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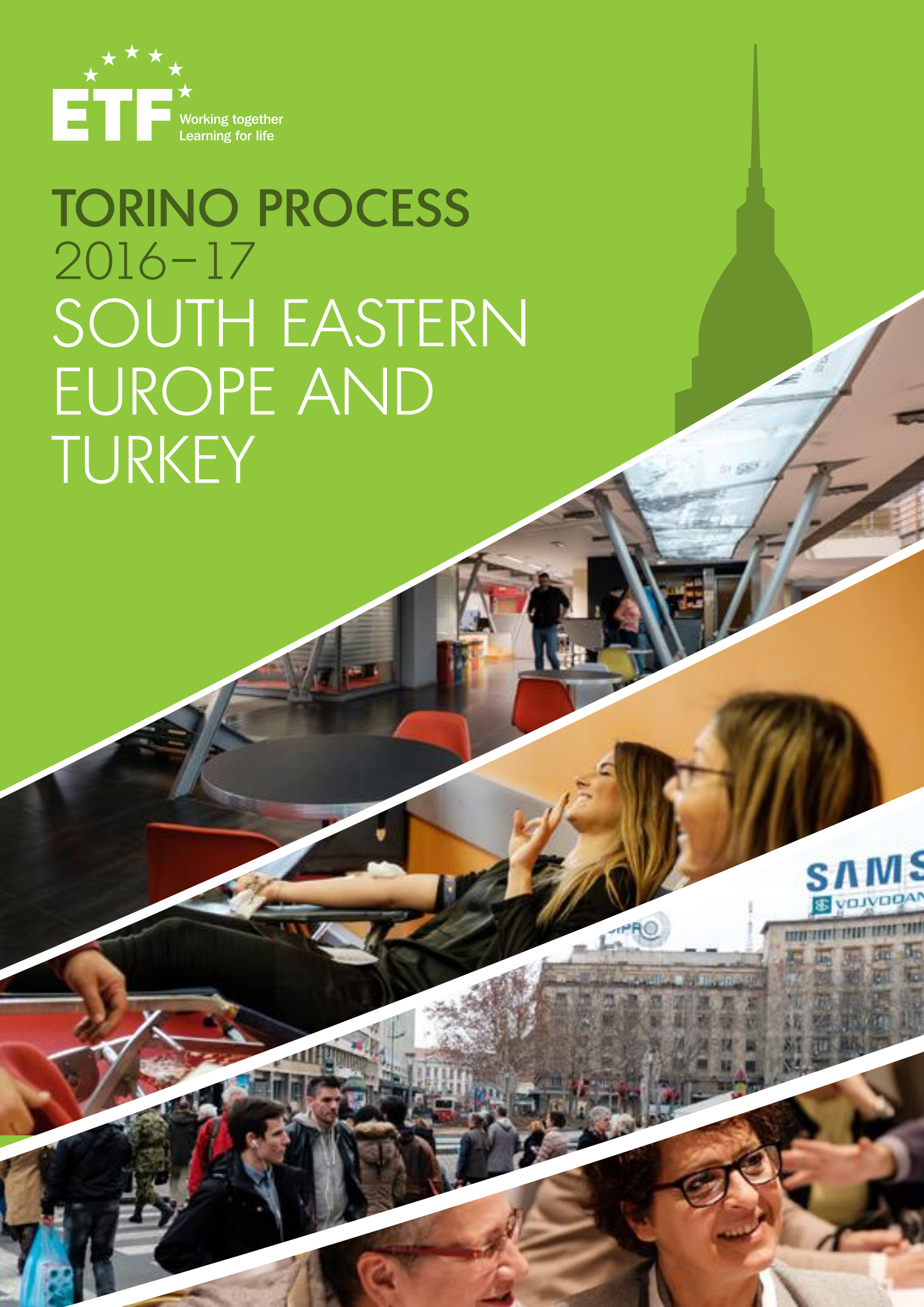
TORINO PROCESS 2016–17

SOUTH EASTERN EUROPE AND TURKEY



SOUTH EASTERN EUROPE AND TURKEY

The countries of South Eastern Europe (Albania, Bosnia and Herzegovina, Kosovo*, the former Yugoslav Republic of Macedonia, Montenegro and Serbia) and Turkey share the prospect of EU membership. The accession process supports political and economic reforms that help the countries address shared challenges of economic governance and competitiveness, the rule of law, public administration reform, transparency and accountability of public services. Policy dialogue and policy development in the area of vocational education and training are part of this process.

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**This designation is without prejudice to any position on status and is in line with UNSCR 1244 and the International Court of Justice's Opinion on Kosovo's declaration of independence*

Report prepared by Evgenia Petkova, ETF expert

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INTRODUCTION

Inspired by the European Union's (EU) Copenhagen Process – which aims to improve the performance, quality and attractiveness of vocational education and training (VET) through enhanced cooperation at European level – the Torino Process is an evidence-informed analysis of VET systems promoted by the European Training Foundation (ETF). The Torino Process is based on country ownership and broad participation of stakeholders from the national and sub-national authorities, social partners and civil society. At its heart lies the periodic monitoring of policy progress along the five building blocks of the analytical framework.[1] The Torino Process enables partner countries to monitor the implementation of VET reforms and assess the progress and the impact on citizens.

The Torino Process was launched in 2010 as a biannual review exercise and was carried out for the fourth time in 2016–17. It uses a common framework to analyse VET policies at both national and cross-country levels. The objective is twofold: to facilitate national policy making, while at the same time fostering dialogue and peer learning across borders. All ETF partner countries from South Eastern Europe and Turkey (SEET) – Albania, Bosnia and Herzegovina, Kosovo,[2] the former Yugoslav Republic of Macedonia, Montenegro, Serbia[3] and Turkey – took part in the 2016–17 Torino Process round and produced national reports. Kosovo was the only country in the region to choose an ETF-led modality of implementation of the exercise in this round, while the rest of the countries opted for a country-led modality. Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia conducted their Torino Process self-assessments for the first time in 2016–17.

The SEE countries and Turkey share the prospect of EU membership, and this supports their modernisation through political and economic reforms in line with the accession criteria. The enlargement countries[4] face common challenges in terms of economic governance and competitiveness, the rule of law, public administration reform, and the transparency and accountability of public services. These challenges shape the context for the development of the skills and VET policies in each country and provide the basis for policy dialogue at regional level.

This report, completed in April 2017, takes a cross-country approach towards VET developments in SEET, aiming to identify the main issues, constraints and priorities for the further modernisation of VET policies and systems in the region. It is based on an analysis of the national 2016–17 Torino Process reports[5] and on the outcomes of the discussions during the Torino Process regional forum (Belgrade, February 2017).

The report also takes into account the evidence of policy progress arising from the commitment of the EU's candidate countries – Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey – to the implementation of the Riga Conclusions, agreed under the Latvian Presidency of the Council of the European Union in June 2015, on a new set of medium-term deliverables (MTDs) in the field of VET for the 2015–20 period. The Conclusions aim to raise the overall quality and status of VET in the context of the Copenhagen Process in order to meet the Education and Training 2020 (ET 2020) strategic objectives and to reaffirm the support for the wider European growth and jobs agenda.

A summary of the main findings and conclusions of this report is provided in the ETF publication *Torino Process regional overview: South Eastern Europe and Turkey* (ETF, 2017).

[1] Building block A – Overview of the VET system and its socioeconomic context; Building block B – Addressing economic and labour market demand; Building block C – Addressing demographic, social and inclusion demand; Building block D – Internal efficiency of the VET system; Building block E – Governance and policy practices. The five building blocks are complemented by four transversal dimensions: gender, local dimension of skills, innovation, and social partnerships.

[2] This designation is without prejudice to any position on status and is in line with UNSCR 1244 and the International Court of Justice's Opinion on Kosovo's declaration of independence – hereinafter 'Kosovo'.

[3] These countries will be further referred to in the report as the 'South Eastern European' (SEE) countries.

[4] The terms 'enlargement countries' and 'South Eastern European countries and Turkey' will be used as synonyms in this report.

[5] Last accessed 22 September 2017 at: www.torinoprocess.eu/hub

1. CONTEXT AND OVERVIEW OF VET SYSTEMS

1.1 ECONOMIC CONTEXT

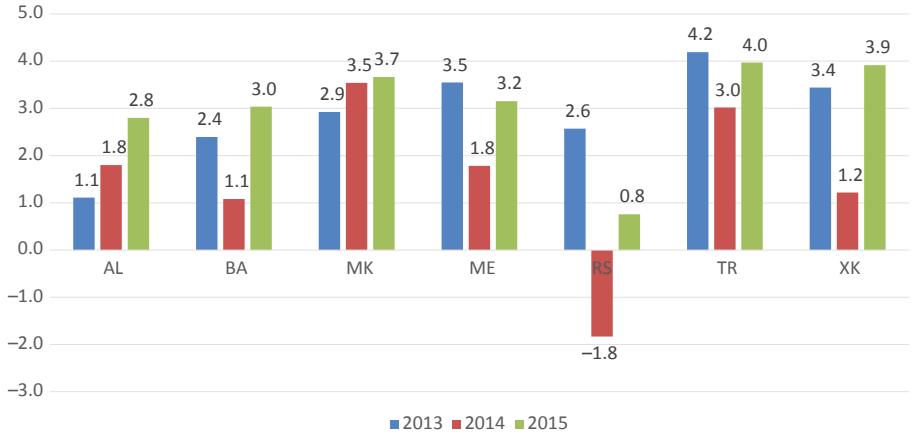
The economic situation in SEET has improved since the previous round of Torino Process in 2014, with stronger growth, higher investment and more jobs. Despite the unfavourable external context – pressures from the precarious global economic evolution, slow growth in the EU (the major export destination for SEET), the continuing refugee crisis – all SEE countries and Turkey experienced economic growth in 2015, with annual increases in gross domestic product (GDP) ranging from 0.8% in Serbia to 4% in Turkey, and at 3% or above in Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro and Kosovo (Albania 2.8%) (see **FIGURE 1.1**). A recent World Bank analysis states that the growth in the region has been driven by domestic demand (robust investment and recovering household consumption) and forecasts its further acceleration in 2016–18 (World Bank, 2016).

The performance of the enlargement countries in enhancing their economic productivity has been variable. **FIGURE 1.2** shows the labour productivity in the region in 2014, measured as the output per unit of labour input, i.e. GDP divided by total employment in the economy[6].

On the one hand, the data in Figure 1.2 speak of relatively low labour productivity in SEE in 2014 (ranging from 25 434$ GDP per unit employment in Albania to 44 145$ GDP per unit employment in Montenegro). Turkey performed better (56 666$ GDP per unit employment), but the productivity in all countries remained below the EU average, which stood at 76 943$ GDP per unit employment in 2014.

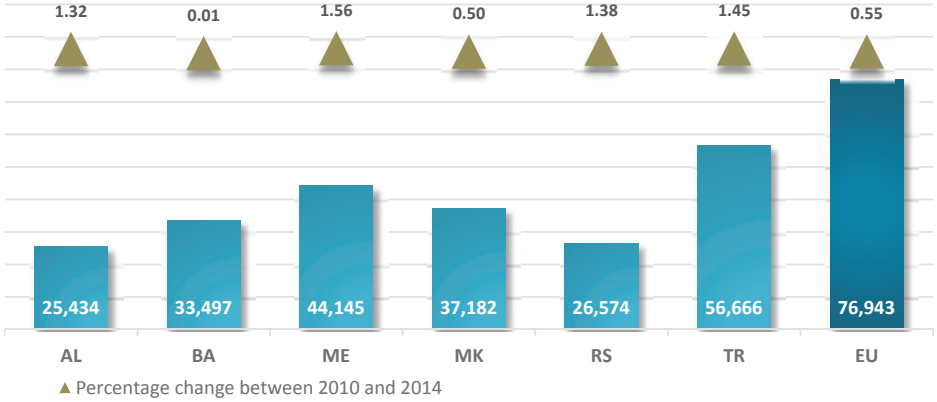
[6] Purchasing power parity (PPP) GDP is GDP converted to 2011 constant international dollars using PPP rates.

FIGURE 1.1 GDP growth, 2013–15 (annual %)



Source: World Bank, World Development Indicators, 2017.

FIGURE 1.2 Labour productivity, 2014 ($)



Source: World Bank, World Development Indicators, 2017.

On the other hand, the enlargement countries have made progress by increasing their productivity as compared to 2010 (see Figure 1.2). Although the trend is positive, it is worth noting that owing to the indicator used for measuring productivity (GDP per person employed in the economy), any decrease in employment positively influences the results. Thus, at least part of the progress reported can be attributed to reduced employment through job losses that occurred in the 2010–13 period, when around 180 000 jobs were shed in SEE (RCC, 2016a).

In terms of competitiveness, as defined and measured by the World Economic Forum[7], the enlargement countries perform relatively poorly, with Turkey being the only representative of the region that in 2016–17 ranks in the upper half of the 138 participating countries, at 55th place (the higher the place occupied, the higher the competitiveness of the country). The other countries are in the lower half of the ranking.

Serbia has shown a steady trend towards improving its competitiveness over recent years (with its highest rank since 2012), Turkey and Montenegro have experienced an opposite, downward trend (with their lowest ranks since 2012), Albania has managed to reverse the downward trend in 2016 (with its highest rank since 2012), while the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina show a mixed performance (with ups and downs over the 2012–16 period) (WEF, 2016).

[7] Competitiveness is defined 'as the set of institutions, policies, and factors that determine the level of productivity of an economy, which in turn sets the level of prosperity that the country can achieve' (WEF, 2016, p. 4).

1.2 LABOUR MARKET CONTEXT

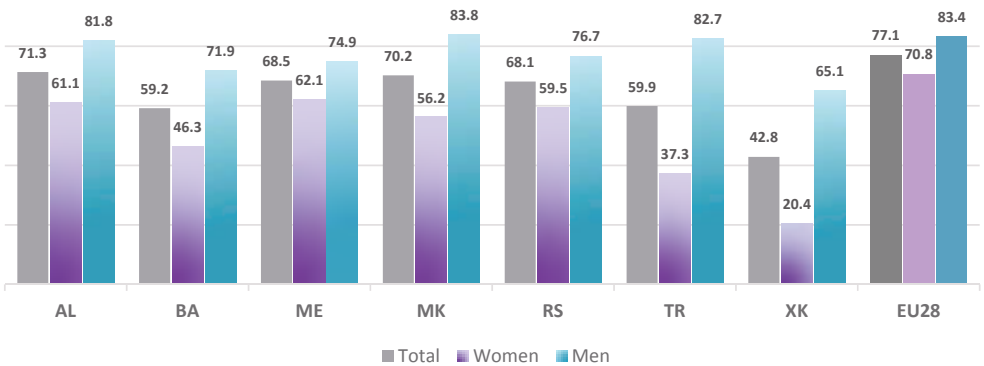
Labour markets in SEET continue to be characterised by low participation and employment rates and are strongly influenced by gender issues. **FIGURES 1.3** and **1.4** show that all enlargement countries lag significantly behind the EU averages in key labour

TABLE 1.1 Global competitiveness index rank, 2012–17

Country *(out of)*	2012/13 *(144)*	2013/14 *(148)*	2014/15 *(144)*	2015/16 *(140)*	2016/17 *(138)*
Turkey	43	44	45	51	55
Former Yugoslav Republic of Macedonia	80	73	63	60	68
Albania	89	95	97	93	80
Montenegro	72	67	67	70	82
Serbia	95	101	94	94	90
Bosnia and Herzegovina	88	87	m.d.	111	107

Note: m.d. – missing data
Source: World Economic Forum, The Global Competitiveness Report 2016–17, 2016.

FIGURE 1.3 Activity rate of total population (age 20–64) by sex, 2015 (%)



Change since 2013 (%)	AL	BA	ME	MK	RS	TR	XK	EU28
	5.5	0.9	5.2	-0.3	3.0	2.6	-7.8	0.8

Sources: National statistical offices, Eurostat.

market indicators (activity and employment in the 20–64 age group). There have been positive trends across the region since the previous Torino Process round, but large gaps remain.

