

**Technical and vocational training
in the Mediterranean**

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Introduction

Creating jobs and increasing productivity are key challenges for policymakers across the Mediterranean region. Because most of these countries are developing countries, any future economic growth should be inclusive and oriented towards poverty reduction. Consequently, the challenge of expanding employment and productivity is of fundamental importance. Developing skills through vocational and technical training is an essential component of all efforts in this challenging area. In many Mediterranean countries, a large proportion of the workforce is quite simply unprepared to meet the needs of firms, particularly in more competitive economic environments. Systems to provide training are often plagued by weak governance and poor incentives that make them unreliable or ineffective. Weak incentives and support platforms for innovation and entrepreneurship development can stifle creativity and change. But the problem is often more complex than the constraints imposed by local institutional environments. In many countries, education systems do not provide children with the basic skills (cognitive and behavioural) that make them ‘trainable’.¹ Moreover, rigid labour markets in many countries reduce mobility and make it difficult for workers to find jobs – and for firms to find the right workers. Ensuring that workers have the right skills is even more important in the context of the rapid demographic change that the region is experiencing, with the ‘youth bulge’ of new jobseekers in North Africa and the Middle East, and the demographic transition of shrinking labour forces in Eastern Europe.

This file note provides an overview of the current state of technical and vocational training in the Mediterranean and its role in the region’s social and economic development. Section 1 describes the main contours of the formal education systems of the Mediterranean region. Section 2 provides a brief outline of ongoing international initiatives in the area of technical and vocational training in the Mediterranean. Section 3 briefly outlines some possibilities for cooperation in the field of vocational education and training. Section 4 gives an overview of the governance of education and training in the Mediterranean. Finally, section 5 supplies some recommendations and policy proposals to improve vocational education and training in the Mediterranean.

¹ See the Education for All Global Monitoring Report (April 2012) from UNESCO, available at: « <http://unesdoc.unesco.org/images/0021/002160/216038e.pdf> ».

Section 1 – Formal education systems in the Mediterranean

In order to provide a simple yet effective assessment of the performance of formal education systems in the Mediterranean, it is useful to employ the World Bank's Skills Toward Employment and Productivity (STEP) framework as a starting point.² It allows us to conceptualise how education systems perform at the current time and how they need to change in the future. The STEP framework synthesises existing knowledge about the elements of a successful skills development strategy to facilitate effective diagnostic work on skills, and subsequently the design of policies across sectors and regions to create productive employment and promote economic growth. The framework focuses on five interlinked steps:

- *Step 1. Getting children off to the right start* – it is important that the technical, cognitive, and behavioural skills conducive to high productivity and flexibility in the work environment are formed through early child development (ECD), emphasising nutrition, stimulation, and basic cognitive skills. Research shows that the handicaps built early in life are difficult if not impossible to remedy later in life and that effective ECD programmes can have a very high payoff.
- *Step 2. Ensuring that all students learn* - clear learning standards, good teachers, adequate resources, and a proper regulatory environment should all help regions and countries develop effective education systems. Lessons from research suggest that the most important decisions about education systems involve: how much autonomy to allow and to whom; accountability from whom and for what; and how to assess performance and results.
- *Step 3. Building job-relevant skills that employers demand* - developing the right incentive framework for both pre-employment and on-the-job training programmes and institutions (including higher education) is imperative. There is a wealth of evidence to suggest that public and private efforts can be combined to achieve more relevant and responsive training systems.
- *Step 4. Encouraging entrepreneurship and innovation* - creating a wider environment that encourages investment in knowledge and creativity is of crucial importance, both for economic development and for more general

² The full report may be found at:

«<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/0,,contentMDK:22640776~menuPK:282391~pagePK:148956~piPK:216618~theSitePK:282386,00.html>».

social fulfilment. Emerging evidence shows this demands innovation-specific skills (which can be built early in life) and investments to help connecting people with ideas (for example, through collaboration between universities and private companies) as well as risk management tools that facilitate innovation.

- *Step 5. Matching the supply of skills with demand* – having the skills might not be enough. As a result, efforts need to be made to ensure that local labour markets seek and utilise these skills. Moving towards more flexible, efficient, and secure labour markets will help ensure a relative balance between the supply and demand for skills. Avoiding rigid job protection regulations while strengthening income protection systems, complemented by efforts to provide information and intermediation services to workers and firms, represent the final complementary step in transforming skills into actual employment and productivity.

The STEP framework can help local and regional authorities, as well as countries, better comprehend the nature of the challenges they will need to grapple with in developing the skills required to enhance economic growth and productivity, and to find the specific solutions that will work in their own environments. It should be noted that the framework is a call for a comprehensive approach that resists the temptation to seek narrow solutions in the expectation that they will address the skill development gaps that are present in many countries, especially within the Mediterranean. Therefore, while Steps 3-5 are of most direct relevance when considering the formal systems in place in the area of vocational and technical training, this section of the report will briefly survey the region's performance on all five steps. Clearly, any serious efforts to develop vocational and technical skills will need to be made in conjunction with an improvement across all areas of education.³

Step 1 – Improving early child development

The skills developed in early childhood - from birth to primary school entry - form the basis of future learning and labour market success. Early childhood development (ECD) enhances a child's ability to learn, to work with others, to be patient, and to develop a wide range of other foundational skills for formal learning and interactions in the school years and beyond. A failure to develop these skills can lead to long-term and often irreversible effects on education, health, and productive earnings, imposing significant costs for both individuals and societies. The window of opportunity is small because these foundational skills are best formed in the early years. A failure to invest in them is costly to

³ Section 4 will examine the governance of vocational and technical education in greater detail.

compensate for later in life, if not impossible, as is stunting of growth from poor early nutrition or the excessive pruning of brain connections from a lack of cognitive and socio-emotional stimulation. And a weak set of skills and abilities reduces the returns on investments later in life.

