Chapter 38

European Training Foundation: Sector and Cross-Sector Cooperation

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Traditionally, sector cooperation has been used as a mechanism to bring the world of work closer to the world of education through the creation of a mechanism for identification of trends and gaps, translation of skills to meet the needs for the future, and education requirements. It is now widely accepted that achieving viable sector dialogue is vitally important.

More recently, countries globally have experienced a more fluid and fragile situation. Changes in the labor market have become faster and deeper, breaking the cycle of established settings even in more stable and consolidated sectors. The European Training Foundation (ETF) publication “Getting Ready for the Future” outlines how in the fast-changing labor markets of today’s economies, countries face difficulties to keep the labor market, with new forms of labor and economy, under control. Furthermore, a number of new actors are influencing and actively contributing to the skills “ecosystem,” making the dialogue around skills much more demanding to be brought into order.

In today’s and future scenarios, the ability of countries to effectively respond to the challenges related to human capital and skills development and usage will be linked to the ability to ensure an effective, multilevel governance, bringing together sectoral cooperation and multisector cooperation at different levels in the system from the provider level to the international and global levels.

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Issues and Challenges

The ETF Process review¹—completed in 2017 covering 25 countries and analyzing the issues, progress, and future plans of countries concerning skills development and vocational education and training—shows that most active sectors in skills policy dialogue are mainly traditional sectors such as agriculture, construction, and tourism. More and more countries are also developing sectoral approaches to skills development in sectors like the energy, automotive, and textile industries and information and communication technology (ICT). In Serbia, for example, the ETF works closely with the ICT cluster of the autonomous region of Vojvodina, which is an example of how local actors cooperate within a specific sector approach.

In most countries analyzed, sector cooperation exists either in the form of sector councils or in the form of sectoral working groups/task forces. Positioned mainly at the national level, sector cooperation remains a key pillar of good governance of vocational education and training. However, there are new opportunities emerging and new modes of dialogue, which are being introduced to address the needs of countries to identify skills and offer increased opportunities for identifying labor demands. The needs of large sectors, as well as sectors not organized, or not formally identified as sectors, are all equally important when it comes to the identification of skills and future labor demands. The reason for the failure of a traditional approach to sector cooperation resides mainly with three key trends in the skills identification and formation process.

First, sectoral authorities/organizations are involved mainly in the formulation phase of policies, and not enough involved in the delivery, hence staying still too far from actual contribution to ensure the highest impact on skills formation. There is also a differentiation to be made between the dynamics and contribution of sectors characterized by the presence of large companies, and sectors composed of small/individual companies. Large company-based sectors have a higher capacity for involvement in the delivery of training, for example, through the provision of work-based learning, and participation in the identification and certification of qualifications. Small company-based sectors are more difficult to involve in the delivery of education and training, as they have limited capacity in terms of resources to interface with the formal education system.

Second, in most countries in development and transition, there are still limited opportunities for work-based learning and schoolwork alternation throughout life, hence diminishing the potential of the skills ecosystem that could be created by strong collaboration between sectors and providers.

Third, today and tomorrow's skills development and demands are more fluid and need other dimensions, on top of the sectoral one, to effectively form and deploy their potential.

¹The ETF leads The Torino Process since 2010. The Torino Process is a comprehensive review of human capital policies and education and training systems, covering 27 countries in the EU neighborhood and Central Asia. The ETF will release in 2021 the results of the new round of reviews implemented in 2019–20.

A future-oriented skills development system plays across the local–global axes, requiring a high level of international cooperation in sectors subject to trade and economic agreements as well as with high mobility potential and requiring a smart skills specialization locally to ensure a “fit for potential” formation and deployment of skills in a given context.