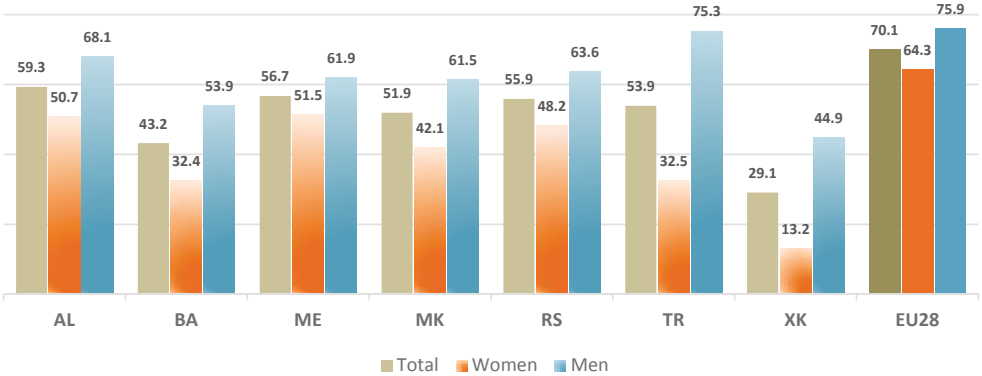
All countries have increased their activity rates in the 20–64 age group compared with 2013, with the exception of the former Yugoslav Republic of Macedonia (decrease by 0.3%) and Kosovo (decrease by 7.8%) (see Figure 1.3). Employment rates in the same age group (**FIGURE 1.4**) have also been on the rise since 2013 across the region (except in Kosovo), with Serbia, Montenegro and Albania performing best (increases of 9.2%, 7.8% and 4.6%, respectively). Nevertheless, the highest employment rate in 2015 for the 20–64 age group (Albania) is still around 11 percentage points below the EU-28 average, and could be partly attributed to the relatively high proportion of employment of the Albanian workforce in subsistence agriculture (41%) (Figure 1.4).

The economic growth – which has supported job creation, especially in the private sector – explains these positive trends in labour market participation in the region. However, the translation of growth into more jobs has been modest. As noted in the recent report on SEE 2020 implementation (RCC, 2016a), SEE countries shed approximately 170 000 jobs in the 2010–13 period as a result of the economic downturn and restructuring. This trend began to reverse in 2014 and 2015, but the number of jobs created has barely offset the jobs lost in the 2010–13 period.

The low labour market participation and inactivity rates in SEE are related to the high levels of informal employment and the distorting effects of large remittances. Low employment rates have been accompanied by higher levels of precarious employment (comprising non-standard types of employment, temporary or seasonal work) and informal employment, as documented by the Torino Process country reports. ILOSTAT data reveal high rates of vulnerable employment in the region (57% in Albania, 30% in Kosovo and 28% in Turkey), with women disproportionately affected (e.g. 56% of women in Albania, 44% of women in the former Yugoslav Republic of Macedonia, and 37% of women in Turkey are more likely to have vulnerable jobs).

A more detailed analysis of labour market data indicates particular challenges for specific population groups. Participation rates for women and young people remain considerably below those for men and the averages for the countries (RCC, 2016a). The Torino Process reports clearly suggest that young people are more likely than other groups to be employed informally or in precarious and insecure jobs, regardless of their education and skills. There are various reasons behind this: countries lack the ability to create jobs that match the available workforce (especially in the few countries that still enjoy demographic growth and a relatively young population, such as Turkey, the former Yugoslav Republic of Macedonia, Kosovo); young people often experience a rather protracted and difficult transition from school to work (e.g. with insufficient career counselling and guidance or other services or incentives); and, not least, the educational and skills profiles of young people are often poorly related to demand.

FIGURE 1.4 Employment rate of total population (20–64) by sex, 2015 (%)



Change since 2013 (%)	AL	BA	ME	MK	RS	TR	XK	EU28
	4.6	0.9	7.8	3.2	9.2	0.9	-11.8	2.5

Sources: National statistical offices, Eurostat.

As is evident from Figure 1.4, gender gaps in employment are present in all countries and are most prominent in Turkey and Kosovo, where the female employment rates are considerably lower than the male employment rates by 42.8 and 31.7 percentage points, respectively. The gender difference in Montenegro (10.4 percentage points) is not only the lowest in the region but also lower than the EU-28 difference (11.6 percentage points). Deeply embedded cultural traditions, gender-based discrimination, lack of appropriate skills, unpaid family work (women are over-represented in the category of 'unpaid family workers' in all countries), caring duties for those who are elderly or sick, or who have a disability, and for children seem to be the biggest barriers to participation for women in the labour market. There are no consistent trends discernible in any of the countries to close these gender gaps, and the overall situation points to the rather precarious status of women in the labour market (in terms of both participation and job quality).

FIGURE 1.5 shows that unemployment-related (15+) indicators for 2015 are high in all countries, with the exception of Turkey (which stands close to the EU-28 average), ranging from 17.1% (Albania) to 32.9% (Kosovo). The comparison with the data from 2013 shows that unemployment rates had increased in four of the seven enlargement countries: in Turkey (by 17%), Kosovo (by 9.7%), Albania (by 7.5%) and Bosnia and Herzegovina (by 1.1%). Only three countries – Serbia, the former Yugoslav Republic of Macedonia and Montenegro – have witnessed a reduction in unemployment since 2013, with Serbia achieving the highest decrease of almost 20% (for the percentage changes since 2013, see Annex 1).

Unemployment in SEE is a problem in terms of both volume and duration: long-term unemployment as a proportion of total unemployment has been in the 65–80% range in these countries in recent years. The consequences of high unemployment and long-term unemployment rates in terms of skills erosion and as an impetus for external migration (with more people leaving their countries to look for better employment opportunities elsewhere) are well documented (e.g. ILO, 2015) and have been confirmed by the 2016–17 Torino Process round.

Gender gaps in unemployment are not as pronounced as they are in employment. In Albania the female unemployment rate in 2015 was equal to the male rate, while in Montenegro and in the former Yugoslav Republic of Macedonia the unemployment rate for women was even lower than that for men (see Figure 1.5). Higher female unemployment rates were discernible in the other four countries, but only in Turkey, Kosovo and Bosnia and Herzegovina were the differences prominent, ranging from 3.3 to 5 percentage points (compared with a 0.2 percentage point gap in the EU-28).

FIGURE 1.5 Unemployment rates of total population (15+), women (15+), men (15+), and young people (15–24), 2013 and 2015 (%)

Notes: Total unemployment – ME, MK, TR: 15–74; XK: 15–64. Youth unemployment – AL: 15–29.
Source: National statistical offices, Eurostat.

In all countries except Turkey, young people (aged 15–24) are one of the most vulnerable groups in the labour market and are subject to very high levels of unemployment that are well above the EU-28 average. Rates ranged from 33.2% in Albania to 62.3% in Bosnia and Herzegovina (see Figure 1.5). The efforts of the enlargement countries to address youth unemployment have been yielding results in Montenegro, Serbia and the former Yugoslav Republic of Macedonia, which have registered decreases in this indicator since 2013, while youth unemployment rates in the rest of the countries have increased, with Albania performing worst (22% increase) (see Figure 1.5 and Annex 1).

These findings can be supplemented with data on the youth unemployment ratio.[8] In some countries with relatively high youth unemployment rates (e.g. Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Serbia), the youth unemployment ratios in 2015 were relatively low (see Annex 1). This could suggest that in these countries, most young people actually remain outside the labour force and are inactive for reasons other than that they are staying longer in education. This reasoning has been confirmed by the high proportion of young people not in employment, education or training (NEETs) in some of these countries (Bosnia and Herzegovina, Kosovo and the former Yugoslav Republic of Macedonia, where rates are at or above 25%), signalling serious structural problems relating to school-to-work transition.

[8] The youth unemployment ratio is calculated by dividing the number of unemployed persons aged 15–24 by the total population in the same age group. The youth unemployment ratio is, by definition, always smaller than the youth unemployment rate, typically less than half of it.

1.3 OVERVIEW OF VET SYSTEMS IN THE REGION

Over the past decade, education and training systems in SEET have undergone a process of profound systemic reforms as part of the overall political, economic and social transformations of these nations on their way to EU membership. The reforms aim to bring educational philosophy, legal frameworks, institutional settings, and learning content and outcomes into line with the evolving democratic values and market orientations in these societies, while drawing inspiration from European and broader international practice.

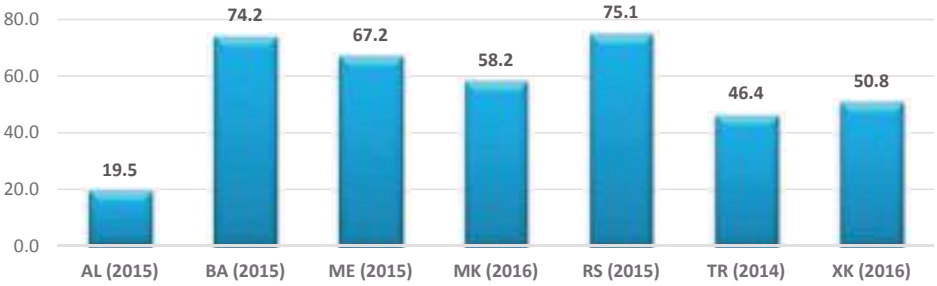
The recent public spending on education in SEET as a share of GDP is illustrated in **FIGURE 1.6**. Data for Bosnia and Herzegovina go back to 2007, that is, to the pre-crisis situation, and are therefore not comparable with the data from 2011, 2014 or 2015 for the other countries. The proportion of GDP spent on education in SEET according to the last available data was lowest in Albania (3.1%), while in the rest of the region stood at or above 4%, with Turkey having the highest spending of 5.1%. As evident from the data in Annex 1, expenditure on education has increased since 2010 in Turkey and Kosovo (15.8% increase), while in Albania, the former Yugoslav Republic of Macedonia and Serbia it has fallen (missing data for Montenegro and Bosnia and Herzegovina).

VET in SEET is embedded in diverse national systems and specific economic and social contexts. Initial VET (IVET) is usually part of upper secondary education. The proportion of students enrolled in upper secondary VET in all countries except Albania is high: around half of all upper secondary education students in Turkey (46.4%) and the majority of

FIGURE 1.6 Public expenditure on education as a share of GDP, 2015 or last available year (%)

Sources: Eurostat; ME: Government of Montenegro (data received); MK: National Statistical Office.

FIGURE 1.7 Share of VET enrolment in upper secondary education, last available year (%)



Notes: XK: Only public schools.
Sources: UNESCO Institute for Statistics; MK, XK: national statistical offices; TR: Eurostat.

those in Kosovo, the former Yugoslav Republic of Macedonia, Montenegro, Bosnia and Herzegovina and Serbia (between 50.7% and 75.1%) chose VET streams, while in Albania the share was 19.5% (see **FIGURE 1.7**).

Most of the SEE countries have two different VET pathways at upper secondary level (three-year vocational and four-year technical programmes). Although the overall enrolment in VET has remained stable in recent years, it is shifting steadily towards the four-year technical option, and this is well evidenced by the 2016–17 Torino Process reports (for example, for Serbia, the former Yugoslav Republic of Macedonia and Montenegro). One of the main reasons for this is that technical pathways allow students to continue their studies in higher education. Faced with high unemployment and the difficult transition from school to work, the vast majority of graduates from four-year VET programmes opt to continue their education at a higher level. As a consequence, in SEE there are increasingly fewer secondary vocational graduates directly entering the labour market.

Higher vocational education has been developed in all enlargement countries except Kosovo, while post-secondary non-tertiary VET programmes (ISCED-11 level 4) currently exist in the whole region.

Continuing VET (CVET) has received less political attention than IVET over the past decade in SEE. It is focused primarily on functional literacy and low-skills training for registered unemployed jobseekers, while in-company training for employees is underfunded and sporadic. Turkish employers are much more engaged with CVET provision, viewing it as important for updating and renewing their workers' knowledge, skills and competences, and for helping their businesses to adapt to fast-changing technological and socioeconomic developments. Methodologies and practices – sectoral or national – for the validation of non-formal and informal learning (VNFIL) have been emerging, closely related to the development of comprehensive qualification systems in the enlargement region.

Up to now, VET reforms have been targeted mainly at secondary VET, with much less consideration given to post-secondary, higher or continuing VET. The main driver behind the reform processes in VET, substantially supported by EU pre-accession assistance funds, has been the need to develop VET systems that are more demand-driven and oriented towards a learning-outcome-based logic. The results achieved so far have been mixed. New VET legislation has been introduced, but either its enforcement has been delayed or it has proved ineffective despite the new governance institutions and bodies that have been set up for its execution, such as VET centres and VET and adult education councils. Improved curricula, new occupational profiles and new qualification standards have been initiated (often with the involvement of employers) and piloted, but remain at different stages of development and implementation. Progress has been made in adjusting VET provision to labour market and social needs, especially in the business education, information technology (IT), construction and tourism sectors. In addition, efforts have been made to modernise and better equip VET schools, often supplementing scarce public funding with donor assistance. However, VET systems are not yet fully geared up for the preparation of immediately employable graduates.

2. MAIN FINDINGS

A. VISIONS FOR VET

The 2016–17 Torino Process round and developments relating to the Riga Conclusions 2015 confirmed that VET continues to be perceived as an important policy area in SEET, with the potential to contribute to improving the economic growth and competitiveness of the region, as well as contributing to social cohesion and a better quality of life for its citizens through rewarding careers and personal development.

All countries have adopted policy documents articulating their visions for the medium- to long-term development of their VET systems (**TABLE 2.1**) and stating clear strategic objectives. VET visions are presented in a variety of strategic documents.

- A common practice in SEET is to develop separate VET strategies (as is the case in the former Yugoslav Republic of Macedonia, Montenegro and Turkey).
- In some countries the current VET perspectives have been embedded in broader strategic documents to ensure better synergies and complementarities across sectors or sub-sectors. In Kosovo, Serbia and Bosnia and Herzegovina (Republika Srpska), VET priorities are integrated into the umbrella education strategies, while in Albania the VET vision is part of a comprehensive National Employment and Skills Strategy that brings together and aims to reconcile the demand for and supply of skills in the country at all levels, while also taking into account the social inclusion and territorial cohesion dimensions.
- The perspectives set out in the VET strategies are often supplemented by statements in related strategies, such as lifelong learning strategies (Turkey, Bosnia and Herzegovina) or entrepreneurial learning strategies (Montenegro, Turkey).

Most of the VET visions in SEET express a holistic perspective on the development of both IVET and CVET. In some countries (e.g. Serbia and Turkey) there are separate visions for IVET and CVET, formulated either in different sections of the same strategy, or in different papers (e.g. in Turkey the VET Strategy 2014–18 includes the vision for IVET, and the Lifelong Learning Strategy 2014–18 the vision for CVET). However, of crucial importance is the fact that CVET is no longer overlooked in the process of designing VET reforms (as it was some years ago), but has regained the attention of policy makers in the enlargement region.

VET in SEET is seen as part of the national policies for developing human capital. Countries report that they have tried to bring their VET visions in line with other national strategies, namely those for economic development, employment and education. All enlargement countries see the main role of VET as being to deliver the right skills – that is, those required by the labour market – to young people and adults. As a consequence, ensuring the relevance of VET provision and its responsiveness to employment trends remains a priority for VET reform in SEET. Furthermore, the current visions of the enlargement countries place high expectations on VET as a force to enhance inclusion and cohesion in society; that is, VET is seen as a vehicle for overcoming marginalisation and enabling citizens' integration into the workforce and other spheres of social participation.