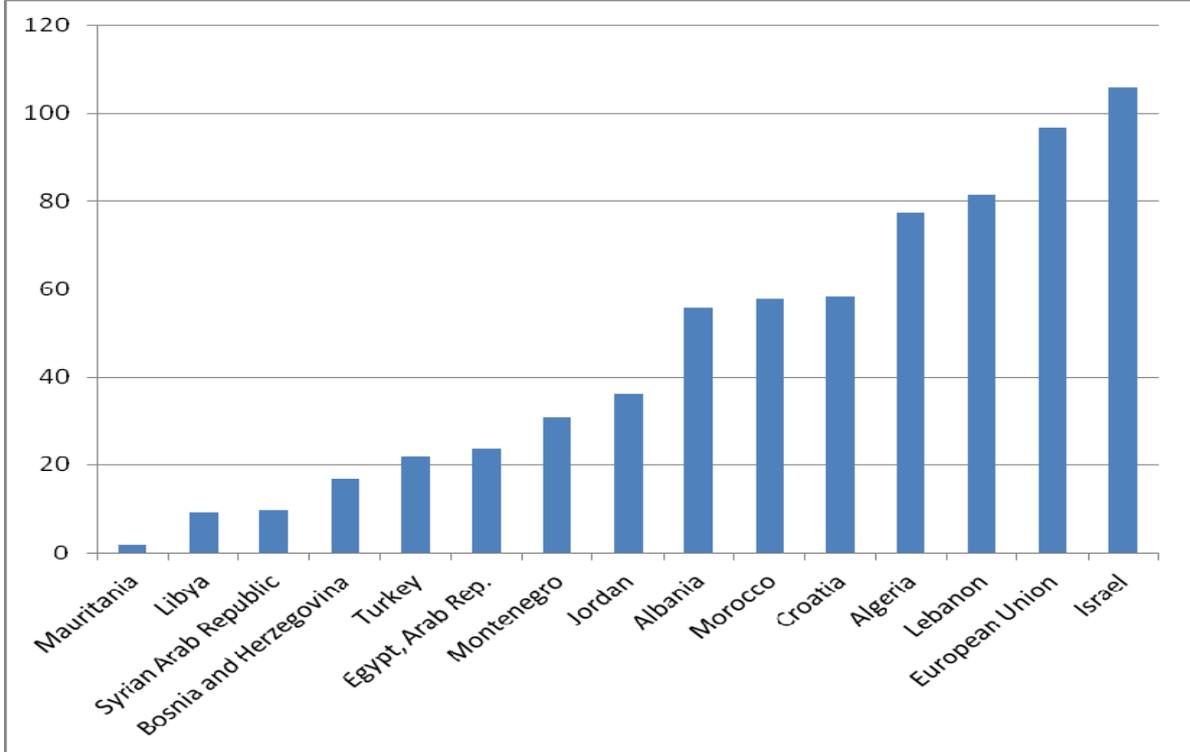
How well do the countries of the Mediterranean perform in this area? Well, although it is difficult to provide a comprehensive assessment within the confines of this short report, some data supplied by UNESCO are illustrative of the problems faced by many countries of the Mediterranean in fostering ECD.⁴ Figure 1 displays the gross school enrollment ratio in pre-primary education across the region, with data included for the EU average as a benchmark.⁵ It is clear that in this area, all countries of the Mediterranean – with the sole exception of Israel – score well below the EU average. Indeed, levels observed in Mauritania, Libya and Syria are among the lowest in world. This suggests that, before attention is paid to raising standards and provision in technical and vocational education, the foundations of most education systems of the region are in need of urgent attention.

⁴ See the data available at:

«http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=143&IF_Language=eng» for a country-by-country breakdown.

⁵ Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the level of education shown. Pre-primary education refers to the initial stage of organised instruction, designed primarily to introduce very young children to a school-type environment. Data for Tunisia and Gaza and West Bank are unavailable.

Figure 1. School enrolment in the Mediterranean, pre-primary (% gross), 2010 (or latest year)



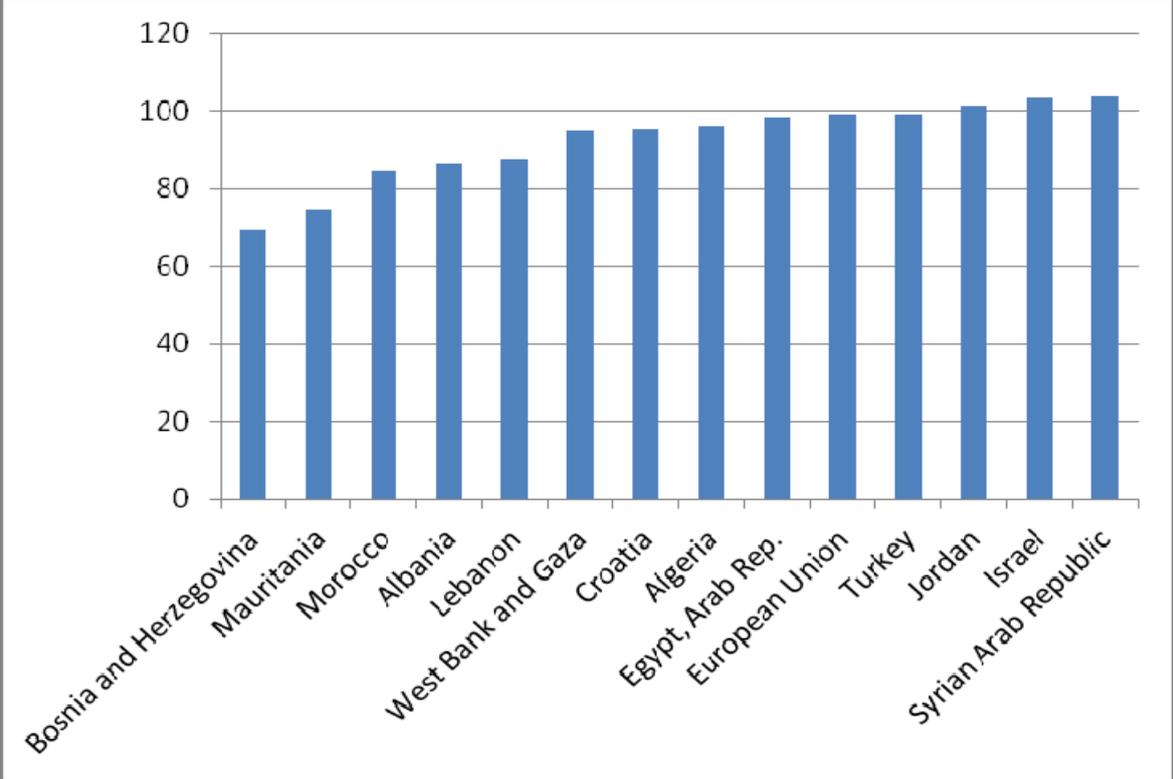
Source: UNESCO (2012)⁶

Step 2 – Ensuring that all students learn

Schools are expected to teach basic competencies that enable students to acquire the skills that would help them make informed life choices that would later be valued by employers and be useful for self-employment. In fact, the seeds of these competencies should have been planted from infancy, and schools should develop them. Such competencies are not restricted to simple book learning, and include problem-solving skills, learning skills, communication skills, personal skills and social skills. This short list illustrates the multiple dimensions of job-relevant skills that go beyond simple book learning and the ability to execute a specific task. Unfortunately, information on learning outcomes indicates that schools in many developing countries are failing to teach foundational cognitive skills, much less the “expert thinking and complex communication” and occupational skills needed to function effectively in the modern, increasingly globalised labour market, with many students not achieving minimum levels of learning expected.

