new information available at ever-faster speed makes it more relevant to develop people's capacity to find and digest information than their capacity to memorise information that may be outdated tomorrow.

This also implies a transformation from teaching to learning, but according to the Torino Process reports the consequences of this transformation for teaching, training, school management and education governance are not well understood yet in the partners countries. This is in spite of the fact that almost 90% of the costs of education is normally spent on teachers' salaries in countries in transition.

The external efficiency of any VET system depends not only on *what* students learn but increasingly on *how* they acquire key competences. Successful reform can only happen with committed teachers, because they will have to make it happen in their daily work. The new professional profile of teachers and trainers includes innovation and development as a key competence. They are no longer the executors of education programmes but they have to adapt learning processes and outcomes to the specific and changing needs of their students (diverse in interest and in learning styles) and local labour market situations. The current reforms in VET are very complex development processes, especially in transition countries where such reforms require further operational detailing based on local innovation processes. Traditional top-down or bottom-up strategies are insufficient to make reforms work. Reform processes require a continuous interaction and dialogue between national and local levels, and teachers stand right in the middle of it all.

Teacher trade unions are often seen as organisations that limit the scope of VET reform in any country. Across the world, teachers are often highly unionised. Almost everywhere there are struggles where teacher trade unions seek to balance a commitment to 'professional'

⁸² Knudsen, H., Representation and Participation – Unilateralism or Bipartism?; In: Lind, J.; Knudsen, H.; Jörgensen, H. *Labour and Employment Regulation in Europe*, P.I.E.-Peter Lang: Bruselles, 2004: 26.

⁸³ *ETF Mid-term perspective 2010-13*: 13.

concerns with a similar commitment to ‘bread and butter’ concerns of pay and working conditions.

Too little effort has been made in the partner countries to really try to get teacher trade unions on board, and this includes the many foreign donor-driven projects of the last decade. Policy implementation is not a rational and linear process, but is rather messy and complicated, with policy being formed and reformed by all those involved in the policy development process. The reality is that nothing will change in classrooms and school workshops unless teachers and trainers are fully committed to change. In many partner countries, it would probably be a more promising change strategy to try to engage teacher unions in a discourse relating to their professionalism and the professional status of teachers. As a point of departure, teachers and their unions could be involved in discussions on teaching as a job, teachers as workers and schools as workplaces. How have teachers been influenced by reform⁸⁴?

One could focus on how teacher unions seek to shape education policy and how teacher unions themselves are shaped by policy? Carter et al. (2010) classify three different teacher trade union responses to attempts to restructure the school sector education.

Rapprochement refers to teacher union strategies that accept the new education agenda and seek to maximise gains for their members within that. Here there is a strong emphasis on interest-based bargaining whereby unions and employers seek ways to identify solutions that are mutually beneficial. This strategy also often seeks to include professional issues in the bargaining agenda.

Resistance describes teacher trade unions that actively seek to challenge restructuring in education, to interrupt the policy agenda of the reform modernisers and to defend its impact on teachers’ pay, working conditions, and often professional areas. The resistance approach is based on a more confrontational concept of collective bargaining and tends to reject forms of interest-based bargaining.

The third union strategy is *trade union renewal* which argues that many features of the more general modernisation processes in education, with financing centralised and management decentralised, could actually lead to union renewal where unions might have to water down their bureaucratic structures and adopt more flexible, participatory and locally driven forms of organisation.

Teacher professionalisation strategies could support union renewal based on the need to make teachers key stakeholders of VET reform. Social partnership arrangements at different levels could lead to a stronger emphasis on interest-based bargaining where unions and employers seek ways to find common ground on agreed problems. This may lead to a growing emphasis on

professional issues in the bargaining agenda. Without the teachers and their unions, VET reform seems to be blocked. Teacher professionalisation strategies, on the other hand, could represent a vertical and horizontal learning network for nurturing innovation and creativity.

In the 2010 HRD review of Serbia⁸⁵, the ETF formulated a proposal along these lines and the response from the teacher trade union was strongly favourable. This appears to be a promising field to develop in the coming years.

School governing boards

One issue that occupies the minds of education planners and policy-makers is making vocational schools more responsive to the needs of the local labour market. Many partner countries are considering decentralising their education governance, hoping that this will increase the system’s responsiveness and economise its resources. Quality in VET is an essential element in these system coordination processes. Applying effective quality assurance measures helps to develop the trust between social partners (employers in particular), and VET providers. Without this trust, progress towards enhanced relevance and attractiveness will be difficult.

A central element in the vocational school autonomy debate in decentralised VET governance systems is the concept of partnership. The requirement for schools today is to be able to develop partnerships with the surrounding economic and social environment and to nurture an internal culture which is flexible and dynamic enough to meet the needs of a wide range of stakeholders and increasingly demanding students. The ‘school community’ concept involves not only the employers and trade unions but also neighbours’ associations, local NGOs, parents and students associations, etc.