The visions and strategic objectives for VET in the enlargement region are aligned with EU policies and the enlargement process priorities. A new development is the interface between the VET strategic documents and the Economic Reform Programmes (ERPs) as a tool for strengthening economic dialogue between the EU and the enlargement countries, with all ERPs 2017–19 including priorities and recommendations for VET. However, it should be noted that the ERPs 2017–19 give little attention to human capital development issues, thus raising a concern that human capital development remains incidental to wider economic reform.

The 2016–17 Torino Process round has highlighted some positive developments in the process of elaboration of VET strategies and VET policy documents that are becoming common and well-established practice across the region.

- Strategies are elaborated following interministerial and multi-stakeholder consultations (including with non-state actors) to ensure the reflection of a broader scope of interests and perspectives and enhanced ownership of the documents and their implementation.

TABLE 2.1 Key policy documents relating to the vision for VET development in the national systems of SEET

Country	Policy document
Albania	National Employment and Skills Strategy (2014–2020) and Action Plan (2014–2020)
Bosnia and Herzegovina	Strategic Platform for Adult Education Development 2014–2020 in the Context of Lifelong Learning
	Principles and Standards of Adult Education (adopted in 2014)
	Action Plan for Developing and Implementing the Qualifications Framework in Bosnia and Herzegovina for 2014–2020
	Priorities for the Development of Higher Education in Bosnia and Herzegovina 2016–2026
	Strategy for the Development of Education in Republika Srpska 2016–2021 (containing specific strategic objectives for vocational education)
	Development strategies (2015–2018) elaborated by most of the cantons in the Federation of Bosnia and Herzegovina and Brčko District, with improving the education system and its links with the labour force feature among the key priorities
	Strategy for Entrepreneurial Learning in Education Systems in Bosnia and Herzegovina (2012–2015) – under revision
Kosovo	Kosovo Skills Vision 2020
	Plan for Sustainable Development (National Development Strategy) (2016–2021), Government of Kosovo 2016
	Kosovo Education Strategic Plan (2011–2016) and Joint Annual Review, preparation of a new Kosovo Education Strategic Plan (2017–2021)
Former Yugoslav Republic of Macedonia	VET Strategy (2013–2020) and Action Plan
	Draft Comprehensive Strategy for Education for 2016–2020 and Action Plan
	Concept Paper on Non-Formal Education and Informal Learning for Adults
Montenegro	Skills Vision 2020
	Employment and Social Reform Programme (2015–2020)
	VET Development Strategy in Montenegro (2015–2020) and Action Plan for 2016 and 2017
	National Employment Strategy (2016–2020)
	Strategy for Lifelong Entrepreneurial Learning (2015–2020)
	Strategy for Adult Education (2015–2025)
	Strategy for Lifelong Career Guidance (2016–2020)
Serbia	Strategy for the Development of Education in Serbia (2012–2020) and Action Plan (adopted in January 2015)
Turkey	Vision 2023, with specific targets for education, training and learning
	Tenth Development Plan (2014–2018)
	Ministry of National Education Strategic Plan (2015–2019)
	Vocational and Technical Education Strategy Paper and Action Plan (2014–2018)
	Lifelong Learning Strategy (2014–2018)
	National Employment Strategy (2014–2023)
	National Entrepreneurship Strategy and Action Plan (2015–2018)

- Countries have been investing serious efforts into making sure their VET strategies and perspectives are informed by evidence and credible analyses. The evidence-based policy-making process has improved over recent years. More data are now available and collected regularly than at the time of the first round of the Torino Process in 2010. A recent report prepared by Eurydice on the mechanisms for evidence-based policy making in education, which covers five enlargement countries (Bosnia and Herzegovina, Montenegro, the former Yugoslav Republic of Macedonia, Serbia and Turkey), confirms these findings (European Commission/EACEA/Eurydice, 2017). It reveals that all these countries have made arrangements with their national statistical offices and/or with research departments to provide evidence for education policy making. Public and/or stakeholder consultations take place in all education systems. However, the region still faces a number of constraints and challenges (e.g. underdeveloped research capacities and underdeveloped services and infrastructure for knowledge mediation, i.e. the ways in which the

evidence and knowledge created are transmitted to policy makers). Thus, there is room for further improvement.

- The elaboration of action plans or roadmaps (with allocated financial resources and assigned responsibilities) for implementing the countries' VET strategies is currently an accepted practice in the region, although the reliability of the costing exercises could be further improved to include clear allocations from national or donor budgets.

Enlargement countries (Turkey and, to a lesser extent, Turkey and Albania) still face substantial challenges in managing all phases of the entire policy cycle implied by the VET visions adopted.

- **Implementation.** While the region has witnessed improvement in formulating and operationalising the national VET visions and strategies, their implementation must continue and the delivery mechanisms need further strengthening.
- **Improving efficiency and systematic monitoring.** The efficiency and monitoring of the process of implementing the countries' VET visions need to be improved. Examples of good practice in that regard come from Turkey, with monitoring mechanisms and procedures that have been put in place and tested for a number of years. In addition, there is the recently established Integrated Policy Management Group in Albania, which includes representatives from key ministries and agencies, the social partners and donors, and which conducts strategic oversight of policies and measures against the objectives and targets of the National Employment and Skills Strategy 2020. Furthermore, new monitoring mechanisms, procedures and tools have been developed to strengthen the implementation of VET policies in most countries: preparations have been made for collecting integrated work-based learning (WBL) statistics by the Turkish Statistical Institute; tracer systems are being introduced in Albania, are being prepared in Montenegro and are planned in the former Yugoslav Republic of Macedonia, aimed at improving the data on transitions and employability of VET graduates to provide a feedback loop in designing and updating qualifications, occupational profiles, standards, programmes and curricula; and preparations are being made to establish systems for tracking VET students in the former Yugoslav Republic of Macedonia, Serbia and Bosnia and Herzegovina (the Agency for Pre-School, Primary and Secondary Education initiated the development of a VET information system – VETIS) in order to identify and support low performers and students at risk of leaving VET. Nevertheless, more could be done in this regard to integrate and incorporate these tools into a compatible and harmonious mechanism for the systematic monitoring of VET policy. Systematic monitoring, as illustrated in a recent Eurydice publication (European Commission/EACEA/Eurydice, 2016), refers to the process of systematic 'gathering, analysis and use of data to inform policy'. Such monitoring aims to capture how the VET system operates and whether it is reaching its objectives and targets; it takes place at various stages – from entry to a VET programme, during learning (participation and progression in VET), at graduation (completion rates) and after graduation (graduate destinations: employment or further study).
- **Conducting systematic VET policy evaluations.** While the enlargement countries regularly follow up their strategic policy documents (adopting new strategies upon the expiry of the old ones, as is clear from Table 2.1), the Torino Process reports refer only occasionally to any final assessments of the implementation and impact of previous strategies (e.g. Information on Implementation of the VET Development Strategy in Bosnia and Herzegovina 2007–2013, Information on Implementation of the Strategy for Entrepreneurial Learning in Education Systems in Bosnia and Herzegovina 2012–2015, evaluation report of the Kosovo Education Strategic Plan 2011–16).
- **Improving capacities for ex-ante impact assessments and ex-post evaluations.** The support provided by the ETF to the candidate countries in 2016 for carrying out ex-ante impact assessments of the policy options under the priority Riga MTDs has been helpful not only in enabling the countries to make better decisions about the process of implementation of the Riga Conclusions, but also in enhancing respective national capacities.
- **Providing more room for VET visions and priorities in the ERPs.** The inclusion of VET

priorities and visions in the national ERPs 2017–19 remains limited. Their more prominent presence will not only serve as an acknowledgement of the role of VET in contributing to economic growth and competitiveness (e.g. on-the-job training within businesses with growth potential, which will leverage competitiveness and employment), but also enable their implementation to a greater extent.

Riga Conclusions' follow-up in the candidate countries

On 22 June 2015 the ministers in charge of VET in the candidate countries, along with the respective ministers from the EU Member States and the European Economic Area countries, met in Riga to renew efforts to raise the overall quality and status of VET in the context of the Copenhagen Process, in order to meet the ET 2020 strategic objectives and to reaffirm their support for the wider European growth and jobs agenda.

Following the Riga Conclusions, the ETF committed itself to support the implementation of the MTDs and help the candidate countries to choose relevant policy options in line with their own priorities and capacities. Furthermore, in 2016 the participating countries underwent the first round of monitoring of their progress in each of the five MTDs. The results of the monitoring are embedded in the 2016–17 Torino Process country reports.

The candidate countries opted to carry out an ex-ante impact assessment of the Riga MTDs. As a first step in this exercise, each country had to identify the MTD(s) that is/are of highest priority and in need of urgent action. The ETF supported the countries during this process.

From the prioritisation of MTDs, the following trends can be extracted.

- MTD1. Work-based learning – is a high priority.
- MTD2. Quality assurance and feedback loops – is considered a medium-level priority for two (Montenegro and Serbia) and a low-level priority for the other three countries.
- MTD3. Access to VET and qualifications for all – is a medium priority.
- MTD4. Key competences – appears as a low priority for all candidate countries.
- MTD5. Professional development for teachers, trainers and mentors – is a high priority for two countries (Albania and Turkey) and a medium priority for the rest.

TABLE 2.2 Implementation of policy choices extracted from the ex-ante impact assessment

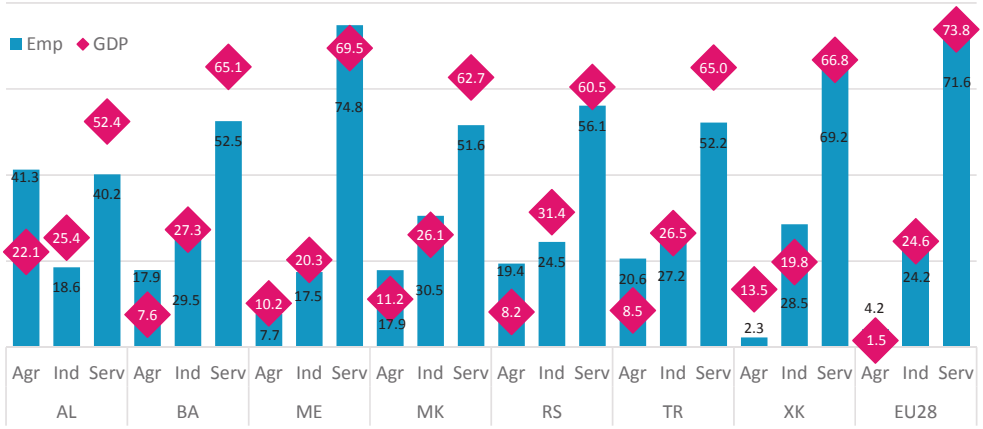
Country	Policy choices for implementation (supported by the ETF)
Albania	Institutionalising the role of school–enterprise liaison persons in VET institutions
Former Yugoslav Republic of Macedonia	Establishment and support to the National Working Group on WBL
Montenegro	Design and implementation of an information system for WBL
Serbia	Survey on the quality of internships in VET
Turkey	Development of a quality assurance framework for internships

B. EFFECTIVENESS AND EFFICIENCY OF VET IN ADDRESSING ECONOMIC AND LABOUR MARKET DEMANDS

The SEE countries share similar economic development patterns and labour market trends as a result of their transition from centrally planned command economies to market-based systems. They have had to increase their share of tertiary (service) sector activities at the expense of the primary (agriculture) and secondary (manufacturing) sectors. Turkey has a functioning market economy with better performance and growth dynamics. The shared EU perspective, however, creates a number of common features in the economic development paradigms in all enlargement countries, such as EU-oriented exports and imports, foreign direct investment and migration outflows.

As illustrated by **FIGURE 2.1**, all enlargement economies are service-oriented, with services representing 50% or more of GDP (value added) in all countries. However, these figures were still lower than the average for the EU-28 countries in 2015 (73.8%). Industry ranks second in all countries, while agriculture accounts for a higher share (from 7.6% in

FIGURE 2.1 Employment and GDP (added value, % of GDP) by sector, 2015



Sources: World Bank, Eurostat, national statistical offices.

Bosnia and Herzegovina to 22.1% in Albania) than the EU average of 1.5%. The service sector is also the largest provider of employment in all countries except Albania, where the largest share is in agriculture, mainly subsistence agriculture in the form of vulnerable employment.

The private sector in the enlargement region is dominated by micro, small and medium-sized businesses, which means that skills that are relevant for SMEs are in high demand. For example, over 90% of active enterprises in Albania employ up to four workers, primarily in the service sector (Albania Torino Process report, 2016). In Montenegro, SMEs represent 99% of the total number of enterprises, 67% of total employment and 60% of GDP. The SME sector in the country shows a tendency towards growth in terms of the number of both companies and staff. The number of SMEs in 2015 was 10.2% higher than in 2014, while the number of people employed was 10.5% higher (Montenegro Torino Process report, 2016).

The 2016–17 Torino Process country reports highlight the low rate of job creation and low labour market demand in the formal sector, referring to the fact that the number of jobs created in recent years in the private sector is 'less than those lost during the crisis' (former Yugoslav Republic of Macedonia) or 'less than the [number of] jobseekers' (Kosovo). One of the consequences is that a great part of the economic activity and employment in the region remains in the grey area of informality. All Torino Process country reports highlight the sizeable share of informal employment (22.0% in Serbia and 36.7% in Turkey in 2014) and its negative impact, including on the identification of the demand for skills.

Furthermore, as might be expected from the analysis in the previous chapter on the relatively low competitiveness and productivity of these economies, the prevailing demand for skills in SEE has been for low to medium skills (ISCED 3 or below). According to the 2016–17 Torino Process country report, approximately 53% of the newly created jobs in the former Yugoslav Republic of Macedonia are connected to secondary vocational education and 34% to lower levels of education. The 2016–17 Torino Process country reports for Serbia and Montenegro make similar findings about the lack of vacancies, especially for individuals who are more qualified. Recent International Labour Organisation (ILO) studies on school-to-work transitions in Serbia and Montenegro confirm these results (ILO, 2016a and 2016b).

The analysis of the demand for skills in SEET conducted in the 2016–17 Torino Process round highlighted another important characteristic, namely the gender gaps and gender stereotypes that exist in employment. Not only do labour market conditions remain unfavourable for women in all countries, but also in most of these countries, gender stereotypes exist for the different occupations. Thus, the Kosovo country report refers to the fact that 52% of working women are employed mainly in the education, trade and healthcare sectors, while almost half of employed men (45%) work in the manufacturing, construction and trade sectors.

The Torino Process reports also highlight some regional commonalities on the skills supply side. The education profile of the active population (15+) in the region has improved overall, but the proportion of individuals with lower levels of education (lower

secondary or less) is still substantial, ranging, in 2015, from around 17% in Serbia to over 44% in Albania and 58% in Turkey (see Annex 1), compared with the EU average of 19.9%.

These data have been confirmed by the latest results of the OECD Programme for International Assessment of Adult Competencies (PIAAC) conducted in Turkey in 2014–15 showing that a large proportion of adults (aged 16–65) in the country have poor literacy, numeracy and problem-solving skills. Nearly 46% of adults attained only Level 1 or below in literacy (well above the OECD average of 19%) and half attained Level 1 or below in numeracy (the OECD average is 28%). Some 38% of adults in Turkey (compared with about 15% of adults in all participating countries/economies) indicated that they had no prior experience with computers or lacked basic computer skills, while about 35% scored at or below Level 1 in problem solving in technology-rich environments. Substantially more adults than the OECD average either were unable to take the computer-based assessment or opted out of it (17.7%, compared with the OECD 9.9%). This means that considerably fewer adults with limited information and communication technology (ICT) skills from Turkey took the computer-based assessment compared to similarly proficient adults from other OECD countries.

In 2015 the proportion of the working-age population (15+) with at least upper secondary education (ISCED 3) exceeded 50% in Albania. In Montenegro and the former Yugoslav Republic of Macedonia it was over 70%, while in Bosnia and Herzegovina, Serbia and Kosovo it exceeded 80%. The figure was the lowest in Turkey (41.4%, 2015 data)[9]; while in the EU in 2015 it was 80.1%. All countries have improved their performance on this indicator as compared to 2013 owing to the significant increase in the number of young people achieving higher levels of education and increased economic demand for a better-educated workforce.