⁶ See the data available at: http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=143&IF_Language=eng for a country-by-country breakdown.

Figure 2. Primary completion rate, total (% of relevant age group), 2010 (or most recent year)⁷



Source: UNESCO (2012)⁸

Recent early grade reading tests reveal that shockingly low proportions of primary-graders in many low-income countries can read a simple sentence with ease and comprehension, making it very difficult for these students to catch up in later grades. Figure 2 provides a rough approximation of the performance levels of the Mediterranean countries in providing a basic level of primary education to their citizens. On this dimension, at least, the countries of the Mediterranean tend to perform noticeably better, with the proportion of students completing primary education at levels comparable to the EU average, although Bosnia and Mauritania perform quite badly. Overall, though, the provision of at least a basic level of primary education is a strength of the education systems of the Mediterranean.

⁷ Primary completion rate is the percentage of students completing the last year of primary school. It is calculated by taking the total number of students in the last grade of primary school, minus the number of repeaters in that grade, divided by the total number of children of official graduation age. The data has been compiled from the country-by-country reports at: <http://www.uis.unesco.org/Pages/default.aspx>.

⁸ See the data available at: http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=143&IF_Language=eng for a country-by-country breakdown.

Step 3 - Building job-relevant skills

According to enterprise surveys conducted by the World Bank since 2000 in over 90 countries,⁹ one of the most widely cited constraints on firm performance is inadequate human capital. Indeed, the share of firms worried about inadequate worker education and skills averages about 25 per cent in OECD countries, but over 40 per cent in the countries of the MENA region, many of which are part of the Mediterranean region. Shortages of workers with the necessary skills are likely to become more severe in the near future. Moreover, according to the enterprise surveys, employer complaints about skills are more often voiced by firms that are newer, faster-growing, more outwardly oriented, and keener to move up the technology ladder.

In Turkey, for example, employers in small and medium-sized enterprises – even in the more labour-intensive sectors such as furniture, food processing, textiles, and clothing – cite the inadequacy of skills at all levels as a key constraint on their capacity to acquire and use new and more advanced technology. In urban areas across the Mediterranean, the majority of people earn their income in low-skilled and low-paid jobs, if they have one. Consequently, many workers find themselves in precarious situations, with few opportunities to upgrade or expand their competencies. Their skills deficit adds to other constraints that keep productivity low and incomes low and unpredictable.

Links between the education establishments – schools, universities, technical training colleges, and other vocational and training institutions – and local businesses need to be strengthened so that information on what skills are relevant to employers flows down through the education system. With the exception of Israel, many of the countries of the region possess secondary and tertiary education systems that do not emphasise the skills – both technical and personal – that are relevant in the modern market. This exerts a drag on economic development – in terms of both productivity and employment – that is especially unfortunate in light of the demographic bulge that is present across much of the southern Mediterranean. Finally, education systems and businesses alike are often insufficiently outward looking to absorb the latest processes and practices required in the work place. As a result, efforts to make education systems more responsive to global conditions will require businesses to take steps in parallel.

⁹ See 'Building Job Relevant Skills' at http://siteresources.worldbank.org/EXTHDOFFICE/Resources/5485726-1281723119684/Stepping_up_skills_Step3.pdf.

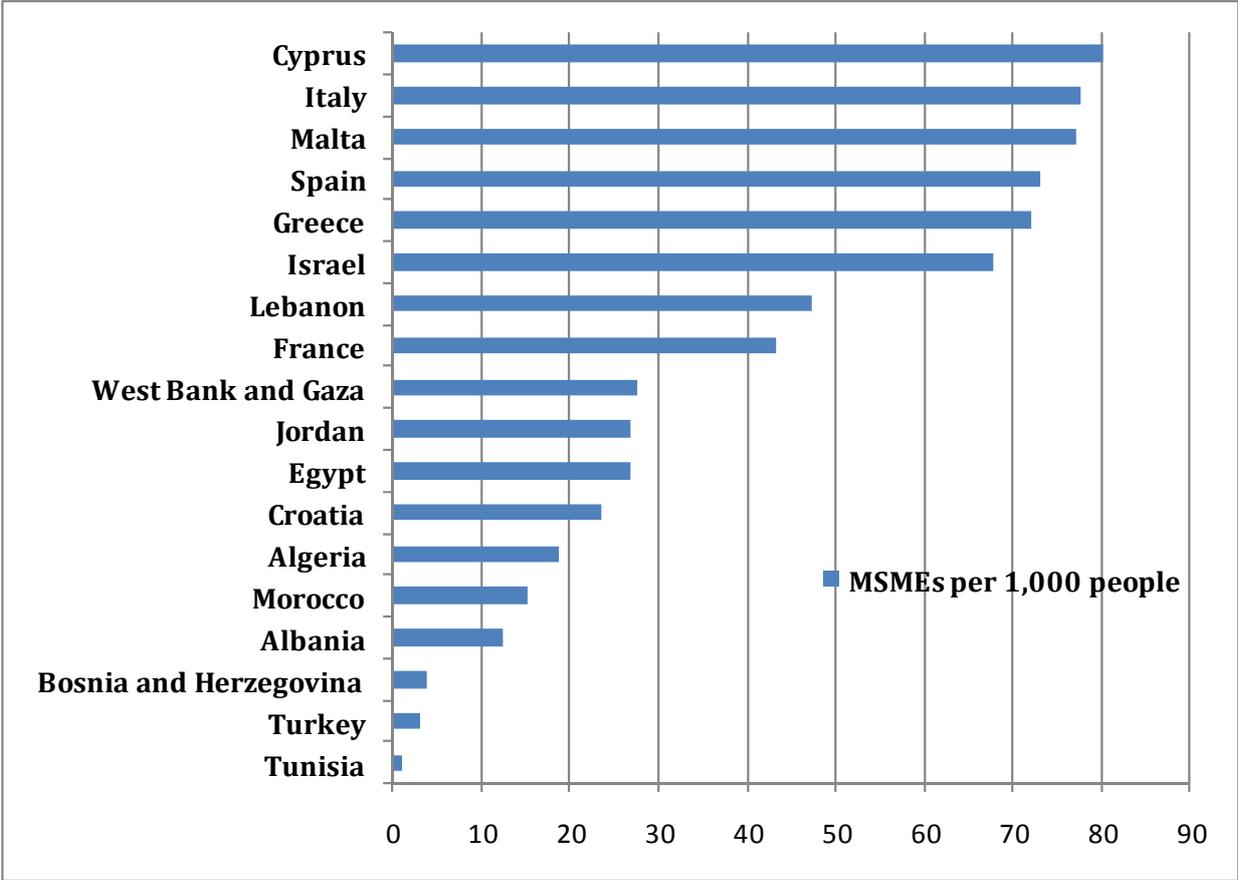
Step 4 – Encouraging entrepreneurship and innovation

New growth theory suggests that the acquisition and absorption of knowledge is the key to producing sustained economic growth. A higher level of education enhances innovation, as a more educated population is better equipped to contribute. In addition, a higher average level of education is crucial for the successful imitation and faster adaptation of existing modern technologies. As economic activity becomes increasingly globalised, more reliant on technology, and more service-oriented, a country's knowledge base will largely determine its growth path. Countries that have, in the past few decades, made the jump from low-income to high-income status (e.g., Chile, Korea and Taiwan) illustrate the need to simultaneously develop human capital, innovation systems, ICT infrastructure, and institutional regimes. This relationship between human development and private sector development is symbiotic, because one key aspect of innovation is not just developing new products and processes but also the ability of individuals to be entrepreneurial in putting them to good use. How do the countries of the Mediterranean fare in fostering innovation and entrepreneurship?