For a number of EU countries, the empowerment of vocational schools has been a key development objective since the late 1980s. The UK, the Netherlands and the Scandinavian countries in particular have all reformed their institutional structure into networks of larger, more autonomous, and more financially independent units. Usually, these are governed by tripartite bodies (school boards) and funding is based on results. These performance-based financial mechanisms in particular have proven to be a major challenge for the institutions but one key strategic step has been to enhance their capacity to adjust their activities to changing local needs.

With governance reform towards greater vocational school autonomy, both the central, regional and local (school) levels in the education system will acquire new functions and roles. Increased school autonomy – in finance, educational planning, curricula and teaching and learning – requires a change from the current centralised prescriptive management to governance by objectives and frameworks. This will ultimately imply that schools

⁸⁴ There is not much research on how VET reforms embedded in deep societal change in transition countries have impacted on teacher identities. For an interesting analysis of the impact on teacher identities in Romania under transition, see Lucian Ciolan (2011): *The professional identity of VET teachers in transition contexts*. In: Nielsen, S. (2011).

⁸⁵ Klenha, V. et al., *Serbia. Review of Human Resources Development*. ETF, Turin, October 2010.

will no longer receive precise directives on how education and teaching should take place ('how to teach'), detailed prescriptions on curricula ('what to teach'), and financial instructions. In place of this, in future schools will receive descriptions of the targets and frameworks under which the school must achieve the education goals set by the state, while concrete planning is left to the school leadership.

Decentralisation and regionalisation have become part of a proximity strategy that potentially enables a better matching of the needs of the local economy, the development needs of individuals and the involvement of community stakeholders. Proximity provided by a more decentralised approach may also present the key to innovative learning approaches based on competences and meta-cognitive skills (Matheu, 2006: 99).

This all radically changes the role of the school boards. A delegation of power is taking place from the national education authorities to the school boards. The latter will have to guarantee that schools deliver according to expectations and within frameworks set by their ministry. School boards must be accountable for the spending of taxpayers' money and must guarantee that national quality levels, transparency and accountability are achieved within the over-arching system. School boards will therefore acquire general leadership responsibility in the governance of schools. Many more tasks will have to be performed at school level. Boards will be held responsible for how money is spent under a more liberal finance regime. They will have to help to design and approve the annual school plan and make decisions on whether and how the school can expand its activities towards the local community. Boards must become actively engaged in strategic school development and thus take on greater responsibility. For this to succeed, a combination of clear demands and strong support are needed from the local labour market which, through social partnership representation, will have to be represented on the board and play a key role on it.

Improving social integration in the labour market requires VET institutions to engage with a wide variety of other partners. Employers and trade unions have a key role to play. Civil society organisations also have an important role to play at the interface between VET providers and vulnerable groups (migrants, disabled people, older workers, or generally, the low-skilled), providing links into marginalised communities, helping to design provision and even being involved in delivery (McCoshan et al, 2008).

School boards will probably become increasingly involved in overall education planning and stimulate guidelines for teaching and learning in schools – as this is exactly the core mandate of any school. They will become an ongoing sparring partner for school leaders. Together with the leader and the teachers of the school, they will have a role in opening up the profile of the school to local employers, municipalities and the broader community.

These functions require more professional school boards. They also require a school leadership which can interact with boards. Decentralisation gives freedom under responsible local leadership but requires many new roles and new functions to be mastered. The social partners, too, must develop capacity for these new tasks.

In its ongoing School Development project in Central Asia, the ETF is already engaged in capacity building in vocational schools. It is also involved in implementing the national policy for decentralised governance of education in Turkey where one of its specific activities was capacity building among school boards.

FROM POLICY LEARNING TO ACTION

Policy-makers are increasingly interested in what education delivers and hence in what educational research can tell us about this. Possibly more than anywhere else, this applies to countries in transition where donor-driven VET reforms have radically changed systems. The increased priority for making use of policy analysis and structured information from policy research is a result of this need for informed policy making.

The ETF is committed to promoting the capacity of countries to apply evidence-informed methods for the development, monitoring and assessment of policies in the field of VET (ETF Mid-term perspective 2010-13). In 2010, an effort was made to support this approach through the Torino Process, a participatory instrument for VET analysis and policy assessment to be implemented in the partner countries on a biannual basis. The Torino Process has mapped the main features of the VET system and used available evidence to assess its internal efficiency as well as its capacity to meet the social and economic needs of the labour market and society. The Torino Process has also documented a strong commitment by policy-makers in partner countries for this type of policy development.

Against the backdrop of the Torino Process, the ETF has now launched a project to develop capacity according to the specific needs of each country (as identified by this process). One important issue will be to develop the role of the social partners in VET and labour market policies. Policy learning will be an important learning tool in this process.