Despite the continuous and rapid expansion of the access to higher education, SEET lags behind the EU in tertiary educational attainment in the 30–34 age group(see **FIGURE 2.2** and Annex 2). It is worth noting that all enlargement countries have made progress with this indicator since 2013.[10] A remaining source of concern, however, is the quality assurance of the new higher education programmes and institutions that have been mushrooming following the higher demand from students and their parents.

The share of highly qualified people with an educational background in mathematics, science and technology is low across the region (RCC, 2016a). The Torino Process reports highlight the fact that the expansion of the higher education system in the region has primarily been in the fields of social sciences and humanities.

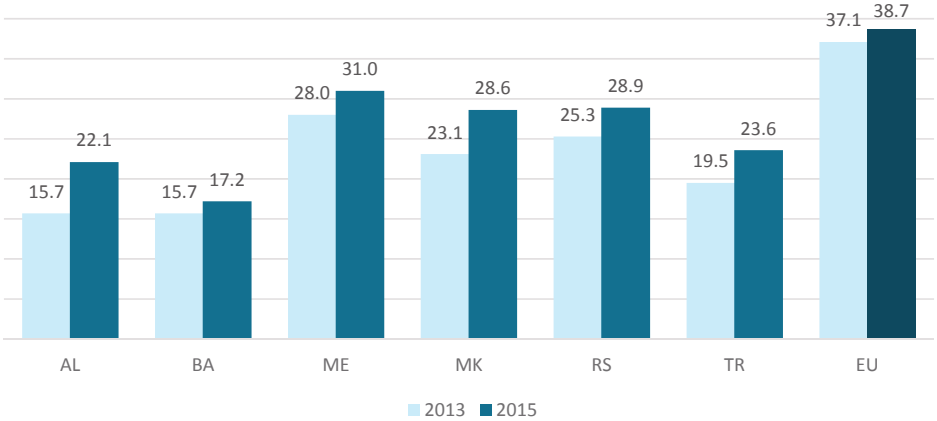
Another worrying finding when discussing the education profile of the active population (15+) in the region is the high proportions (reaching extreme

[9] Source: National statistical offices; the former Yugoslav Republic of Macedonia and Turkey – Eurostat. See Annex 1.

[10] Conclusions about progress in Kosovo cannot be made because the data on tertiary attainment of individuals aged 30–34 were collected for the first time in 2014.

FIGURE 2.2 Tertiary educational attainment (30–34), 2013 and 2015 (%)

Percentage of the population aged 30–34 who have successfully completed tertiary studies



Sources: Eurostat; ME, RS: national statistical office (data received).

peaks in Kosovo and the former Yugoslav Republic of Macedonia) of 15-year-olds who perform poorly in reading, mathematics and science, as measured by the OECD Programme for International Student Assessment (PISA)[11] in 2015 (see **FIGURE 2.3**). On a more positive note, most SEET countries have progressed in reducing the proportion of underachievers since 2012 (albeit from very high levels, see Annex 1). However, in view of the rapid transformation of the SEE economies from industrial to service-based systems, on the one hand, and given the post-crisis difficulties in forecasting specific skills needs, on the other hand, it is important that the workforce possesses a broader skill set that will support flexibility and the transferability of competences in order to maximise the employability of individuals entering the workforce. This indicator is also one of the EU 2020 benchmarks. The acquisition of modern key competences that can be used in different economic sectors becomes increasingly important. Learning that is focused on acquiring key competences and soft skills must start in early and primary education and continue in secondary schools and throughout adult learning. The data in Figure 2.3 imply that VET systems in the enlargement countries need to do a lot in the area of key competences in order to compensate for respective gaps.

The regional skills supply analysis needs to take into account two further considerations that were highlighted in the Torino Process reports.

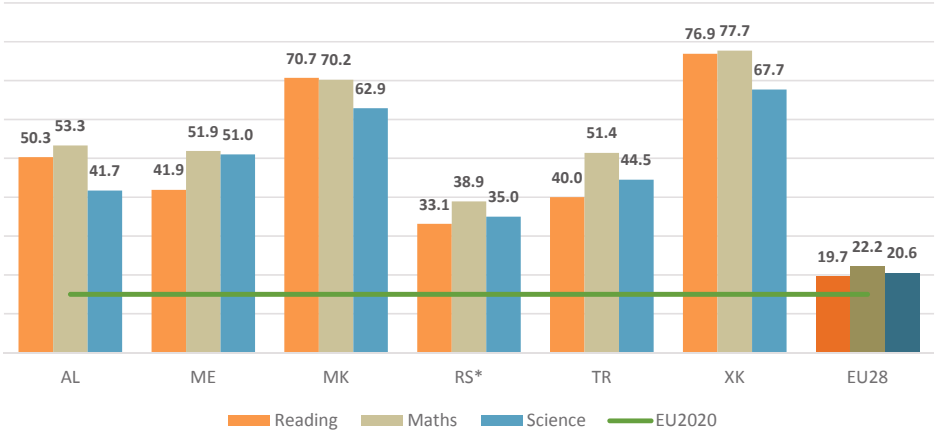
- High incidence of long-term unemployment in SEE that relates to skills erosion and obsolescence (especially given the underfunded active labour market policies (ALMPs) and the low rates of lifelong learning participation) – according to data for 2015 from the national statistical offices (LFS), 76% of jobseekers in Montenegro and 81% of jobseekers in Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia were long-term unemployed.
- Relatively high propensity for external migration in SEE – especially young, highly skilled individuals find that there are few job opportunities matching their skills and wage expectations within their home countries.

Overall, businesses in the region are not fully satisfied with the skills provided by their national education systems. Respondents of the World Economic Forum Executive Opinion Survey 2016 cited the 'inadequately educated workforce' as being among the greatest impediments to doing business in the enlargement countries (featuring among the top five most problematic factors for businesses in Turkey (the top factor in Turkey), Albania, the former Yugoslav Republic of Macedonia and Montenegro, and among the top ten factors in Serbia and Bosnia and Herzegovina) (WEF, 2016).

A similar, though more nuanced, picture is provided by the Balkan Barometer 2016 Business Opinion Survey. Businesses in SEE report varying levels of satisfaction with their respective education systems.

[11] The Programme for International Student Assessment (PISA) is a triennial international survey which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students.

FIGURE 2.3 Low achievers in PISA, 2015 (%)



Note: Bosnia and Herzegovina did not take part in PISA in 2015.
Source: OECD; * RS: 2012 results.

At the regional level, more than half of businesses (53%) in SEE are satisfied with the education system with regard to meeting the needs of their enterprise. In contrast, 31% consider the present education system to be unsatisfactory. However, companies that export their products or services and mature companies (established before 2004) – that is, those that are export-, innovation- and growth-oriented – together with companies in the manufacturing sectors, are significantly less satisfied with the knowledge and skills acquired in their respective education systems (RCC, 2016b).

The results from these surveys, as well as from the 2016–17 Torino Process country reports, provide clear evidence of the skills mismatches that exist in the enlargement region. Skills mismatches are viewed as an obstacle to the growth and competitiveness of enterprises and to the advancement of the workforce in the labour market. The term 'mismatch' denotes different types of skills gaps and imbalances, such as over- or undereducation, over- or underqualification, overskilling, skills shortages and surpluses, and skills obsolescence (ETF, 2016b).

The 2016–17 Torino Process reports in all countries discuss the issue of skills mismatches, defining them as widespread or even 'ubiquitous' (Albania), and emphasising in particular the phenomenon of overeducation. More than a third of employed graduates in Albania are overeducated, while the proportion in the former Yugoslav Republic of Macedonia and Serbia is close to 20%, and is around 11% in Montenegro (2016–17 Torino Process country reports; ILO, 2016a and 2016b).

Overall, the 2016–17 Torino Process round has demonstrated that skills mismatches persist in the labour markets of the region. The SEE countries and Turkey are making efforts to address the issue by improving their policies and practices for skills identification and matching, and for facilitating the transition to work. The key objective of these efforts is to make VET provision and skills development systems in general more responsive to current and future demand.

The 2016–17 Torino Process country reports provide information on recent national developments in the area of skills identification that make use of instruments of varying degrees of sophistication, from regular surveys to collecting administrative data on education, vacancies, labour market policies and unemployment issues.

All countries have a basic structure that contains the available labour market data, such as the labour force surveys (LFS) and job vacancy data, although employers are not obliged to communicate their vacancies to the public employment services (PES). In many countries (e.g. Albania), employers tend to rely on their own networks for identifying job candidates or turn to private employment agencies for job mediation services, at least for the higher-skilled categories of people. As noted by a recent ETF study, while neither LFS nor the vacancy monitor is forward-looking, they do provide a basis for labour market information and provide the necessary background to support and adjust any anticipation exercise related to the current labour market situation (ETF, 2016b).

The tools most frequently employed by the enlargement countries for skills needs identification are the employer surveys that ask about current and future (with a time horizon up to one year) skills needs. The PES in all countries carry out these surveys regularly among employers from different geographic regions and economic sectors, usually with high coverage (36.4% of the total registered employers in 2015 in the former Yugoslav Republic of Macedonia). The results of such surveys can easily be transformed into policy actions (2016–17 Torino Process country reports; ETF, 2016b).

In some enlargement countries, employer surveys are supplemented by data and research conducted by the employers' organisations and the chambers of economy. For example, since 2010 the Chambers of Commerce, the Chambers of Crafts and other employers' organisations in the former Yugoslav Republic of Macedonia have regularly provided skills needs data to the PES; in Montenegro, biannual skills needs analyses have been undertaken by the major employers' association, the Montenegrin Employers' Federation.

Sector studies and sector skills needs analyses are carried out on rather an ad hoc basis and with the involvement of donors, as the countries seem to lack the resources and capacities for this type of exercise. The Swiss-funded RISI project in Albania carried out skills needs analyses covering three sectors (IT; hotel, catering and tourism; agriculture and food processing). Nevertheless, the Torino Process reports

provide interesting evidence of skills analyses carried out at sector level within the ongoing work on the national qualification frameworks (NQFs). In Albania the National Agency for VET and Qualifications, together with employers' representatives and experts, identifies skills, designs qualifications and adjusts framework curricula to the skills needs identified. Employers' involvement with the NQF in Montenegro brings additional insights on skills needs identification through the sector commissions, boards and councils.

In Montenegro the sector commissions play a key role in NQF development. The Serbian Torino Process report sets out the intention to reactivate and ensure continued operation of the sector skill councils (SSCs) for all industrial activities in the country, make the SSCs operational to ensure the participation of businesses in the programming, development and provision of VET, and include at least 30% of employers in the work of the SSCs.

Another instrument that is regularly used across the region to identify the demand for skills is the analysis of job vacancies, while tools such as tracer studies and qualitative and quantitative forecasts are conducted sporadically (except in Turkey, where the E-graduate project systematically monitors the transition from VET to work), and often rely on external support. Some positive developments reported by the Torino Process country reports in this regard are the tracer system being introduced in Albania, which will cover both VET school and vocational training centre (VTC) graduates, and the preparations for the introduction of a tracer study system and for monitoring students upon completion of their VET studies in Montenegro. In Serbia work is ongoing on the design and implementation of an Education Information System and a system for the monitoring and evaluation of vocational education.

In October 2015 the Ministry of Education of the former Yugoslav Republic of Macedonia and the World Bank launched the Skills Observatory. This should contribute to the better identification of the skills that are in demand on the labour market. Within the same project, in 2016 a tracer survey of university and VET graduates was carried out, with the methodological support of the ETF.

The main purpose of skills assessments is to inform VET provision and ALMPs. The national authorities in Albania are taking steps to adjust the enrolment levels and offers of public VET providers in line with the needs identified, by closing small, inefficient schools and IVET programmes that are not in demand, and offering new ones; and by establishing multi-functional VET centres by merging or clustering VET institutions in pilot regions. New vocations in the Western Herzegovina Canton in Bosnia and Herzegovina – agricultural tourism technician and mechatronics technician, with modular curricula and syllabuses – were introduced following a skills needs analysis. The Ministry of National Education in Turkey determines the supply from VET schools based on the labour market needs provided by the Provincial Employment and Vocational Education Boards established in all 81 provinces of the country. Similarly, training for occupations in demand on the labour market is conducted – in line with the resources available – by the PES in the whole region. The exception is Kosovo, where VET's role in facilitating the transition from unemployment and inactivity to work is limited because the full operationalisation of the Employment Agency has been protracted (completed in April 2017) and the Agency for Vocational Education and Training and Adult Education is still in the process of consolidation (pilot phase ended in September 2016).

The 2016–17 Torino Process round has demonstrated that various initiatives have been used to map the future demand for skills in the enlargement region. The 2016 report assessing the implementation of the Small Business Act (SBA) for Europe in the enlargement region highlights a systemic problem with skills intelligence: data is scattered across many different institutions and there is little effort to coordinate and conduct synthesis for more comprehensive policy assessment purposes (OECD/EU/EBRD/ETF/SEECEL, 2016). In SEE, multi-sectoral mechanisms for the assessment and anticipation of skills needs are yet to be completely embedded into the countries' skills development systems. The main bottlenecks and difficulties are caused by a shortage of specialised expertise, a lack of robust and regularly updated evidence (including long-term data series) and inadequate financial resources. Turkey, however, is further advanced in this area, having the support of a more dynamic and resourceful private sector and a better-established tradition of using long-term anticipatory exercises for planning policies (e.g. Vision 2023).

A positive trend revealed by the 2016–17 Torino Process round is that the unemployment rates of those aged 15+ with medium educational levels (ISCED 3–4, i.e. including the secondary and post-secondary vocational education levels) remained the same or were lower in 2015 than they were in 2013 in all enlargement countries except Albania and Turkey (see **FIGURE 2.4**).

In recent years the VET systems in SEET have been actively promoting entrepreneurship as both a key competence and a specific business skill. In Bosnia and Herzegovina an entrepreneurial learning strategy covering all levels of education has been adopted at state level, while the Ministry of Education and Science in the former Yugoslav Republic of Macedonia has developed a Comprehensive Strategy and Action Plan for Entrepreneurial Learning (2014–2020). The Montenegrin government has adopted a new Lifelong Entrepreneurial Learning Strategy (2015–2020). Entrepreneurship has thus been embraced as an important subject and integrated into VET curricula. Teachers in all countries have been trained in the delivery of 'entrepreneurial' subjects. In Turkey and Montenegro teachers also benefit from assistance provided by businesspeople and experts from the world of work. Innovative learning methods, including simulated business experience, have been widely used in SEE.

C. EFFECTIVENESS AND EFFICIENCY OF VET IN ADDRESSING DEMOGRAPHIC, SOCIAL AND INCLUSION DEMANDS

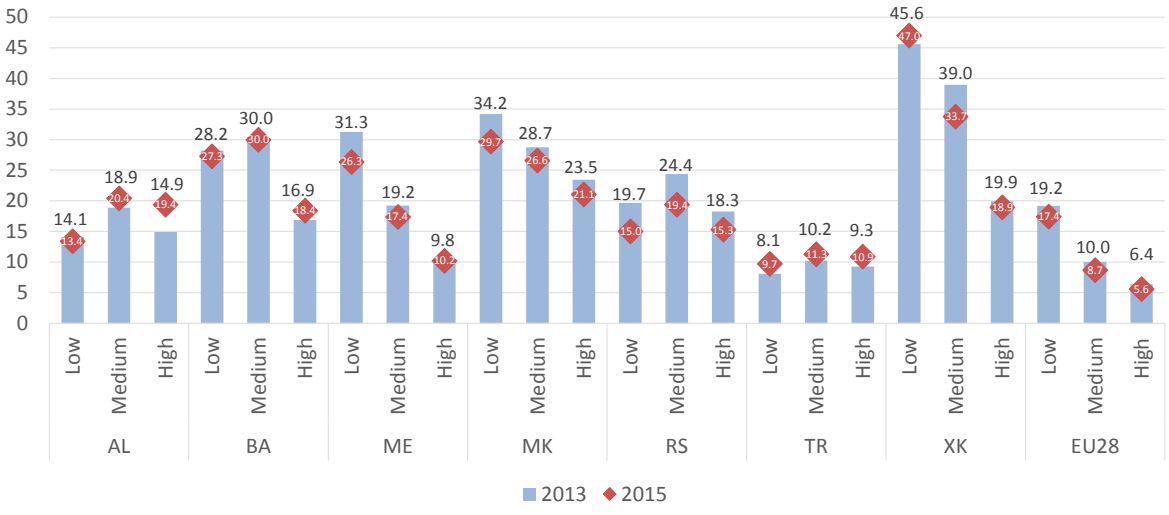
Decreasing working-age populations, outward migration, socioeconomic inequalities, territorial disparities and poverty, and the requirements of groups with special needs are among the major social factors that impact on the demand for and provision of VET in the region.