Entrepreneurship: Faster rates of economic growth can be encouraged by a range of human development-related factors aimed at developing relevant skills, and the accompanying policies that facilitate them. These skills approximate those outlined in steps 1, 2 and 3, as well as step 5. However, these skills and the ideas flowing from them have to be connected to others. In this respect the role of entrepreneurs – and small and medium-sized businesses more generally – is of crucial importance. In short, an environment conducive to the development of entrepreneurs and SMEs is of vital importance.

As Figure 3 shows, the countries of the Mediterranean region have a long way to go in providing an environment in which entrepreneurship flourishes, especially when compared to countries from the northern Mediterranean. There are a large number of barriers to SME development across the region, with the three concerns most widely cited by businesses across the region including (i) difficulty accessing finance; (ii) constraints imposed by the public administrations of the region, overbearing and inefficient bureaucracy, excessive red tape, lack of transparency, political interference, and corruption are often problems for many countries of the Mediterranean; and (iii) the inadequacy of key infrastructure, such as roads, power, water and telecommunications.

Figure 3. Micro, Small and Medium Enterprises (MSMEs) per 1000 people in the Mediterranean, 2007¹⁰



Source: World Bank Micro, Small and Medium Enterprise Database (2007)¹¹

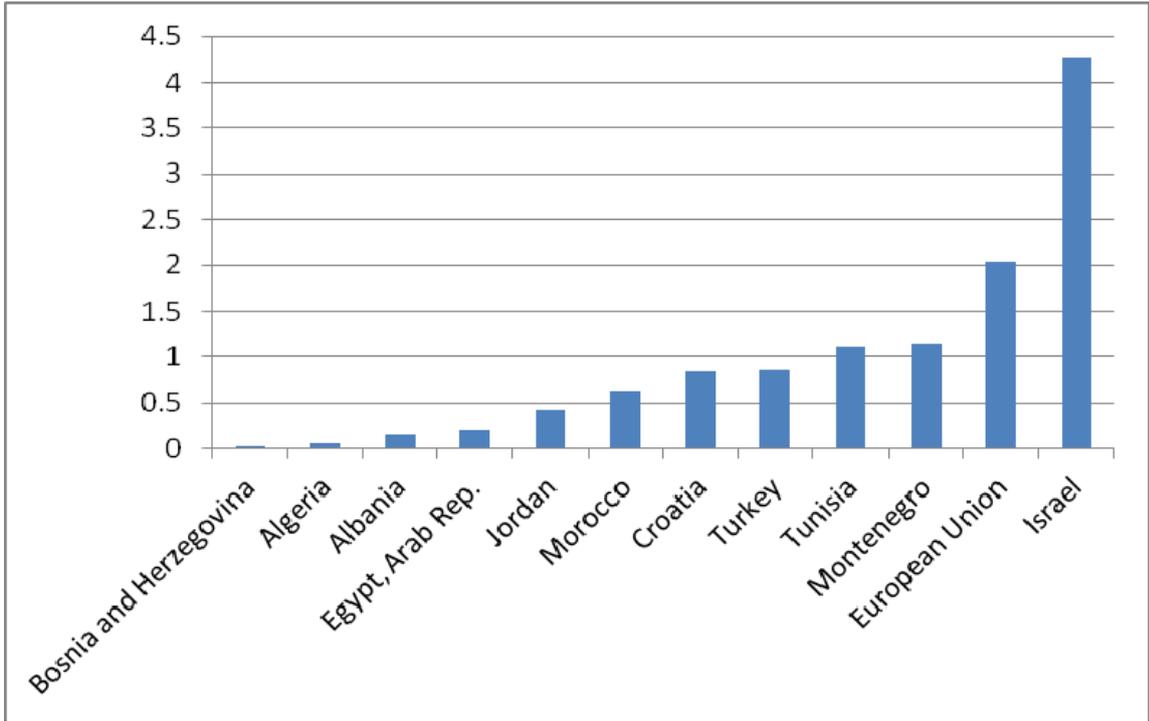
Innovation: Innovation is a process whereby individuals or organisations with an entrepreneurial mindset develop new ideas or absorb and adapt existing concepts. Together with institutions and policies that affect their behaviour and performance, they create new products, processes, and forms of organisation. Innovation is not only about scientists in laboratories, theoretical science, or new discoveries. It is also about building the capacity to find solutions to practical everyday development problems. So an innovative economy is marked both by scientists and researchers, and also by small-scale entrepreneurs who develop ideas for new products or new ways of doing things and transform them into profitable products or activities. Nevertheless, the evidence from academic research on innovation does suggest that levels of research and design (R&D) spending are correlated with performance in knowledge-based sectors. Figure 4 shows levels of R&D spending across the Mediterranean. As is clear, only Israel compares favourably with the EU. Even Turkey – one of the most dynamic and

¹⁰ Data are unavailable for Libya, Mauritania, Montenegro and Syria.

¹¹ This database can be found at: http://rru.worldbank.org/Documents/other/MSMEdatabase/msme_database.htm.

rapidly changing economies of the region – registers R&D spending levels that are well below EU average levels. While this situation remains unchanged, the countries of the region will not be able to generate the demand for knowledge-based skills that are required to jumpstart the process of structural transformation across the region.

Figure 4. R&D spending in the Mediterranean (% of GDP), 2010 (or most recent year)



Source: World Bank Development Indicators (2012)¹²

Step 5 – Facilitating labour mobility and job matching

Even if education systems can ensure that workers possess the correct skills to be productive and creative – i.e., if steps 1 to 4 are addressed effectively – increases in employment and productivity can be constrained if labour markets do not function well. Employers need the flexibility to manage their human resources. Likewise, individuals need to move freely between jobs and regions. And employers have to find the skills they need, and workers the jobs that put their skills to best use. When workers cannot move freely, both output and productivity growth are reduced. Indeed, there is also growing evidence that lower staff turnover across firms is associated with lower productivity growth. In other words, firms facing high labour adjustment costs have fewer incentives to innovate and adopt new technologies.