Recent work (ETF Yearbooks 2004 – 2008) suggests that policy learning – as distinct from policy borrowing and copying – encourages situated problem solving and reflection.

Effective policy learning should aim for a deeper understanding of policy problems and processes than what is provided by a simple search for best practice. In the new capacity building project, the ETF will attempt to put its policy learning concept into practice by stimulating the ability to (i) learn from past national experience,

(ii) learn from other countries, and (iii) learn from local innovation projects.

The next steps in social partnership development will therefore be designed around country-led policy learning approaches⁸⁶, whereby countries develop a structural capacity to continuously learn from reform initiatives. The challenge for development of social partnership is that top-down methods will never work. Social partner organisations have to be voluntary and autonomous to be able to play their proper role⁸⁷.

Globalisation, the nature of the emerging economic sectors, as well as the new ways of work (and learning) require a broader interpretation of the concept of social partnership than the traditional employer and trade union

confrontations. It does not exclude these organisations but demands the participation of other actors in civil society too, not least those workers and employers who cover niche segments that are too small to find representation and the growing army of workers/employers who operate in less traditional working conditions, such as those working from home, working part-time, having double jobs and being self-employed.

Finally, the policy learning approach and the importance it attaches to the country context enables the ETF to apply the social partnership principle in a flexible way, looking for the optimal way for social participation in VET policies to be articulated, depending on its specific configuration in different contexts.

86 The policy learning approach was formally endorsed by the ETF Advisory Forum conference in 2003 and reinforced by the Advisory Forum conference in 2006. See formal statements on www.etf.europa.eu.

87 See the guidelines formulated by Ellerman (2005) and summarised as the three “Do-s”:
(i) Start from present institutions; (ii) see the world through the eyes of the client; and (iii) respect autonomy of the doers, while at the same time avoiding the two “Don’t-s”: (i) Don’t override self-help capacity with social engineering; and (ii) don’t undercut self-help capacity with benevolent aid.

LIST OF ACRONYMS AND ABBREVIATIONS

APBIH	Association of Employers of Bosnia-Herzegovina
BUSINESSEUROPE	Confederation of European Business
Cedefop	European Centre for the Development of Vocational Training
CEEP	European Centre of Employers and Enterprises providing Public services
CERM	Confederation of Employers of Republic of Macedonia
CQAF	Common Quality Assurance Framework
CSR	Corporate social responsibility
CVT	Continuing vocational education
DGVT	Director Generals of Vocational Education and Training
DISK	Progressive Workers' Union Confederation
EC	European Commission
ECVET	European Credit Transfer for Vocational Education and Training
EP	European Parliament
EQARF	European Quality Assurance Reference Framework
EQF	European Qualifications Framework
ETF	European Training Foundation
ETUC	European Trade Union Confederation
EU	European Union
EUROSTAT	Statistical Office of the European Union
GDP	Gross domestic product
GOSB	Gaziantep Organised Industrial Area
GTZ	German Technical Cooperation
HAK-IS	Confederation of Turkish Real Trade Unions
HE	Higher education
HOK	Croatian Chamber of Trades and Crafts
HUP	Croatian Employers' Association
ICT	Information and communication technologies
ILO	International Labour Organization
IOE	International Organisation of Employers
IPA	Instrument for Pre-Accession
ISKUR	Turkish Employment Agency
ITUC	International Trade Union Confederation
KESK	Confederation of Public Employees' Trade Unions

KOPSH	Council of Employers Organizations of Albania
KOSGEB	Promotion and Development Authority to SMEs
MACSME	Montenegrin Association of Craft, Small and Medium-sized Enterprises
MEP	Member of the European Parliament
NGO	Non-governmental organisation
NQF	National qualifications framework
NVEC	National vocational education council
OECD	The Organisation for Economic Co-operation and Development
SASME	Serbian Association of Small and Medium Enterprises
SMEs	Small and medium-sized enterprises
SURA	National Education Council
TBIK	Union of Turkish Public Enterprises
TESK	Confederation of Turkish Tradesmen and Craftsmen
TISK	Turkish Confederation of Employers' Associations
TOBB	Union of Chambers of Commerce, Industry, Maritime Trade and Commodity Exchanges of Turkey
TÜRK-IS	Confederation of Turkish Trade Unions
TUSIAD	Turkish Industrialists' and Businessmen's Association
TZOB	Union of Turkish Chambers of Agriculture
UEAPME	European Association of Craft, Small and Medium-sized Enterprises
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UN	United Nations
UNICE	Union of Industrial and Employers' Confederations of Europe
UNICEF	United Nations Children's Fund
UNSCR	United Nations Security Council Resolution
UPCG	Montenegrin Employers' Federation
UPS	Union of Employers of Serbia
US	United States
VET	Vocational education and training
WB	World Bank
WEF	World Economic Forum

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