The population in most of the enlargement countries has been decreasing as a result of low fertility rates (except in Turkey) and/or outward migration (see Annex 1). Albania, Bosnia and Herzegovina, Kosovo, Serbia and Turkey have been experiencing population decline since 2010 (since 2013 in Turkey), with Montenegro and the former Yugoslav Republic of Macedonia being the only exceptions to this downward trend in the region.

Furthermore, data show a trend for decreasing youth cohorts aged 15–24 in all countries since 2010 (2013 in Kosovo), with the exception of the former Yugoslav Republic of Macedonia[12] (see Annex 1), falling below 20% in four of the countries in 2015, as illustrated in **FIGURE 2.5**. The share of young people in the working-age population in 2015 was higher than 20%

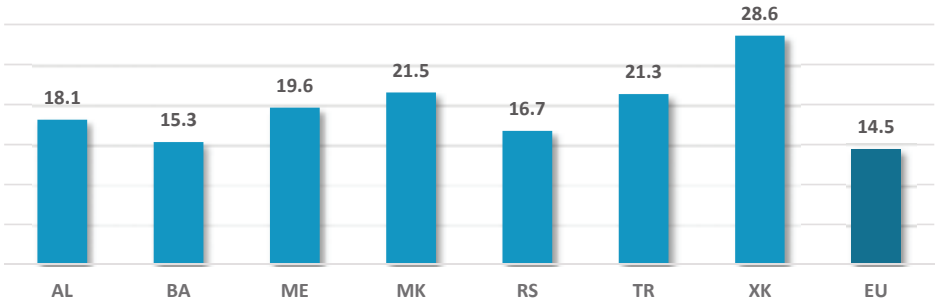
[12] Missing data for 2010, an increase of 7% in 2015 as compared to 2013.

FIGURE 2.4 Unemployment rates (15+) by educational level, 2013 and 2015 (%)



Notes: TR, EU: 15–74; XK: 15–64.
National educational levels – Low: ISCED 0–2; Medium: ISCED 3–4; High: ISCED 5–8 (Those not mentioned fulfil the standard definition). BA – Low: primary school or less; Medium: secondary school; High: tertiary. ME – Low: less than primary, primary and vocational education after primary; Medium: secondary; High: tertiary. RS – Low: No formal education, incomplete primary, primary; Medium: secondary; High: higher school, university. XK – Low: no school, I–VII/IX classes; Medium: secondary; High: tertiary.
Sources: National statistical offices, Eurostat.

FIGURE 2.5 Relative size of youth population (15–24) in the working-age population, 2015 (%)



Notes: AL, ME: 2016; RS: 2014.
Sources: National statistical offices, Eurostat.

only in the former Yugoslav Republic of Macedonia, Turkey and Kosovo (nearly 30%).

The decrease in total population numbers and the decline in the relative size of youth cohorts pose a number of education, labour market and social policy challenges in a medium- to long-term perspective. Boosting labour force participation (both total and female activity rates), reducing informal work patterns, and increasing labour productivity are policy options that the enlargement countries need to embrace if they are not to jeopardise their economic growth and competitiveness.

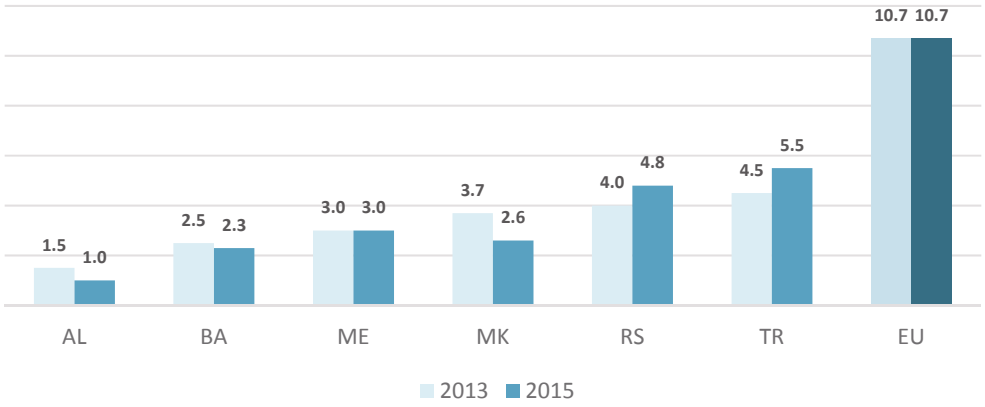
In the context of increasing old-age cohorts, older workers will increasingly be called upon to update and broaden their skills and competences through CVET. To meet the increased need for lifelong learning, the SEE countries and Turkey will need to plan for and develop flexible modes of adult learning delivery, with tailored training offers and well-established VNFIL systems. At present, however, the enlargement countries seriously underperform in terms of adult participation in lifelong learning. Three of them – Albania, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia – show negative progress in that regard since 2013, while Montenegro demonstrates a lack of progress. Only Serbia and Turkey have witnessed improvement (an increase of 20–22% for the 2013–15 period) (see **FIGURE 2.6**). Turkey has set a national target to increase the proportion of adults aged 25–64 taking part in lifelong learning from the 2013 level of 4% to 8% by 2018. The new strategic framework on lifelong learning provides for an integrated and transparent monitoring and evaluation system, where relevance and satisfaction rates, as well as good labour market outcomes for learners, are the key performance indicators. The interim 2015 level of 5.5% is a step to reach the target set.

In addition to ageing, socioeconomic inequalities, territorial disparities and poverty are among the major social factors that impact on the demand for and provision of VET in the region. In the post-crisis period, the modest economic recovery and the unfavourable labour market situation in SEE have pushed up poverty rates in the region (see **FIGURE 2.7**).

The proportion of the population below the national poverty line[13] ranged from 14.3% (Albania, 2012) to 29.7% (Kosovo, 2011). In Montenegro the 'at-risk-of-poverty' rate remained at moderate levels (below 10% in 2013). The highest rates were measured in Serbia (25.4% in 2014) and Kosovo (nearly 30% in 2011), where every fourth or almost every third person in these countries, respectively, was living below the national poverty line. In contrast, in Turkey, which enjoyed higher economic growth and lower unemployment rates, poverty is not a serious issue: the 'at-risk-of-poverty' rate was 1.6% in 2014, although this rate was measured before the overwhelming influx of refugees in the country, which must have changed the poverty mapping. Poverty in SEE, as evidenced by the 2016–17 Torino Process reports, correlates with factors such as low educational attainment and joblessness, health problems and disabilities, ethnicity (particularly in the case of the Roma population), and living in rural or disadvantaged areas. Such factors need to be taken into consideration when formulating education and employment policies.

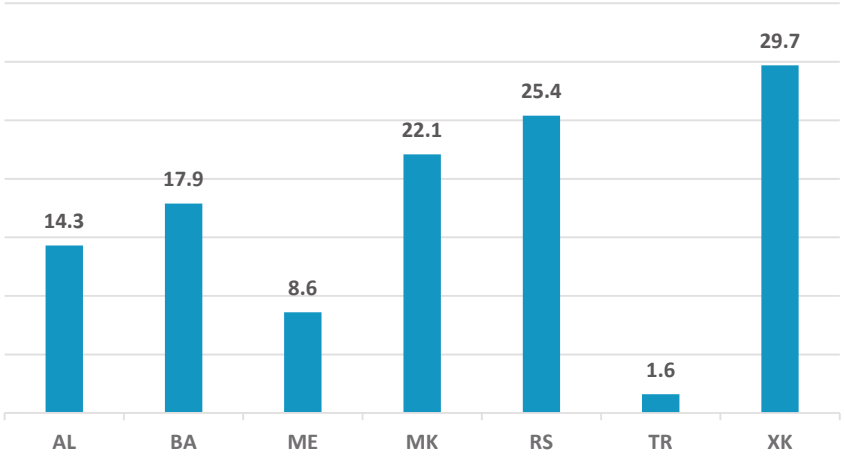
[13] National estimates are based on population-weighted sub-group estimates from household surveys. Source of data: World Bank, World Development Indicators.

FIGURE 2.6 Participation in lifelong learning (25–64), 2013 and 2015 (%)



Notes: XK – missing data.
Sources: Eurostat; AL, ME: national statistical offices (data received).

FIGURE 2.7 Poverty headcount ratio at national poverty lines (% of population), 2014



Notes: BA, XK: 2011: AL: 2012: ME: 2013.
Source: World Bank, World Development Indicators.

Another important characteristic of poverty in SEE is that it is not evenly spread across countries, but has more of an effect on rural areas and the suburbs of bigger cities. Regions with slower socioeconomic development are generally more affected. The 2016–17 Torino Process reports provide evidence of the existing rural–urban divides and regional disparities in the countries that impact, among other things, access to and participation in VET.

The contribution of education and of VET to social inclusion has been widely explored and evidenced, in particular its role in facilitating initial access to or re-entry into work (Preston and Green, 2008). It is well known that VET might play a role in facilitating inclusion, for example by helping individuals to stay in school, equipping them with the right skills, offering second chances to those who have dropped out, better preparing individuals for transitions between training and work, and addressing the needs of migrants, older workers and other vulnerable groups.

The contribution of VET to employability is also evidenced by the 2016–17 Torino Process reports. Turkey's report, for example, states that in 2015, 59.3% of graduates from VET programmes were employed (compared with only 47.4% of graduates from general upper secondary programmes). This is a significant difference of 11.9 percentage points in favour of VET graduates, although it is still relatively low compared to the EU average of 73%. The breakdown by gender showed that male VET

graduates in Turkey had even better employment prospects (71.4%, which is close to the EU average of 75% in 2015) than female VET graduates (47.5%, EU average 70.6%). This example from Turkey illustrates the potential of VET to act as a vehicle for enhancing inclusion in the labour market and other spheres of social participation, while also showing why ensuring equal and equitable access to, and participation in, VET is of great importance.

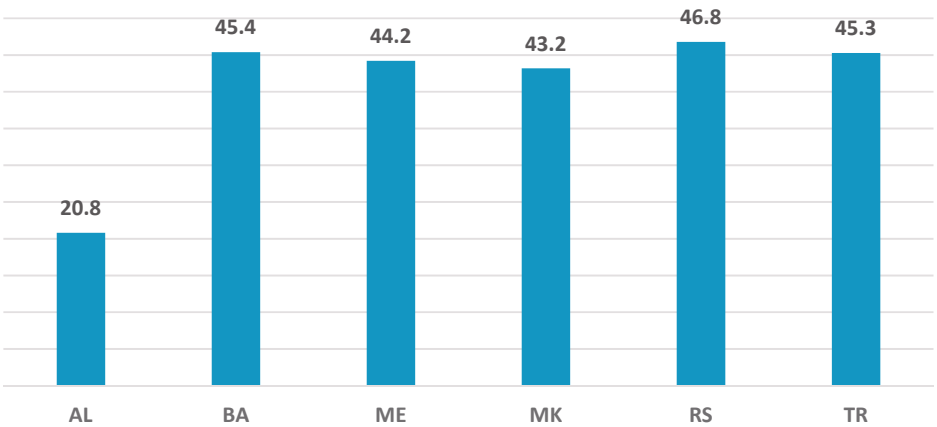
As illustrated in Figure 1.7 and discussed earlier, VET enrolment as a proportion of upper secondary education is high in most of the enlargement countries; only in Turkey and Albania are the shares below 50%, but these have increased steadily since 2010. Data suggest that VET is a viable education option for large number of young people throughout the region. However, access to and participation in VET vary for different groups in the population and for those living in more disadvantaged areas.

The 2016–17 Torino Process country reports (e.g. for Albania, Bosnia and Herzegovina, Kosovo and Serbia) stress that in rural areas, as well as in mountainous and isolated areas, either VET provision is completely absent or the delivery is not regular, is of more limited scope and/or is of lower quality than in the cities. Young people and adults living in the villages need to travel in order to gain access to VET, but they cannot always afford to do this. For example, VTCs exist only in seven major towns in Kosovo, plus another one in the north of the country. Capacities of the VTCs are very limited in relation to the number of unskilled and unemployed young people and adults (Kosovo Torino Process report, 2016).

Another challenge for participation in VET in SEET are the gender gaps in some of the countries. **FIGURE 2.8** shows that Albania has the most prominent gender gap in upper secondary VET enrolments, with only a fifth of those enrolments being female students. While the UNESCO Institute for Statistics does not have data on Kosovo, the 2016–17 Torino Process report for Kosovo provides information on the relatively low and declining participation of girls in VET: in 2015/16, 39% of the entire upper secondary VET enrolment were female students (whereas in 2010/11, female enrolment stood at 46%). The best performer is Serbia (46.8% female enrolment), with the female shares in the rest of the countries ranging from 43% to 45%.

A study on the low participation rate of Albanian girls in VET suggests that the key discouraging factors include gender norms and perceptions of gender roles in society, deeply gender-stereotyped occupational profiles and courses, the location of vocational schools in the towns, the lack of transportation, unsafe dormitories, and the overall social climate in vocational schools (GIZ, 2011). Among actions to counteract the effect of these factors, the government is running a major public campaign to attract young people into VET, including TV advertising and skills and job fairs. Since 2015, an EU-funded project in Turkey, KEP II (Technical Assistance for Increasing the Enrolment Rates

FIGURE 2.8 Share of females in upper secondary VET enrolments, last available year (%)



Notes: last available year is 2015, except for MK (2014) and TR (2013); data missing for XK.
Source: ETF calculations based on UNESCO Institute for Statistics data.

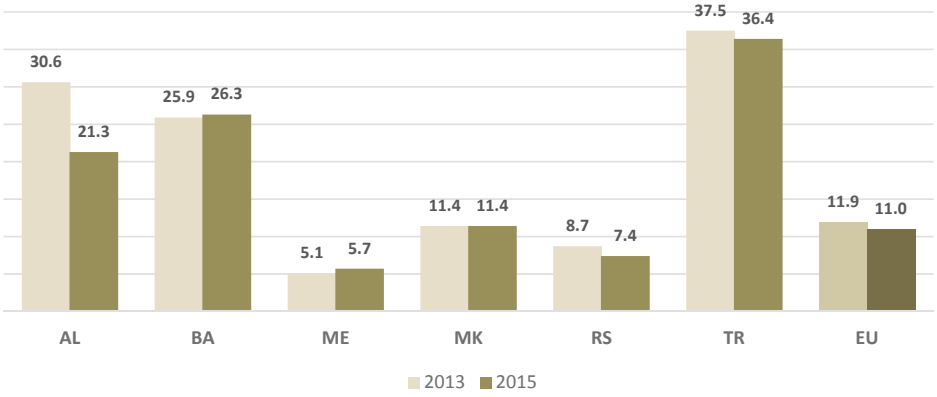
Especially for Girls), has been aiming to increase school attendance rates, especially for girls, as evidenced by the Torino Process country report.