¹² The full database from which this was compiled may be found at: <http://data.worldbank.org/data-catalog/world-development-indicators>.

In the Mediterranean, the costs associated with labour mobility are comparatively high. Indeed, as in other low and middle-income countries, the costs are often even higher because data suggest that personal networks are the most common mechanism used to search for jobs or to hire workers. According to a World Bank study carried out in Lebanon, for example, 55 per cent of young workers who found a job in 2009 used personal contacts, with a mere 2 per cent using employment services.¹³ This is inefficient, since individuals see only a small number of the jobs offered. While some might have the ‘right contacts,’ those with weaker social networks can be severely constrained in their choices. Moreover, there is considerable evidence that job-skills mismatches are common across the region. In Tunisia, for example, the same World Bank study found that over half of all graduates found jobs in which their degrees were entirely irrelevant. Such problems tend to be replicated across the region.¹⁴

Formal education systems across the Mediterranean: a summary

The five pillars of a country’s education system identified by the World Bank’s STEP framework as applied to the Mediterranean very briefly in this report allow us to make some general observations. First, efforts need to be made in improving pre-primary education. Without this, any returns on investment in the area of technical and vocational education will be substantially reduced. This is a long-term challenge, however, and short-term challenges cannot wait until this fundamental problem is dealt with. However, the region's education systems are, in general, unsuitable for generating the sort of rapid expansion of employment required to bring down high levels of youth unemployment across the region. Skills acquired at the secondary and tertiary level need to be more relevant to local labour market conditions. To ensure that this happens, any reform of the region's education systems needs to be accompanied by increased internationalisation of firms – especially SMEs – across the region. This will increase information flows and enable both firms and education providers to respond more rapidly to the pressures of globalisation. Without success on both these fronts, it appears unlikely that the region's social systems will be impelled to make the social, technological and organisational changes necessary to achieve wide-ranging modernisation.

¹³ See ‘Stepping Up Skills’ report at: <http://siteresources.worldbank.org/EXTHDOFFICE/Resources/5485726-1281723119684/Stepping_up_skills.pdf>.

¹⁴ See ‘Stepping Up Skills’ report at: <http://siteresources.worldbank.org/EXTHDOFFICE/Resources/5485726-1281723119684/Stepping_up_skills.pdf>.

Section 2 – Initiatives in the area of education in the Mediterranean

Because the importance of human capital to the development of the Mediterranean is widely acknowledged, there are already a large number of agencies operating in the region with the aim of upgrading technical and vocational education capacities across the region. Key organisations include:

- **The Union for the Mediterranean (UfM)**

The UfM is a multilateral partnership that encompasses 43 countries from Europe and the Mediterranean Basin: the 27 Member States of the European Union and 16 Mediterranean partner countries from North Africa, the Middle East and the Balkans. Created in July 2008, the aim of the Union is to promote stability and prosperity throughout the Mediterranean region.

One of the six main projects launched by the UfM is the higher education and research Euro-Mediterranean University. On June 2008 the Euro-Mediterranean University, which offers graduate studies programs, was inaugurated in Piran (Slovenia). The Foreign Ministers who met in Marseilles in 2008 also called for the creation of another Euro-Mediterranean University in Fes, Morocco. At the Paris summit, the 43 Heads of State and Government agreed that the goal of this project was to promote higher education and scientific research in the Mediterranean, as well as to establish a "Euro-Mediterranean Higher Education, Science and Research Area in the future."

- **European Neighbourhood Policy**

The EU is involved in a range of projects as part of its European Neighbourhood Policy. These include:

- the *Erasmus Mundus II – Action 2 Partnerships* which promote cooperation between higher education institutions through encouraging partnerships, mobility and exchanges of students, researchers and academic staff.

- *Multi-country cooperation instruments* where the EU supports the reform and transition processes underway in the EU's Neighbouring Partner Countries through a number of operational and highly

complementary cooperation instruments such as TAIEX, Twinning, SIGMA, and Cross-Border Cooperation programmes. Many of these programmes are targeted at human capital development.

- the *TEMPUS IV programme for higher education* which supports the modernisation of higher education, creates opportunities for cooperation among actors in the field and enhances understanding.

- **The European Investment Bank (EIB)**

Since October 2002, the European Investment Bank's operations in the Mediterranean partner countries have been brought together under the Facility for Euro-Mediterranean Investment and Partnership (FEMIP). In line with the European Neighbourhood policy and the UfM, FEMIP aims to help the Mediterranean partner countries meet the challenges of economic and social modernisation and regional integration by financing private sector ventures, whether local initiatives or foreign direct investment (FDI). To this end, FEMIP offers loans, private equity and technical assistance, in many cases to SMEs. It has also organised seminars and provided technical assistance in the area of human capital development.

- **United Nations Educational, Scientific and Cultural Organisation (UNESCO)**

The UNESCO Education Sector performs a number of functions across the world, including in the countries of the Mediterranean region. These include: (i) providing international leadership to create learning societies with educational opportunities for all populations; (ii) providing expertise and fostering partnerships to strengthen national educational leadership and the capacity of countries to offer quality education for all; (iii) working as an intellectual leader, an honest broker and clearing house for ideas, propelling both countries and the international community to accelerate progress towards these goals; and (iv) facilitating the development of partnerships and monitoring progress, in particular by publishing an annual Global Monitoring Report that tracks the achievements of countries and the international community towards the aims of the organisation.

- **The International Financial Corporation (IFC)/World Bank**

The IFC is a member of the World Bank group and promotes sustainable private sector investment in developing countries. Established in 1956, the

IFC is the largest multilateral source of loan and equity financing for private sector projects in the developing world. It promotes sustainable private sector development, with an emphasis on providing advice and technical assistance in the area of human capital development to both business and government.

The IFC is involved in all the countries of the Mediterranean, with a committed portfolio of around \$2 billion in the MENA region. Through the Private Enterprise Partnership – Middle East & North Africa, it has sought to promote private enterprise, often at the SME level, across a range of countries that include many situated on the Mediterranean's southern rim. In addition, the World Bank provides research and technical assistance in the area of technical and vocational education.

- **The British Council**

The British Council has a Skills and Employability programme through which it aims to improve knowledge and understanding of effective approaches to skills development and raise the profile of vocational and technical education and skills. It organises high-profile international conferences, seminars, workshops and study visits all over the world to bring together government, key stakeholders, employers and decision makers. The objective is to encourage dialogue and the exchange of best practice in skills education for employability and economic growth. This programme is active in providing advice and technical assistance to nearly all the countries within the Mediterranean region.