Proposed Solutions

What are therefore the features of a future-oriented skills development system? Three features emerge from the ETF studies on governance in ETF partner countries:

The first is the effort to identify ecosystems for skills development that are more flexible and allow workers to shift and move in their careers as well as to understand complementarities. This implies that sectors and actors should “cowork” skills demands and skills formation requirements through building agile partnerships, which increase the relevance of skills provision. Even in traditional professions nowadays, there is higher complexity and higher demand for cross-sectoral cooperation. To achieve this, the traditional sectoral dialogue based on tripartite arrangements is enlarged to include diverse sectoral representatives but also adding to the dialogue are civil society, researchers, and local authorities to ensure that there is an attentive balance between present and future needs, as well as focus on flexibility and portability of learning pathways.

The second solution is a strengthened vertical dialogue, wherein skills come at the center of the reflection around the specialization and development of a locality, a region, or a geographically delimited space. Next to sector councils, more and more countries are moving in the direction of regional and local councils/working groups focusing on skills development and partnerships. At the local level is often where communities emerge as innovative and entrepreneurial, pushed by a vision for development and competitiveness, which triggers the demand for, and hence the development of, skills.

The third solution is increased public–private partnerships in skills development and skills provision—a growing involvement of private actors in contributing to all phases of the skills development cycle, including in particular focusing on innovation and future demands. The increased presence in countries of innovation hubs, clusters, and innovation centers that bring together multiple actors with an economic drive focused on the future is an emerging model in many countries from Israel to Kazakhstan, to Belarus, Uzbekistan, Jordan, Morocco, Serbia, and many others.

Examples of Good Practices

Future skills need innovation and partnership to come into existence and to blossom. These factors are often to be found in cooperative arrangements that bring together

multiple disciplines and expertise, and that have a high sense of ownership, of belonging, which is often found at the local level in communities working toward a shared vision and objectives.

In the past years, the ETF has implemented a project aimed at spotting these experiences in developing and transition countries. Ten practices were selected from Algeria, Belarus, Georgia, Israel, Jordan, Kazakhstan, Lebanon, Moldova, Montenegro, and Serbia and their features analyzed to distill the essence of what makes a local ecosystem work toward future skills and future work.

Some of these practices have been revolutionary for the impact they have made on policies. Take the case of Montenegro, where a small initiative in the village of Budva initiated by Chef Vuksan Mitrovic in the back of his kitchen became the first hotel school of the country and gave an opportunity for employment to thousands of people in the growing hospitality sector on the coast of the country. Or take the case of Algeria, where a farmer, Mohammed Brik, through his intuition and commitment, pulled together farmers to work with the local university and give hope and a future to the traditional agricultural methods, bringing youth back and ensuring sustainability and innovation in his territory. Or take the case of Kazakhstan, where a young entrepreneur, Arman Toskanbayev, sparked a partnership between employers and schools in the region of Karaganda and developed an initiative for training teachers in companies so they could be closer to the world of work and in turn be more attentive to their students' skills needs and development.

This project concluded that these partnerships exist and flourish despite the presence of institutionalized cooperation arrangements; but that only where these exist and have high recognition by policymakers can these visionary initiatives and practices flourish and influence system change. What policymakers should do in their own context and level of intervention is to ensure that the dialogue with local communities about the needs of citizens is continuously fed back into the policy agenda.

Recognizing the potential of cooperation of actors at the local level reinforces the ability of a system to identify the skills that are needed. Local, national, and also international dialogue on skills should communicate and cross-fertilize each other. In this context, some countries have increased their focus on decentralization of functions and roles with the creation of regional and local councils, which are often multisector.

In many countries where the ETF is active, decentralization and higher involvement of regions and local authorities in the dialogue around skills needs identification and skills formation is high on the policy agenda. The Torino Process of the ETF concluded in 2017 involved more than 30 regions from Kazakhstan, the Russian Federation, Tunisia, and Ukraine in the examination of skills demands and policies and practices at the local level. As of today, many more regions have joined the effort, with more than 50 regions now involved in the analysis of skills demands and policy relevance. This process increases the capacity of local actors and authorities to carefully analyze, consult, and make decisions on future actions to make skills more relevant and in turn to improve social and economic cohesion in their territories.