A common objective for the enlargement countries' VET visions and strategies is to enable all learners to progress and graduate with a proper qualification. Working towards the achievement of this objective is in line with the ET 2020 benchmark of reducing early leaving from education and training to 10% or less. Early leaving has a negative impact on young peoples' opportunities in the labour market and therefore entails high costs for the individual, as well as for society and the economy more generally. In contrast, completing education can lead to a series of more rewarding employment opportunities and better health outcomes for the individual, not to mention benefits for the country, including higher productivity rates, lower public and social welfare expenditure, economic growth and social cohesion (European Commission/EACEA/Eurydice/Cedefop, 2014).

The performance of the enlargement countries regarding early leaving from education varies widely (**FIGURE 2.9**). Montenegro and Serbia are already below the EU 2020 benchmark of 10%, scoring 5.7% and 7.4%, respectively (2015 data). Early school leaving in the former Yugoslav Republic of Macedonia in 2015 (11.4%) is close to the EU average (11%), Turkey, Bosnia and Herzegovina and Albania lag far behind, recording rates of 36.4%, 26.3% and 21.3%, respectively. Bosnia and Herzegovina and Montenegro are the countries that recorded an increase in the proportion of early leavers from 2013 to 2015 (which is particularly worrying in the case of Bosnia and Herzegovina as its level in 2013 was already high), while the rates in the rest of the region have been decreasing (remaining at the same level in the former Yugoslav Republic of Macedonia). The relatively high rates of early leaving from education in Turkey, Bosnia and Herzegovina and Albania, coupled with the relatively low rates of participation in lifelong learning in these countries, are conducive to creating low-skill traps for large numbers of people in these countries; this, in turn, generates risks for their employability and for their exposure to social exclusion and marginalisation.

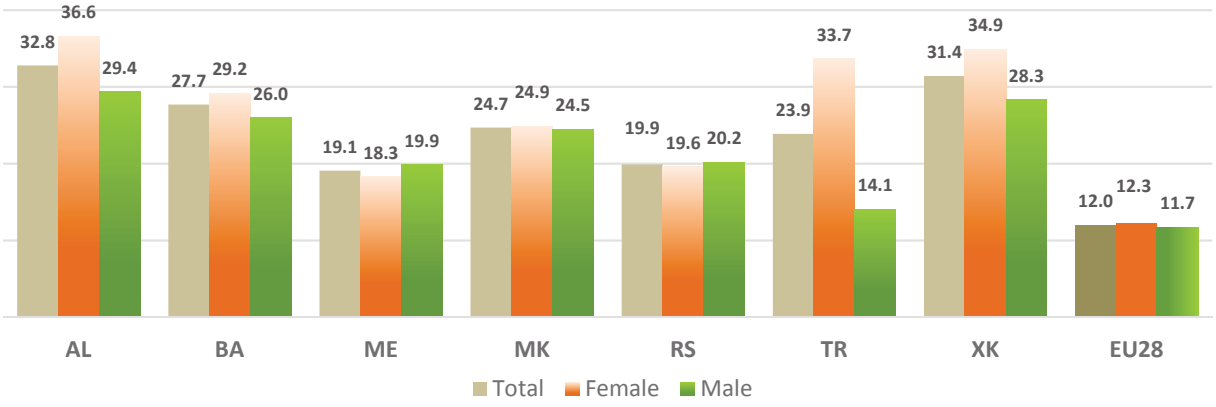
The NEETs indicator is generally linked to vulnerable and often inactive young people, such as early school leavers, unemployed or discouraged young people, and those outside the labour force for various reasons (family carers, individuals who are sick or who have a disability) (ETF, 2015). As shown in **FIGURE 2.10**, in 2015 the shares of NEETs (aged 15–24) in the enlargement countries were high, ranging from 19.1% (Montenegro) to 32.8% (Albania, 15–29 age group), that is, significantly exceeding the EU-28 average of 12%. Another worrying finding is that in four of the seven enlargement countries (Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro and Serbia), NEET rates have further increased since 2013, signalling serious problems with young graduates entering the labour market and finding jobs.

FIGURE 2.9 Early leavers from education and training, 2013 and 2015 (%)
Percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training



Notes: Missing data for Kosovo.
Source: Eurostat; ME, RS – National statistical offices (data received).

FIGURE 2.10 NEET rates (age 15–24), 2015 (%)



Change since 2013 (%)	AL	BA	ME	MK	RS	TR	XK	EU28
	-1.8	7.4	7.3	2.1	2.1	-6.4	-11.0	-7.7

Notes: AL: age 15–29.
Sources: National statistical offices, Eurostat.

Not only were the NEET rates in Albania (32.8%) and Kosovo (31.4% for 15–29 age group) the highest in the region, but – together with those in Turkey and Bosnia and Herzegovina – they also demonstrated the most prominent gender differences, with the female NEET rate exceeding the male one in all four countries (see Figure 2.10). These data suggest that in 2015 a large proportion of young people in the region as a whole, and particularly of young females (who were most probably engaged with family care work) in Turkey, Albania, Kosovo and Bosnia and Herzegovina, were at risk of being marginalised from the labour market and society. Efforts by the countries to mitigate this risk have yielded mixed results. While the share of NEETs in Albania, Kosovo and Turkey had decreased in 2015 from the level in 2013, in Bosnia and Herzegovina, Montenegro, the former Yugoslav Republic of Macedonia and Serbia it increased over the same time period, with Bosnia and Herzegovina registering the highest increase (see Figure 2.10).

According to the 2016–17 Torino Process country reports, most of the improvement in NEET rates in Turkey has come from rising enrolment rates in education over the past decade (Turkey has increased compulsory schooling from 8 to 12 years) and from young people's propensity to continue their education longer than they did in the past. In Albania the improvement could be linked to increasing VET enrolments and the Employment Promotion Programme measures that have also been targeting NEETs. These examples illustrate that while the NEET label puts (potential) vulnerable young people under one heading and one indicator, it needs to be disaggregated into sub-groups (unemployed, discouraged, family carers, inactive) in order to understand the reasons behind individual situations and to design targeted policies to address them, as highlighted in a recent ETF study (ETF, 2015).

Vulnerable groups in SEET that present specific challenges in terms of social inclusion and education and training are identified at national level according to the socioeconomic specificities in each country. They include those who are economically inactive and long-term unemployed, vulnerable minorities such as Roma, those who are poor, NEETs and persons with disabilities. Access to and progression in education and training of persons with disabilities continue to pose challenges to all enlargement countries, Roma (and Ashkali and Egyptian) communities are the focus of attention for policy makers in SEE, while Syrian refugees represent a new and very specific vulnerable group in Turkey.

The 2016–17 Torino Process round has revealed that the enlargement countries do not have sufficient complete and up-to-date data on the vulnerable groups and their specific education and training needs to inform the relevant policy actions. Most countries have administrative data on the most disadvantaged groups that is collected and kept by the respective line ministries (e.g. Ministry of Health, Ministry of Social Affairs and Ministry of Education) or by non-governmental organisations (NGOs) working in the

field. However, there is a lack of an integrated national system to allow the comprehensive collection, processing and use of data for policy purposes, as rightly highlighted by the Kosovo Torino Process report.

Access to education and training for the two most disadvantaged groups – Roma communities and persons with disabilities – continues to be an issue in SEET. The Torino Process reports state that a significant proportion of the children from these vulnerable groups are either not enrolled at all or drop out early from education. In Serbia, for example, only 64% of children from Roma settlements have completed primary school and just 22% of them attend secondary school. Only 4.1% of school buildings in Albania are wheelchair accessible and many children with mental or physical disabilities stay at home, where they receive no, or only a few hours of, tuition.

The enlargement countries have continued to invest efforts in addressing the issue. The Torino Process reports indicate that new strategies have been adopted to replace expiring ones or to complement existing ones, such as Strategic Plan for the Organisation of Education for Children with Special Educational Needs 2016–2020 in Kosovo; revision of the National Strategy for Equal Rights of People with Disabilities 2010–2018 in the former Yugoslav Republic of Macedonia; and the Strategy for Social Inclusion of Roma and Egyptians (2016–2020) and an Action Plan in Montenegro. New strategies for the main vulnerable groups that include sections on lifelong learning have been approved or are being prepared at the level of the entities in Bosnia and Herzegovina, but all these have yet to be put into practice.

The implementation effort behind the strategic documents has been variable, and the range of measures used to enhance access to and participation of vulnerable groups in (vocational) education and training is considerable. It is important to note that most of the actions applied have targeted formal rather than non-formal education, and the pre-primary and primary education levels more than the secondary and IVET levels. Another common trend that stands out from the Torino Process round is that while the education of children with special educational needs currently takes place in both specialised and regular schools, all countries aim to close down the specialised schools and integrate students with special needs into the mainstream system by enhancing its inclusiveness and capacity to cater for students of all abilities.

Montenegro's 2016–17 Torino Process report describes a comprehensive approach introduced to identify the educational needs of children and address them in an inclusive way: 18 commissions for inclusive education at local level have been established to guide children into the education system. The commissions propose the educational programme, additional expert assistance and staff required, and the spatial, material and other conditions needed for the provision of an adequate educational process. Based on the commissions' recommendations, the educational institutions develop individual developmental and educational plans for every child. Individual transition plan forms, in terms of professional orientation and preparation for employment and independent life, were also introduced in 2015 (now binding) and are prepared for every future graduate with a disability. A similar approach is followed in the former Yugoslav Republic of Macedonia (following an amendment to the Law on Secondary Education), where a team composed of a pedagogue or psychologist, the student's teacher, the student's parent or custodian, a specialist in disabilities and, if necessary, the student's physician develop an individual education plan for each student with special needs.

Within regular VET schools, as evidenced by the 2016–17 Torino Process country reports for Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia, among others, students with special needs are usually educated following modular curricula and syllabi adapting the programmes for certain occupations to the abilities and interests of the learners. The regular teachers are supported by mobile teams (mostly special education teachers, pedagogues and psychologists) who visit schools and provide assistance to students with special needs, and to their teachers and parents (Republika Srpska) or by resource centres (in Montenegro and Kosovo, special schools have been transformed into resource centres to sustain inclusive education).

Many enlargement countries report that projects or programmes have been implemented for inclusive education in VET, some of them supported by donors. Examples include the Social Inclusion in Vocational

Education and Training (SIVET) project in Kosovo (with support from the Austrian Federal Ministry for Education), and the USAID's Youth Employability Skills (YES) project in the former Yugoslav Republic of Macedonia. The Vocational Skills Development (MESGEP) project in Turkey started in 2013 and is expanding its coverage to become a country-wide activity in all 81 provinces in 2017. In addition, all SEE countries took part in the Regional Support for Inclusive Education project, which was funded by the EU and implemented by Council of Europe, that promoted inclusive education in eight pilot schools in each country, two of them being VET schools (project completed in December 2015).

Turkey's education and training system has been faced with a huge challenge: the Torino Process report states that 2 730 485 Syrians have arrived in the country as a result of the refugee crisis. The Turkish authorities have taken measures to ensure that all refugee children will receive access to schools and have taken steps to remove administrative barriers to enrolment. 'Temporary education centres' were established to enable Syrian refugee children to continue their education. All refugees are given the opportunity to enrol in free Turkish language and vocational training courses offered by the Ministry of National Education's Public Education Centres.

The participation of vulnerable groups in CVET is promoted mainly through the ALMPs implemented by the PES. These focus on the registered jobseekers and offer them training, free of charge. The Torino Process report for Serbia indicates that vulnerable groups that received such training have included young people, redundant employees, people with disabilities, individuals without qualifications, low-skilled persons and long-term unemployed persons. In Albania, a new ALMP for people with disabilities was implemented for the first time in 2015; training for individuals with visual and auditory difficulties for occupations in demand in the labour market was delivered in the former Yugoslav Republic of Macedonia.

In summary, the 2016–17 Torino Process round records the continuing efforts of the enlargement countries to develop VET systems that provide equal opportunities for all, regardless of existing personal circumstances (e.g. age, gender or ethnicity) or socioeconomic and territorial disparities, and that are capable of reaching out to the weakest and most excluded segments of the population. The measures undertaken by the enlargement countries in recent years have also been targeted at groups such as Roma communities and persons with disabilities. A considerable number of measures have been implemented, although the performance has been varied, depending largely on the national capacities and the resources allocated to implement these activities. As noted in a relevant ETF regional study, further efforts are needed to attract marginalised groups of students to vocational education, including students with disabilities and learning difficulties, students from rural areas and students from ethnic minorities (ETF, 2014).

D. INTERNAL EFFICIENCY OF THE VET SYSTEMS

Since the previous round of the Torino Process in 2014, the progress achieved by the enlargement countries in improving the internal efficiency of VET has been limited, yet most of the countries have taken important decisions and actions that pave the way for the achievement of more visible positive changes in the years to come.

Policies for teachers and trainers

There is a wide consensus among researchers, policy makers and practitioners that teachers are the key determinants of the quality of education. In their VET strategies and vision documents, the enlargement countries highlight the importance of high-quality teaching and school leadership for raising educational achievement and training a workforce with relevant and flexible skills.

The policies relating to VET teachers, trainers and directors encompass a wide and complex set of topics, from initial preparation for teaching and managing staff through recruitment, working conditions and salaries, to continuing professional development (CPD) and career progression opportunities. Activities targeting these issues have been ongoing in all countries, yet the results have been mixed and the progress modest.

The 2016–17 Torino Process round and the 2016 Riga reporting (on MTD5. Professional development of teachers, trainers and mentors) of the candidate countries have provided information and ideas

regarding the competences and roles of teachers and trainers primarily in IVET, and to a much lesser extent in CVET. The focus has been on developments conducted or under way in the field of in-service rather than in pre-service teacher training, as well as in the field of professional development of VET teachers, trainers and mentors in schools rather than in enterprises.

One of the main findings is that the status and attractiveness of the teaching profession in SEE remain relatively low, with some recent improvement seen in Montenegro, as indicated by the Torino Process country report.

Teacher salaries in SEE are reported to be slightly lower than those for other jobs in the public sector. In Turkey teacher salaries remain below the OECD average. Albania's Torino Process report highlights the fact that VET teachers have so far received lower salaries than gymnasium teachers and that trainers and lecturers at VTCs are even worse off, being paid on an hourly basis. The Albanian government has announced an increase in salaries, including for teachers, effective from 1 March 2017.

There is an alarming trend towards smaller numbers entering the profession. Consequently, the profile of the teaching staff in the formal education systems as a whole, and in VET in particular, is ageing, and might result in teacher shortages in a medium- to long-term perspective (the risks signalled in Montenegro's Torino Process report).

The country reports show that most countries have established systems for the recruitment of teachers. There are general competence standards for teachers and trainers, but no specific ones for VET or the various vocational profiles. Serbia and Montenegro have teacher licensing procedures in place, and the former Yugoslav Republic of Macedonia plans to introduce them. VET teachers typically have a university degree or (advanced) diploma in a technical field, and so do some trainers for practical classes. For the latter category of staff, however, a university diploma is not obligatory. A major issue relating to the pre-service preparation of VET subject teachers and VET trainers in vocational schools in SEE continues to be the poor quality of their pedagogical skills. The Torino Process report for the former Yugoslav Republic of Macedonia stresses the lack of or insufficient andragogic preparedness of the trainers in adult training institutions.

As regards trainers in companies, there are no commonly accepted specific requirements for becoming a trainer or mentor. Some criteria or standards exist, but are developed and valid only within individual companies.

Most enlargement countries have introduced induction programmes for newly qualified teachers who are entering classrooms for the first time. During the induction period, which lasts from three months (Serbia) to one year (Montenegro, the former Yugoslav Republic of Macedonia), newly qualified teachers have the status of teacher-trainees and are supported in their work by a more experienced colleague who plays the role of induction mentor. Upon completion of the induction programme and one year of teaching, teacher-trainees become independent teachers. In Serbia and Montenegro they also need to pass the licensing examination.