- **The European Training Foundation (ETF)**

The European Training Foundation is a decentralised agency of the European Union based in Turin, Italy. It was established in 1990 and re-organised in 2008 to contribute to the development of the education and training systems of the EU partner countries. The ETF currently employs approximately 130 staff and has an annual budget of about €18 million. It aims to help transition and developing countries, including those from across the Mediterranean region, to harness the potential of their human capital through the reform of education, training and labour market systems.

Section 3 – Possibilities for cooperation in the field of vocational education and training

Technical and vocational training is an area to which cooperation between countries and regions is well suited. This is because the challenges in the realm of technical and vocational training are not uniform, and instead vary in their characteristics across cases. As a result, openness to new approaches and a readiness to implement different policies can help regions and countries overcome their specific challenges. Learning from other regions and countries which have encountered, and often overcome, similar problems can form an important part of any strategy to improve the effectiveness of regional or national technical and vocational education.

North-South cooperation: Despite the fact that education systems face different challenges in the North and South, there are a wide range of opportunities for North-South cooperation in the area of technical and vocational education. The Trans-European Mobility Scheme for University Studies (Tempus) is a good example of how this can work. It supports the efforts of Partner Countries to modernise their higher education systems and creates opportunities for cooperation among higher education actors in the EU and the participating countries through joint projects. It also enhances understanding between cultures as it promotes a people-to-people approach and convergence with EU developments in higher education leading to more jobs and growth. Over €150 million was made available to Tempus projects between 2009 and 2012.

South-South cooperation: Because other regions and countries from the South often face similar challenges because of their comparable stages of development, South-South cooperation is also an avenue rich with as-yet underdeveloped potential. A few successful examples include the following:

- The Moroccan and Algerian authorities are willing to work closely with Tunisia in the field of quality and quality assurance in TVET;
- The Moroccan Agence Nationale de l'Emploi et des Compétences (ANAPEC) has plans for cooperating with Syria's Corporation for Employment and Enterprise Development (PCEED);

- Jordanian work on TVET and labour market indicators has been used as a basis for the Euromed Observatory Function.¹⁵

Region-Region cooperation: Very often, the challenges faced by local and regional authorities are not the same as those observed at the national level. Consequently, learning from other regions across the world can prove a valuable source of both information and, at times, funding. An excellent example of decentralised cooperation is the European Platform of Local and Regional Authorities for Development (PLATFORMA)¹⁶ initiative. Launched in November 2008, PLATFORMA coordinates the voice of local and regional authorities and of their representative organisations to the European institutions. While the nature of the PLATFORMA supported projects does vary considerably, many are carried out to improve technical and vocational education in participating regions.

¹⁵ More information on these three may be found in the report 'Meda Regional Cooperation in TVET and the Labour Market' at:

«[http://etf.europa.eu/webatt.nsf/0/C12578310056925BC1257777004E3EDD/\\$file/NOTE883JQ5.pdf](http://etf.europa.eu/webatt.nsf/0/C12578310056925BC1257777004E3EDD/$file/NOTE883JQ5.pdf)».

¹⁶ See «<http://www.commed-cglu.org/spip.php?rubrique139>».

Section 4 – Governance of education and training in the Mediterranean

This section examines the governance of education and training across the Mediterranean. Because of the diversity of governance in this area, this section focuses on the Mediterranean countries of northern Africa and the Middle East. These countries account for a large proportion of the population of the Mediterranean partners. Israel – as the only high-income country with a well developed education system – is not included, while the countries of post-socialist Europe display different characteristics to those outlined here. This section examines five key issues: (i) how technical and vocational education is governed at the national level; (ii) how technical and vocational education is governed at the regional level; (iii) the role of business and other stakeholders in the governance of technical and vocational education; (iv) how the countries are performing as regards improving the environment for entrepreneurship;¹⁷ and (v) how the countries perform relative to one another.

Governance of technical and educational training at the national level

Technical and vocational education and training (TVET) in the Mediterranean tends to be delivered formally and informally, and through private and government institutions. In nearly all cases, the public system is administered by several government agencies. In Morocco, for example, there are a large number of private and public technical and vocational education institutes, but these are separate from the Ministry of Employment and Vocational Training. These agencies work independently, although in recent times the governments of the region have sought to bring about more coordination – both in institutional and curricular terms – between different agencies to bring greater cohesion to TVET policies.

Alongside these centralised, but often uncoordinated, government agencies, there is private sector provision which, in some cases (e.g., Morocco, Egypt), is quite extensive, but in others is less evident (e.g., Jordan). This dual structure – with public and private sector provision of TVET – has emerged for two reasons. First, private sector and local public sector institutes (i.e., existing outside the centralised government agencies at the national level) emerged because of poor performance by TVET providers at the national level. Second,

¹⁷ The observations contained here refer to the general tendencies evident across the region. Examples from specific cases are given to illustrate these general tendencies.

newly created national ministries or organisations were established later as national governments began to assign greater importance to the provision of technical and vocational education and training.

In recent years, the importance of technical and vocational education and training has been recognised by national governments, especially as the demographic youth bulge caused rising unemployment and increased social tensions. Equipping the unemployed for work thus became a matter of urgency. Indeed, not a single country from the southern Mediterranean has failed to initiate a major programme to develop its technical and vocational education and training system. However, because of the complex nature of systematic education reform (see section 1), success has been harder to achieve. Enrolment rates in national level programmes for TVET has, in most cases, increased significantly over the past two decades, although ensuring that skills and jobs are matched has proved much more difficult.

The flow of students between institutions and sectors has, in most cases, largely been governed by a system of streaming. Limiting entry to general education caused a greater proportion of students to be directed towards the technical and vocational stream. In Egypt, for example, technical and vocational schools have almost twice as many students as general education institutions, and many people leave this type of education to enter the labour market directly, more often than not without completing their courses. Even those who do complete their courses have high unemployment rates, competing less successfully against an increasing number of university graduates for the same type of work, as well as against semi-skilled workers who have received training on the job. Thus, increasing the numbers of students enrolled on TVET programmes is a necessary, but by no means sufficient, condition for ensuring that significant gains are made in human capital development across the region.

One of the key challenges facing policymakers in the area of TVET provision across the Mediterranean is overcoming the absence of properly skilled workers. Thus far, government policies have had the result of greatly enhancing the number of opportunities for participating in technical and vocational education and training programmes. However, translating this increase in the quantity of TVET students into better employment outcomes that support the development of regional and national economies is of greater importance.