Also at the political level, decentralization in the area of vocational education and training is gaining momentum, and the ETF has been actively involved in countries

such as Tunisia and Ukraine in supporting regional authorities that could take the lead and deliver on diverse skills demands and challenges at the local level.

The cross-country digest of The Torino Process, published in 2017 by the ETF, reports that: *“It is, perhaps, surprising to discover that only six partner countries (out of 25) refer to decentralisation processes in their national report.”* The report, citing a study of the European Commission in 2013, notes that there is still a divergent trend between the evidence emerging on the benefits of decentralized governance systems in education and training, and the speed of countries to move toward such arrangements. This is partly due to the difficulty of many countries in shifting the policy culture and traditional setup to move toward governance arrangements that are most suitable and better support innovation and future skills development.

It is fair, however, to highlight that we cannot provide the perfect solution and a general model that could describe the perfect governance arrangement for ensuring skills for the future and innovation of vocational education and training systems. What can be said, with a certain degree of evidence coming from reports and from practices described above, is that the core of success relies on ensuring consultation, negotiation, partnership, and exploration of multisector needs at different levels from the local to the international.

How a country should then organize its own governance to ensure consultation; support partnership creation; and promote community, sector, and multisector innovation is something that needs to fit the specific country context, culture, and administrative arrangements.

Implications for the Future

Moving toward the future for sector and cross-sector cooperation means for countries ensuring a clear vision for skills development and requiring a high level of innovation orientation to keep up with the demands of the fast-changing needs of the labor market and forms of work. Countries are already and will be further investing in the revision of their governance models; they will review legislation but also increase the flexibility of arrangements, of support to partnerships at all levels in the system through soft measures and through incentives to capitalize on the potential of resources present in the country. To this purpose, the study on governance modalities completed by the ETF analyzing governance arrangements and effectiveness across more than 20 countries confirms that change management will be key for future vocational education and training systems.

Countries should equip themselves with a very clear understanding of different sector axes of operations, which will require a more demanding mix among key competences, sector-specific skills, cross-sector skills, and international qualification comparability and transferability.

Traditional actors engaged in skills development must further concentrate their attention to better analyze trends and include in the dialogue new and emerging sectors, and new actors. The roles of informal economy actors, civil society,

employers who are not organized, self-entrepreneurs, and cyber and tech workers are evolving fast, and those actors will be essential for addressing skills needs and grasping the potential of future forms of work.

Conclusion

Effective multilevel and multi-actor governance arrangements remain at the heart of the possibility of a country system to meaningfully capture skills needs and anticipate demands. Sector consultation remains key in this picture, but it is not enough anymore. Effective skills policies in the global world of today require policymakers to be attentive learners to spot opportunities and learn from practices to mobilize change at the system level. In this context, ensuring partnership mechanisms from the local to the international level, and across sectors, is key for the future of skills.

Capturing the complexity and the diversity of needs will allow policymakers to transform demands into multiple opportunities, giving an inclusive answer to the diverse needs of citizens and societies. We can conclude with five pointers for sector and cross-sector cooperation for skills development:

- (i) Ensure that multilevel and multi-actor governance principles are embedded in the system as a pillar of good governance.
- (ii) Review legislation and soft mechanisms in place to bring them closer to respond to the needs of today and to prepare for the demands of tomorrow.
- (iii) Focus not only on horizontal cooperation but also on vertical cooperation, which is by nature more multisector oriented.
- (iv) Analyze sectors active in skills development policy dialogue and bring onboard new ones, in particular nontraditional sectors that are not organized.
- (v) Learn from community-level initiatives, and let them flourish, eventually providing incentives to make them visible.

From the ETF “Getting Ready for the Future” report, we know that “*Ultimately, two things will shape the future of each country: their capacity to make a sound and realistic analysis of where they are today, and their ability to make the right choices and implement the right solutions to make the most of the opportunities and mitigate the challenges that change brings for sustainable and inclusive growth.*”

References/Further Reading

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Links to the presentation materials:

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<https://events.development.asia/materials/20190828/making-teachers-development-work-experience-etf>.

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