The Torino Process reports provide evidence that while in some enlargement countries there are no well-established mechanisms for the evaluation of teachers and trainers in VET, and no clear career progression tracks (e.g. Kosovo), others – including Montenegro, the former Yugoslav Republic of Macedonia and Serbia – have introduced systems of teacher titles and career advancement paths through promoted posts for all teachers in formal education, including VET. The titles used – Teacher, Teacher-mentor, Teacher-counsellor/adviser, Teacher-researcher in the teaching process – are regulated by secondary legislation (usually rulebooks of the ministries of education) and are awarded by specialised commissions following a set of criteria. Promotion of teachers to higher titles is also reflected in their salary coefficients, and this serves as an incentive for professional development.

The professional development of teachers is a career-wide process that starts at university and ends on retirement. Teachers have an ongoing commitment to maintaining and expanding their professional expertise, and to revising and enhancing their knowledge and skills and their teaching and learning approaches continually in ways that are relevant to their own individual needs and those of their students. The CPD of teachers is a legal requirement in many enlargement countries, including Serbia, the former Yugoslav Republic of Macedonia and Albania.

In 2015 the ETF supported all SEE countries and Turkey to conduct analyses of their national systems for CPD of VET teachers and trainers based on empirical surveys. **TABLE 2.3** presents the results from these surveys, which relate to the participation of VET teachers in CPD activities in 2014–15.

At a first glance, the figures in Table 2.3 show a relatively high rate of participation of VET teachers in CPD. For example, in Serbia 96% of vocational teachers participated in some kind of professional development in the 12 months before the survey (OECD countries' average: 90%) and only 4% had no CPD at all; Montenegro, the former Yugoslav Republic of Macedonia and the rest of the countries also performed relatively well. However, the problem with the CPD activities offered in SEE is that most of them are of a general nature, being more adapted to the needs of teachers in general education than to the needs of vocational teachers. The specialised CPD allowing for the upgrading and further development of the vocational specialism of VET teachers is much less available, and therefore, fewer VET teachers participated in it, their share ranging from 23% (Albania) to 54% (Serbia) (ETF, 2016a).

The data in Table 2.3 demonstrate that the participation of VET teachers in professional development on business premises is weaker in SEE than in Turkey, the best performer being Serbia (31%). Of all enlargement countries, Turkey has the highest share of VET teachers participating in CPD activities at businesses: almost half of them (49%) have access to training within companies (ETF, 2016a).

These findings were confirmed by the 2016–17 Torino Process country reports. The training of teachers in Albania, Kosovo and Bosnia and Herzegovina relies primarily on donors and EU projects, and there have been difficulties in sustaining innovation and good practice once projects have been completed. In Albania, Serbia, the former Yugoslav Republic of Macedonia and Montenegro there is a dual system of oversight for the in-service training of teachers in VET schools: by institutions in charge of CPD in general secondary education, for teachers of general subjects in VET schools; and by specialised bodies (usually the VET centres), for the CPD of VET subject teachers.

The national education agencies in Serbia, the former Yugoslav Republic of Macedonia and Montenegro compile and publish annual lists of upcoming opportunities for in-service teacher training in the form of 'training catalogues', with courses provided by accredited public or private providers. The catalogues are usually aimed at general secondary education teachers as a whole and are more likely to reflect the (limited) capacities of in-service teacher-training providers than the needs of VET teachers to update their knowledge of industrial or commercial practice. On-the-job and in-company teacher training continues to be occasional and donor-driven, rather than common practice. Thus, the professional development opportunities for VET teachers not only are few in

TABLE 2.3 Vocational teachers participating in different forms of professional development, 2014/15 (%)

Country	In-service training	Professional development in vocational specialism	Conferences/ seminars	Observation visits to schools	CPD at businesses	No CPD
Albania	56	23	17	31	29	35
Bosnia and Herzegovina	54	32	13	15	32	40
Kosovo	56	36	27	18	16	35
Former Yugoslav Republic of Macedonia	65	34	35	24	24	27
Montenegro	76	40	37	19	27	21
Serbia	92	54	35	38	31	4
Turkey	47	37	47	30	49	19

Note: Surveys were conducted in 2015 and concern the opinion of vocational teachers about the CPD activities that have taken place in the preceding 12 months.
Source: ETF (2016a).

number, but also match only loosely the actual needs and have limited relevance to vocational specialisms.

The main reason for this gap in CPD in SEE, as evidenced by the 2016–17 Torino Process reports, is that most of the organisations providing CPD have limited know-how and capacity to design or deliver CPD that addresses the vocationally specific needs of VET teachers and trainers, such as up-to-date knowledge of current industrial practice, and an understanding of how to develop practical skills. Companies (with very few exceptions) are not involved in the CPD of VET teachers.

To address this issue, the VET Centre in Skopje has recently developed programmes for company-based training of teachers who teach vocational-theoretical subjects and practical training; the programme is currently being piloted and is expected to be mainstreamed. In 2016 Montenegro also piloted a small project to train teachers of vocational subjects and teachers of practical training in enterprises (implemented by the Ministry for Education in cooperation with the VET Centre and the Chamber of Commerce, with the support of ETF), and trained 20 teachers.

In-service training of teachers and managers in Turkey is planned and implemented at the central and local levels. In-service training for teachers of vocational and technical education is also carried out within the scope of the protocols of cooperation with national and international projects. The Directorate General for VET in the Ministry of National Education has protocols signed with the business sector directly for the in-service training of teachers in different fields and on different topics.

The enlargement countries do not provide structural training for VET trainers and mentors working in VET schools or in companies (with apprentices or regular staff). In Turkey, becoming a mentor to others depends mainly on experience gained within the company. Riga 2016 reporting revealed that in 2015, training was offered to trainers in companies in the former Yugoslav Republic of Macedonia and Montenegro under two donor projects: YES project (supported by USAID) trained employees to become on-the-job trainers/mentors of VET students (154 trainers from 110 companies in the former Yugoslav Republic of Macedonia were trained in 2015), and a joint project of the Ministry of Education in Montenegro and the British Council trained instructors from companies for VET students.

Riga 2016 reporting for the candidate countries highlighted some new developments and trends in VET teacher training.

- Greater focus is placed on distance and online course for VET teachers in Turkey: two distance-learning platforms for teachers are currently operational, run by the Ministry of National Education together with four universities and Turk Telekom. While these platforms provide learning modules that are targeted more towards the needs of teachers in general education, the Ministry of National Education has launched preparations for the establishment of a third distance-learning platform to cater for the needs of vocational teachers in particular.
- More flexibility in recognising and rewarding different forms of CPD was created in Serbia through the introduction in 2015 of a new Rulebook. This also provides opportunities for companies to develop programmes for VET teachers.
- New Guidelines on CPD were adopted in October 2016 and a new Strategy for Teacher Training 2017–24 was agreed in Montenegro. The results from their implementation remain to be seen and analysed.

Teaching and learning environment

As a result of long-standing low levels of public investment in infrastructure, the 2016–17 Torino Process reports judge the teaching and learning conditions in most VET schools in SEE to be unsatisfactory, while Turkey's country report is more positive about the teaching and learning environment.

Issues with the physical infrastructure in VET are mostly related to old or inappropriate buildings and facilities, overcrowded classes (up to 32–34 students, or even 40 in Albania) in urban schools (which means having to operate in shifts), and schools in rural areas that have few students. The Torino Process report for the former Yugoslav Republic of Macedonia, for example, notes that many of the school buildings in the country (almost 25%) are more than 50 years old, are in need of renovation, have heating problems and operate in energy-inefficient conditions.

An important aspect of the teaching and learning conditions in VET schools is their IT infrastructure (e.g. libraries, ICT equipment and school workshops), which is often characterised as poor or obsolete. According to the Torino Process reports, the most alarming situation continues to be that relating to the school workshops where students can acquire the necessary practical skills. The equipment of the workshops is either missing or is insufficient for all students enrolled in the trade area (Albania), or is out-of-date and therefore useless (50% of all equipment in VET schools in the former Yugoslav Republic of Macedonia is over 30 years old). The Montenegro's 2016–17 Torino Process report is the only one to describe recently improved facilities in workshops in a great number of schools, particularly those with programmes in the areas of hospitality, car mechatronics, civil engineering and agriculture, while Albania's report notes that the VTCs in the country are somewhat better equipped and more oriented towards practical skills training than the vocational schools.

Improvements in SEE are often achieved as a result of EU funds and projects that have invested in the refurbishment of existing VET schools, in new equipment and in the modernisation of VET provision. Other donors have also been assisting countries with the upgrading of facilities, notably the Swiss, German, Italian and Austrian governments. GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), for example, has installed four IT labs and provided other technical equipment for the multi-functional VTC Kamza in Albania (Albania Torino Process report, 2016).

In Turkey, the Ministry of National Education has an ongoing commitment to improve the learning and training environments of VET schools. Infrastructure problems and teacher shortages are reported by schools to the ministry, and the procedures for responding and taking action have been streamlined, as noted in the country's 2016–17 Torino Process report. The Ministry of National Education is backed in its efforts by the private sector: cooperation protocols have regularly been signed with the Chambers of Industry and Trade, the organised industrial zones and the private sector for student internships, laboratory facilities and the preparation of updated modules.

The enlargement countries are aware of the importance of workplace training for enhancing the relevance and quality of learners' skills, and have been trying to boost cooperation between VET institutions and enterprises. However, these efforts are taking place in two very different institutional and cultural contexts, one that has well-developed crafts and trades with a strong WBL tradition (in Turkey), and the other characterised by state-led, school-based vocational education, with elements of workplace training (in the SEE countries).

WBL takes place in all its forms[14] on a country-wide and regular basis in Turkey. From the second year of tuition, Turkish students in secondary vocational and technical schools start to gain practical work experience through internships, usually spending two days per week in the school and three days in the company. For learners who are outside the formal education system, the VET system in Turkey offers apprenticeship schemes that combine practical training in companies with theoretical instruction (usually one day per week) at VTCs, while the learners have the status of employees.

In contrast, in SEE the provision of practical skills takes place predominantly in school workshops. Although some good examples of learning opportunities at the workplace have been reported in well-performing sectors of the national economies, such as catering, tourism, construction and transportation, these still have limited coverage in the VET systems as a whole.

The current WBL modalities in SEE treat the learner predominantly as a student and take the following forms.

- **Work practice and internships in companies.** While these forms of WBL are allowed for by the national legislations, they remain scarce owing to the lack of willingness and/or capacity of employers to engage with VET learners. The 2016–17 Torino Process reports indicate that Albania is piloting internships in the tourism/catering sectors. VET schools in Montenegro have a well-established tradition of internships

[14] According to the European Commission's report from 2013 (Work-based learning in Europe: Practices and policy pointers), there are three forms of WBL: (1) alternance schemes or apprenticeships, typically known as the 'dual system'; (2) WBL as school-based VET, which includes on-the-job training periods in companies; and (3) WBL integrated into a school-based programme, through on-site laboratories, workshops, kitchens, restaurants, junior or practice firms, simulations or real business/industry project assignments.

in the tourism and health sectors, while this model exists in Serbia in medical schools, where practical training for certain profiles is organised exclusively in healthcare institutions. In most cases schools take the initiative to approach employers as potential partners in the practical learning process for their students. VET schools in Montenegro and Serbia have established positions for so-called 'organisers of practical education', who establish and maintain contacts with eligible employers but also monitor the practical training of students in companies. Albania is planning to hire such school–business liaison staff in all major VET providers, with the task of organising and supervising students' internships.

- **Simulated WBL.** The virtual companies supported by KulturKontakt and GIZ exist in business, law and administration programmes of VET business schools in all countries, and continue to be the most widespread form of WBL in VET in SEE. They allow students to gain practical skills through running businesses in a simulated economic environment. Furthermore, in some countries (e.g. Serbia) some VET schools have real firms attached to them (primarily in tourism and agricultural schools with school lands and farms), where practical training for pupils is organised.

Formal apprenticeships, as 'dual' programmes that allow students to obtain a job in an enterprise and to alternate periods of studying in a school environment with periods of work in the company, as mentioned above, exist in a structured, country-wide format only in Turkey. The Serbia's 2016–17 Torino Process report elaborates on a project of cooperative education, supported by GIZ and a mix of Serbian and international companies, in three profiles (mechanical technician, electrical technician and blacksmith) that draws on elements of the dual education model. The introduction of formal apprenticeships is envisaged in the former Yugoslav Republic of Macedonia (as stipulated in the VET Strategy 2013–2020) and in Albania (National Employment and Skills Strategy 2014–2020).

Inspired by the Riga Conclusions, and by MTD1 in particular, the candidate countries have prioritised WBL and since 2015 have launched a number of activities and measures in that field.

1. New/amended legislation to provide for formal apprenticeship schemes in SEE or to further reinforce them in Turkey

   The Law on Crafts was adopted in December 2015 in the former Yugoslav Republic of Macedonia, providing a legal basis for apprenticeships for unemployed individuals. A new Law on Crafts (June 2016) and a new VET law were adopted in Albania, regulating apprenticeships and containing provisions for dual education. Intentions to draft legislation to provide for WBL in school-based VET were expressed by Serbia, and a Memorandum of Understanding was signed in 2016 between the Minister of education and the Presidents of the Chambers of Commerce of Serbia and Austria on the experimental introduction of dual education in Serbia.

   In Turkey an amendment to an existing Active Labour Market Services Regulation was enacted (February 2016), increasing the duration and access to publicly funded WBL; changes were made to the Apprenticeship Law (December 2016), with the aim of including apprenticeships in compulsory education and better meeting the apprentice needs of small businesses and craft enterprises.

2. Implementation arrangements put in place that pave the way for or reinforce formal apprenticeships

   Further to the improvement of the legal framework, the candidate countries have recently undertaken concrete practical steps towards the introduction, or enhancement, of formal apprenticeships. Thus, in 2015 an analysis of the state of WBL in the whole system of secondary and post-secondary VET in Albania was conducted, and was complemented by the development of a feasibility study and a roadmap for the implementation of a dual vocational education scheme.

   Programmes and measures for unemployed people, including apprenticeships, have been implemented by the Employment Agency in the former Yugoslav Republic of Macedonia, and in 2015 these measures targeted young, female and long-term unemployed individuals. With the

support of the USAID-funded project YES, over 150 mentors from different companies were trained to work with students, and standards for mentoring in companies were developed.

Turkey intends to improve the access to and the quality of apprenticeships, as well as the quality of all forms of WBL. Turkish authorities have agreed to develop a more structured apprenticeship system for all companies, regardless of their location, sector or size. This focuses on the establishment of shared training centres for SMEs with the help of the Chambers of Commerce and/or Industry or the Ministry of National Education's vocational education centres, and establishing an umbrella monitoring mechanism to oversee all apprenticeships. In 2016 the Ministry of National Education and its related partners, with the support of the ETF, started working on (i) establishing national data collection, regulations and legal framework regarding vocational and technical education and the provision of WBL; (ii) supporting the Turkish Statistical Institute to generate and collect integrated WBL statistics to monitor achievements. These options will be elaborated upon in more detail in the upcoming assessment exercise that will be implemented by the European Bank for Reconstruction and Development (EBRD) and the ETF.

The EU candidate countries have joined the European Alliance for Apprenticeships. Managed by the European Commission, in close cooperation with EU social partners, the European Alliance involves a wide range of stakeholders working together to strengthen the quality, supply, image and mobility of apprenticeships.

Overall, the Torino Process consultations and discussions during the Torino Process regional forum in Belgrade in February 2017 have shown that learning environments and study forms for VET have not changed substantially in the enlargement countries over the recent years. New learning environments are needed that are more flexible and go beyond traditional school settings, hierarchies and rigidities, but grant teachers more freedom and allow for digital and online learning, entrepreneurship, and learning that benefits from the mix of school and workplace settings.