Governance of technical and educational training at the regional level

There are two main forms of TVET provision evident at the regional level. First, this is where private provision of TVET tends to be found; private countrywide providers are not generally in evidence. Second, local and community colleges provide TVET. Because TVET provision in the private sector and the local and regional level is carried out in a bottom-up fashion, there is much heterogeneity in the quality of provision across the region. In some instances, such decentralised initiatives prove to be extremely successful, usually because they emerge in response to a concrete demand from local businesses. When TVET provision emerges under these conditions, it is often more successful. However, there are also some problems associated with decentralised provision. For example, when it occurs in the context of an inward looking local economy, TVET providers are often slow to provide the skills that will make their local economies more dynamic. This is less evident in, for example, large cities or busy tourist destinations. However, in regions without large urban concentrations, or where international trade in goods and services (tourism, for example) is limited, TVET providers tend to replicate existing practices which are not relevant to the demands imposed by the need for structural transformation.

Because the national programmes described above have been less successful than anticipated, there has been renewed focus on the importance of local and regional delivery of technical and vocational education and training. In Egypt, for example, eight regional Technology Colleges are in the process of reforming their curricula and the structure of the qualifications they offer and eventually establishing a more clearly defined polytechnic sector. Indeed, although Egypt's most recent TVET reform programme also supports the development of institutional capacity for the formulation and implementation of a national TVET reform policy, much greater attention is paid to the need for adopting a decentralised, demand-driven, participatory approach to its public intervention at all levels. Although the TVET reform programme is ongoing, the Egyptian experience offers valuable lessons for other southern UfM countries.¹⁸

¹⁸ For more information on the TVET programme in Egypt see: <<http://www.tvet.org/>>.

Engagement with employers and other social organisations

Because most governments of the region are acutely aware of the significant shortage of skilled labour in their countries, most governments have stepped up efforts to link private sector businesses to public sector education and training service providers in public-private partnerships. Attempting to bridge the gap between human resource needs and educational outcomes in this way has proved to be good practice in other countries of the region (e.g., in OECD countries). In the most centralised countries (e.g., Jordan, Syria), such programmes tend to be coordinated at the national level, with less room for local and regional coordination. However, in the larger countries of the region, such as Egypt and Morocco, governments have moved towards adopting a decentralised, demand-driven, participatory approach to its interventions at all levels.

Moreover, these countries also recognise the importance of sector-specific partnerships. Thus, in Egypt, for example, a dozen Enterprise TVET Partnerships (ETP) have been established as sector-wide networks in the fields of manufacturing, building and construction, and tourism.¹⁹ The ETP's network covers 12 sub-sectors which represent the most promising industries in Egypt: ready-made garments, engineering, food processing, leather and leather tanning, chemical industries, printing and media, building and construction materials, woodworking and furniture, building and construction (including civil engineering and housing), and tourism (including hotels and restaurants, companies and bazaars). Local ETPs have been set up in Port Said, Alexandria, Menoufeya, Gharbeya, and Sharkeya. These are also based on public-private partnership and decentralised TVET principles. In this respect, the use of TVET development tools forms part of a wider industrial policy aimed at improving the competitiveness of sectors and regions identified by the government as offering considerable promise.

¹⁹ More information on these partnerships can found here: [«http://www.tvet.org/etps.html»](http://www.tvet.org/etps.html).

Improving the environment for entrepreneurship in the Mediterranean

Table 1. Ease of Doing Business, 2010-2012 (rankings out of 183 countries)

	2010	2012	Change
Albania	77	82	-5
Algeria	143	148	-5
Bosnia and Herzegovina	127	125	2
Croatia	79	80	-1
Egypt	108	110	-2
Jordan	95	96	-1
Lebanon	103	104	-1
Montenegro	56	56	0
Morocco	115	94	21
Syrian Arab Republic	136	134	2
Tunisia	40	46	-6
Turkey	73	71	2
West Bank and Gaza	128	131	-3

Source: World Bank (2012), Ease of Doing Business Index

Of course, for the TVET policies described above to work, an improvement in the business environment across the region will be required. As long as significant barriers to entrepreneurship persist, any efforts to improve the level of human capital across the region will be constrained by low levels of demand for skilled labour. As Table 1 illustrates, many countries of the region need to make significant progress in reducing barriers to entrepreneurship. According to the World Bank's Ease of Doing Business index, many countries of the region have slipped down the rankings between 2010 and 2012.²⁰ The notable exception is Morocco, which has rapidly climbed up the rankings in recent years, making progress in a number of areas, especially in improving access to finance for enterprises.

Comparative performance in TVET

The southern UfM countries cannot readily be divided into leaders and laggards on TVET issues. *The transition from school to work remains a major challenge for all of the countries of the region.*²¹ As noted above, the whole southern

²⁰ The full World Bank 'Ease of Doing Business' report can be found here: <http://www.doingbusiness.org/reports/global-reports/doing-business-2012>.

²¹ See here again 'MEDA regional cooperation in TVET and the labour market':

Mediterranean region has begun to take action in this area and some countries have acquired a reputation for best practice in particular areas. No single country could be said to stand out as a clear leader, although Morocco comes close to doing so as the sharp 21 point improvement in its ranking by the World Bank for ease of doing business, which is listed above, proves. Two things are of crucial importance here. In the first place, the countries of the region have noted that TVET poses considerable challenges. In the second place, one country, Morocco, has made progress on a scale that has clearly begun to have a positive effect on the quality of the business environment in that country, as measured by the World Bank. Taken together, this provides grounds for optimism that the quality of TVET can be improved across the region as a whole.

In terms of the relative performance of the countries in question, when it comes to the setting TVET standards, the National Qualification Framework (NQF), Morocco, Tunisia, Egypt and Jordan stand out as examples of best practice with positive evaluations of national quality assurance to be noted in Algeria as well.²² Morocco has made significant progress in involving employers and trade unions in consultations on future TVET plans, which is greatly to its credit.²³ Tunisia is in the process of learning from this positive example, which is also true to an extent in Algeria. In other states, this process is far less advanced. Egypt and Jordan have some way to go in this sphere and Lebanon is lagging very far behind (although it is making efforts to improve social dialogue²⁴) as are the Occupied Palestinian Territories. But this does not mean that performance on TVET issues is weak in all areas, for example, as noted above, Egypt has made considerable progress in setting up Local Enterprise Partnerships that have enjoyed some success.

For many countries of the region, a significant challenge on TVET issues is about involving a wider range of stakeholders, especially trade unions. The problem of including social partners in dialogue is often one of implementation, rather than the lack of a legal framework for that dialogue to take place. Here again, the Moroccan experience, where trade unions have moved from hostility towards employers and the state on TVET issues towards cooperation, could be of use as an example of good practice to the other countries of the region.

«[http://etf.europa.eu/webatt.nsf/0/C12578310056925BC1257777004E3EDD/\\$file/NOTE883JQ5.pdf](http://etf.europa.eu/webatt.nsf/0/C12578310056925BC1257777004E3EDD/$file/NOTE883JQ5.pdf)».

²² See here again:

«[http://etf.europa.eu/webatt.nsf/0/C12578310056925BC1257777004E3EDD/\\$file/NOTE883JQ5.pdf](http://etf.europa.eu/webatt.nsf/0/C12578310056925BC1257777004E3EDD/$file/NOTE883JQ5.pdf)».

²³ See here 'Social Partners in Vocational Education and Training', at: «

[http://www.etf.europa.eu/webatt.nsf/0/AE767507CE50E643C12578AF00336909/\\$file/social%20partners%20in%20VET_EN.pdf](http://www.etf.europa.eu/webatt.nsf/0/AE767507CE50E643C12578AF00336909/$file/social%20partners%20in%20VET_EN.pdf)».

²⁴ See the ETF Country Action Plan at:

«[http://www.etf.europa.eu/webatt.nsf/0/C12578310056925BC12575DA0035D7B3/\\$file/NOTE7T6DHJ.pdf](http://www.etf.europa.eu/webatt.nsf/0/C12578310056925BC12575DA0035D7B3/$file/NOTE7T6DHJ.pdf)».

Section 5 – Recommendations and proposals

Any strategy to improve the quality of technical and vocational education and training in the Mediterranean will require a mix of policies, with a focus on meeting the specific challenges in the area of TVET, balanced against a longer-term strategy to improve the quality of the broader education system (from pre-primary level upwards) and the business environment. In the short run, policymakers should concentrate on steps 3 and 5 (see section 1), by re-skilling vulnerable workers who are unemployed or underemployed, addressing bottlenecks through flexible training institutions and on-the-job-training, and creating systems that facilitate the search for employment as well as the search for and hiring of workers with different skills profiles. In the medium and long runs, efforts should be made to improve the entire education system - from the parents to the schools, universities, and training programmes. For this, effective policies for early childhood development, education, training and innovation will need to be coordinated with focused labour and social protection policies that facilitate labour participation, mobility, and the matching of skills and jobs. Only then can the supply of skills adjust to continual changes in demand and contribute to productivity, growth, and innovation. Recommendations for both these sets of challenges are listed below.

Short-term proposals targeted at improving TVET provision

There are five main areas where policymakers should focus their attention.

1. Providing the correct balance of skills for the labour market

- It is important to supply a mix of TVET training places that reflects both student preferences and employer needs. This is best achieved through the provision of workplace training and through planning and incentive mechanisms.
- Policymakers at both the national and regional levels should seek to engage employers and unions in curriculum development and ensure that the skills taught correspond to those needed in the modern workplace.
- TVET systems should be geared towards providing young people with generic, transferable skills to support occupational mobility and lifelong learning, and with occupationally-specific skills that meet employers' immediate needs.

- Ensuring that all students in vocational programmes have adequate numeracy and literacy skills to support lifelong learning and career development is of paramount importance. Policymakers at the local and regional level are well placed to identify and tackle weaknesses in this area.

2. Reforming career guidance to improve flows of information between students and employers

- It is vital to develop a coherent career guidance profession, which is well-informed by up-to-date labour market data.

- At the national and regional levels, it is important to provide adequate resources for career guidance and its pro-active delivery.

- Successful career guidance programmes should provide reliable and accurate sources of information about careers and courses.

- Building a comprehensive framework of guidance should be carried out in partnership with employers. In this respect, the role of local and regional authorities in performing a coordinating role is crucial.

- At the national level, governments should ensure that career guidance initiatives are rigorously evaluated.

3. Ensuring teachers and trainers are well-prepared with relevant industry experience

- Attention should be paid to recruiting sufficient teachers and trainers for TVET institutions, and ensuring this workforce is well-acquainted with the needs of modern industry. To this end, trainers in TVET institutions should be encouraged to spend some of their time working in industry, and flexible pathways of recruitment should be promoted to make it easier for those with industry skills to become part of the workforce of TVET institutions through effective preparation.

- Policymakers should provide appropriate pedagogical and other preparation for trainers (including supervisors) of interns, trainees and apprentices in workplaces, adapting the level of preparation to the nature of the workplace learning being provided.

- Interchange and partnership between TVET institutions and industry should be promoted so that vocational teachers and trainers spend time in industry to

update their knowledge, and vocational trainers in firms spend some time in TVET institutions to enhance their pedagogical skills.

4. Promoting workplace learning

- Efforts should be made to increase the use of workplace training in the initial stages of TVET.
- Policymakers at both the national and regional levels should ensure that the framework for workplace training encourages both employers and students to participate.
- Local and regional authorities are best placed to ensure that workplace training is of good quality, through an effective quality assurance system and a clear contractual framework for apprenticeships.
- Workplace training should be balanced by other provision (e.g. training workshops in schools) where other learning environments work better, or if workplace training is not available.

5. Tools to engage stakeholders and promote transparency should be developed

- Policymakers at both the national and regional levels should engage employers and unions in TVET policy and provision.
- Employers, trade unions and other key stakeholders should be systematically engaged to develop and implement qualification frameworks, supported by strengthened quality assurance.
- At the national level, standardised national assessment frameworks should be adopted to underpin quality and consistency in training provision.
- To aid monitoring and evaluation of TVET policies, data collection on labour market outcomes of TVET should be strengthened and statistical agencies should be given the institutional capacity to analyse and disseminate that data.

Longer-term considerations to improve human capital development

Improving early child development (step 1) will require a concerted effort to reduce poverty, something that will itself only emerge with successful economic modernisation. Improving the quality of learning at the primary and secondary level (step 2) requires moving away from traditional policies and programmes

that focus on inputs regardless of outcomes. This has often proved to be wasteful and ineffective. In contrast, policies that measure results, address systemic issues and support a longer-term vision are more likely to succeed. The building blocks of a successful education system are learning standards, good teachers, adequate resources, and a proper regulatory environment. But to enhance system performance, these building blocks should be connected through an integrated system of incentives, rewards, and sanctions. Clearly this is a daunting list of challenges. Successfully meeting these challenges will require commitment at the national and regional levels, and can be best supported through knowledge transfer from international organisations active in the area of education policy. Finally, improving the environment for entrepreneurship (step 4) is essential for ensuring that sufficient numbers of firms exist to absorb a larger pool of workers with upgraded skills.

Summary

Creating jobs and increasing productivity are key challenges for policymakers across the Mediterranean region. Developing skills through vocational and technical training is an essential component of all efforts in this challenging area. This report has provided an overview of the current state of technical and vocational training in the Mediterranean and its role in the region's social and economic development. Section 1 described the main contours of the formal education systems of the Mediterranean region. Section 2 provided a brief outline of ongoing international initiatives in the area of technical and vocational training in the Mediterranean. Section 3 briefly described some possibilities for cooperation in the field of vocational education and training. Section 4 gave an overview of the governance of education and training in the Mediterranean. Finally, section 5 provided some recommendations and policy proposals to improve technical and vocational education and training in the Mediterranean.