Quality assurance

Quality remains a common concern and an overarching goal of VET reforms in the enlargement region. National definitions of quality in VET are not always explicit, but countries' understandings of the concept can be easily inferred from the measures taken. All national approaches to quality in VET share an emphasis on achieving the employability of learners, with the relevance to the labour market of the skills acquired seen as the ultimate indicator of good-quality VET provision.

In recent years the SEE countries and Turkey have been making efforts to improve their mechanisms for managing quality in VET provision at both system and provider level. In so doing, the region and the candidate countries in particular have increasingly been using the European Quality Assurance in VET (EQAVET) Recommendation as a point of reference and a framework to guide domestic reforms. To date there are many examples of progress in this area. Some initiatives are systemic in nature, while others are still at the pilot stage.

The Torino Process reports show that quality assurance of VET in Bosnia and Herzegovina remains an issue, with quality assurance mechanisms varying between and within the entities, and between the various responsible authorities (ministries and other major bodies). Albania is currently focused on defining a national model for quality assurance and the accreditation of public and private VET providers. Kosovo has adopted a National Quality Assurance Framework in VET (inspired by EQAVET). In 2015 Turkey adopted a National Education Quality Framework, while Montenegro, Serbia and the former Yugoslav Republic of Macedonia have been trying to improve some of the tools and procedures of their quality assurance mechanisms.

The national approaches to quality assurance in VET in the enlargement region are based on regular external and internal evaluations. The external assessments of quality in IVET institutions are conducted by formal education bodies and agencies (e.g. education inspectorates, education services bureaus and (pedagogical) institutes, VET centres), which formulate recommendations for improving quality in each school. Recently these have been complemented by internal evaluations (self-assessments), which are a well-established practice

in Montenegro, Serbia and the former Yugoslav Republic of Macedonia. In Turkey self-assessments are not obligatory, yet many schools conduct them. Republika Srpska in Bosnia and Herzegovina plans to introduce them in all schools by 2022.

Both the internal and external evaluations of quality adhere to nationally developed methodologies that are in a process of constant revision and improvement. Montenegro, Turkey and Serbia have been attempting to harmonise their national indicators for assessing quality in VET with the EQAVET standards. The newly adopted National Education Quality Framework in Turkey includes 14 basic evaluation and monitoring areas and 80 sub-domains that have been previously piloted in selected sectors. All countries need to continue their work on improving their indicators for assessing quality in VET and aligning them with the EQAVET standards, as well as to involve a wider range of stakeholders (social partners in particular) in the VET quality assurance processes.

Learning outcomes

The learning outcomes principle has been systematically promoted in VET policy in SEET. Its implementation in the enlargement countries over recent years has focused primarily on the development of NQFs. The advancement of NQFs in all countries has continued, with most reaching intermediate or advanced stages. All have legislation and designated lead institutions, and most have stakeholder platforms.

In Albania authorities are updating NQF legislation, vocational qualifications are already outcomes-based, and stakeholder input is established in an Albanian Qualifications Framework (AQF) Taskforce (set up in 2015). The outputs to date of the AQF Taskforce are a revision of the AQF Law of 2010, which is now ready for adoption, an AQF Handbook and an inventory and analysis of vocational qualifications. The AQF Taskforce is preparing the referencing of the AQF to the European Qualifications Framework (EQF), which is foreseen in 2018. In Bosnia and Herzegovina a law is in place, but progress has been slow owing to weak institutional coordination. With ETF support since mid-2016, the country has been working on an inventory of VET qualifications to support the implementation of decisions on quality criteria. Serbia has made progress since 2015 in unifying its two pre-existing NQFs, in higher education and VET, into one comprehensive NQF, which is now in the final stage of development. A new law on the NQF is in preparation, and this will regulate implementation. The country established an expert group to carry out technical development of the NQF. Serbia joined the EQF Advisory Group in autumn 2015.

The former Yugoslav Republic of Macedonia has a range of outcomes-based qualifications. The country established the NQF Board and an NQF Unit in the Ministry of Education, launched an NQF website (http://mrk.mk), and initiated its qualifications database. Its NQF database now includes virtually all formal qualifications (all levels) and quality-assured adult learning qualifications.

Turkey, Kosovo and Montenegro have relatively settled systems, hold registers or databases of outcomes-based qualifications, have prescribed quality assurance criteria, and have already moved beyond planning VNFIL to actually implementing it. Turkey adopted its Turkish Qualifications Framework Regulation in 2015. Its management and governance structures are well established, including broad stakeholder and social partner engagement in the design and implementation of all aspects of the qualification system. The Vocational Qualifications Authority had, by mid-2016, published 327 qualifications across 13 sectors in its qualification database.

Most countries in the region are referenced to the EQF. The referencing of the NQFs of Montenegro and the former Yugoslav Republic of Macedonia with the EQF were successfully accomplished in November 2014 and February 2016, respectively; the NQFs in Kosovo followed in December 2016 and in Turkey in March 2017, while the referencing for Serbia is planned for late 2017. Countries now need to deepen the implementation by producing more outcomes-based qualifications, defining quality assurance criteria and formalising stakeholder dialogue in sector councils or similar bodies.

With regard to VNFIL, most countries are in the early stages of developing these systems, while some are further advanced, implementing pilot actions in selected occupations and qualifications. In Albania and Bosnia and Herzegovina there is no specific legislation and the countries are still reflecting on

their conceptual approaches. In Serbia VNFIL was highlighted in the recent Law on Adult Education (adopted in June 2013). Concrete VNFIL procedures remain to be developed by a bylaw based on a concept for recognition of prior learning (this term is used synonymously with VNFIL in the country) that has been prepared by the NQF expert group. The former Yugoslav Republic of Macedonia developed a VNFIL concept paper in 2014 with the support of the ETF, as well as a roadmap for its implementation, and is piloting VNFIL. Turkey, Kosovo and Montenegro have already moved beyond planning VNFIL to actually implementing it. The National Qualifications Authority (NQA) in Kosovo has published a set of guidelines on recognition of prior learning policies and procedures, and these describe the possible routes and the main requirements for awarding credits, or for entry to a programme or course leading to an NQA-approved qualification. Turkey and Montenegro have some procedures and practices already in place. Both these countries have adopted relevant legislation, and on the basis of this have developed procedures and identified institutions to conduct VNFIL for qualification levels 1–5 (validation for higher education degrees is not currently possible). Turkey already has a functioning VNFIL system; to date, 85 000 certificates for VET qualifications have been issued.

E. GOVERNANCE AND POLICY PRACTICES IN THE VET SYSTEMS

Countries in SEE and Turkey have continued to devote a great deal of effort and resources to improving the governance of their VET systems to ensure multi-stakeholder engagement and participatory approaches in the design, implementation and monitoring of VET policies.

The governance of the VET systems remains centralised, with the main governance structures functioning at national level (sub-national governance bodies existing only in Turkey). The leading actors in VET governance at national level are the ministries in charge of education and/or labour, which assume overall responsibility for the formulation, enforcement and review of IVET and CVET policies[15] in the countries. The ministries are supported by state executive VET agencies (e.g. the National Agency for VET and Qualifications in Albania, VET centres in the former Yugoslav Republic of Macedonia, Montenegro and Serbia, the VQA in Turkey), which are responsible for implementing the policies and related measures, and which play an important role in governance. The most recently established of these – the Agency for Vocational Education and Training and Adult Education – was set up in March 2014 in Kosovo and is still in the process of consolidation (its pilot stage expired in September 2016).

The coordination of state and non-state actors in defining and implementing national VET vision and policy is usually implemented through the activities of VET councils. All enlargement countries except Bosnia and Herzegovina have established national multi-stakeholder councils as statutory bodies intended to assist the line ministries and VET agencies in the delivery of their functions and to enhance the efficiency and quality of the policy-making cycle. These are:

- Integrated Policy Management Group, set up in September 2015 (Albania);
- Council for Vocational and Adult Education and Training (Kosovo);
- VET Council and Council of Adult Education (former Yugoslav Republic of Macedonia);
- National Council for Education and the Council for Qualifications (Montenegro);
- Council for Vocational and Adult Education and National Education Council (Serbia);
- Vocational Education Council (Turkey).

These councils have a tripartite composition (drawn from government institutions, employers and trade unions), but may also include representatives of other stakeholders (e.g. VET teachers or civil society organisations or donors, as is the case in Albania) and experts in the field (VET researchers and specialists), thus providing a core mechanism for horizontal coordination, consultation and structured participation of stakeholders in VET governance and policy making at national level[16]. Turkey is the only country that also

[15] In Bosnia and Herzegovina these are the ministries at the level of Republika Srpska, the cantons of the Federation and the Education Department of the Brčko District, while the state-level Ministry of Civil Affairs plays a monitoring and coordination role and controls the implementation of the Framework Law on Secondary Vocational Education and Training.

[16] Tripartite advisory councils are not yet established at state level in Bosnia and Herzegovina, but they exist in some cantons and in Brčko District.

has VET councils at the sub-national or regional level: each province has a Board of Vocational Education.

SSCs involving the active participation of employers have been functioning in some countries within the framework of NQF activities. Comparable bodies have been set up as part of efforts to develop NQFs in Turkey and Montenegro, are currently in the process of being established in the former Yugoslav Republic of Macedonia, and are planned in Albania.

The 2016–17 Torino Process reports highlight concerns that not all statutory councils operate effectively owing to the limitations in terms of the capacity and funding of the institutions involved. All SEE countries express a dissatisfaction with the level of commitment of businesses to VET system governance and state their willingness to change the situation. 'The involvement of social partners has mainly been in the education planning phase and through participation in advisory and expert structures […], but to a much lesser extent in the decision-making process and financing of VET', states the Montenegro Torino Process report. Turkey also aims to improve the involvement of enterprises in VET governance and has been working on a new vocational and technical education management model to ensure the participation of the business world in the decision-making processes for vocational and technical education.

As regards governance at provider level, the efforts made are aimed at providing increased autonomy. The 2016–17 Torino Process country reports acknowledge that VET schools have little autonomy and limited opportunities to respond to local needs. Usually framework curricula are centrally developed, while VET providers are free to adjust a part of them (up to 20–30%) to their conditions and local needs. Advisory councils have been formed in a large number of secondary vocational schools in Bosnia and Herzegovina, and their role is indispensable when it comes to the content of the curricula: they advise the school on all training-related issues and help to strengthen ties between the school and the local labour market.

VET providers' financial autonomy is limited, and there is a lack of institutionalised financial incentives for public–private VET financing. In Albania, however, since January 2014 all major VET providers have an accountant and their own bank account, which was not the case for most institutions beforehand.

As regards the funding of VET, public spending on VET is not sufficient to provide high-quality VET in the enlargement countries. The Torino Process reports indicate clearly that the funds provided through government budgets for the public VET institutions in most countries cover the teachers' salaries and most of the operational costs of the institutions. Other costs, including for renovation of the equipment for school workshops, consumables for the practical training of students, and teacher training and professional development, have to be borne by schools' own income or to be supplemented by donor funding.

The key governance issue in SEE is to find options and modalities for more efficient engagement of employers and businesses in VET policy implementation. A firm commitment on the part of employers is needed if the region wants to make progress with WBL and VET funding. In financing secondary vocational education, it is important to strive to achieve increased school autonomy and to boost non-budgetary contributions to the financing of school activities.

CONCLUSIONS

The 2016–17 Torino Process round has confirmed VET as an important area of public policy making in SEET. All countries in the region have adopted policy documents that articulate the visions for the medium- to long-term development of their VET systems and that include clear strategic objectives.

Driven by national demands, supported by EU pre-accession funds and inspired by EU cooperation in VET, and by the Riga Conclusions in particular, all countries have continued to dedicate efforts to reforming their VET systems. Progress since the previous round of the Torino Process in 2014 and the main achievements can be seen in the following areas.

- All countries have made progress with the development of comprehensive NQFs that encompass all types and levels of qualifications in general, vocational and higher education, based on learning outcomes and referring to the EQF levels. The NQF in Turkey has been fully developed and officially adopted. Most countries – Montenegro, the former Yugoslav Republic of Macedonia, Kosovo and Turkey – have successfully completed the EQF referencing process, thereby enabling international comparison of their qualifications. Albania, Kosovo, Serbia and the former Yugoslav Republic of Macedonia have made conceptual reflections and launched preparations to introduce VNFIL systems, while VNFIL procedures are being implemented in Turkey and Montenegro.
- The issue of WBL has received considerable political attention over recent years in the enlargement countries, and these countries have undertaken actions to increase its scope, forms and quality. Turkey amended its legislation to increase the duration and access to publicly funded WBL schemes (which are also open to VET students) and to allow apprenticeships to be included in compulsory education. Albania and Serbia launched preparations for dual education with the design of a legal framework in Albania (new crafts law and new VET law) and the piloting of cooperative education programmes in VET schools in Serbia (supported by GIZ). In the former Yugoslav Republic of Macedonia the Law on Crafts was adopted in December 2015, providing a legal basis for apprenticeships for unemployed individuals. WBL became more accessible not only for VET students, but also for VET teachers, with opportunities provided for teacher training at businesses in Bosnia and Herzegovina and Montenegro and preparations for it under way in the former Yugoslav Republic of Macedonia. All candidate countries have prioritised WBL within the framework of the Riga Conclusions and have committed themselves to its further promotion up to 2020.
- Improved monitoring mechanisms, procedures and tools have been put in place to strengthen the implementation of VET policies. A multi-stakeholder Integrated Policy Management Group has been established in Albania to monitor the National Employment and Skills Strategy, including representatives from key ministries and agencies, the social partners and donors. Preparations for collecting integrated WBL statistics by the Turkish Statistical Institute have been made. Tracer systems are being introduced in Albania, are in preparation in Montenegro and are planned in the former Yugoslav Republic of Macedonia. These systems are aimed at improving the data on the transitions and employability of VET graduates to provide a feedback loop in designing and updating qualifications, occupational profiles, standards, programmes and curricula. Preparations have been launched to establish systems for tracking students within VET in the former Yugoslav Republic of Macedonia, Serbia and Bosnia and Herzegovina in order to detect and support poorly performing students and those at risk of leaving VET.

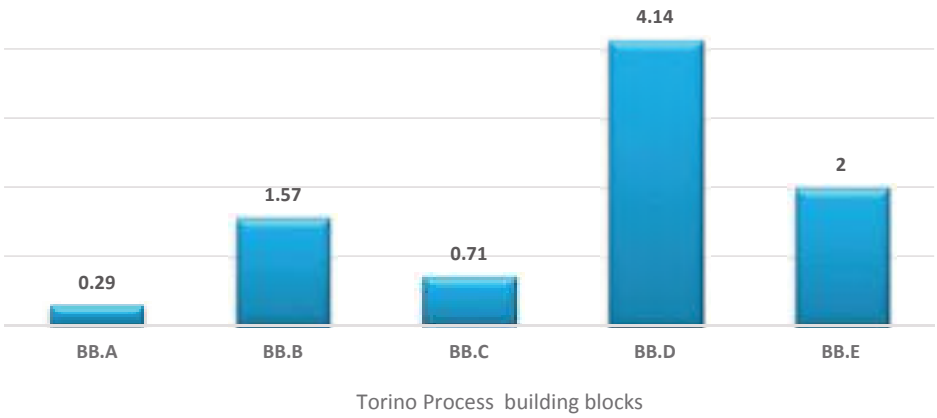
Alongside these positive developments, the 2016–17 Torino Process consultations and analyses have also highlighted areas in which the SEE countries and, to a lesser extent, Turkey still face substantial challenges.

- The region has seen improvements in using evidence and in operationalising VET visions and strategies, but the discrepancies between ideas and realities remain. The capacities for implementation across the region need strengthening through more accurate and reliable costing with clear allocations from the national and donor budgets, as well as through systematic monitoring and systematic VET policy evaluation.

- Despite the efforts of the enlargement countries to improve the procedures and tools for skills identification and anticipation, skills mismatches persist in the region, and in SEE in particular. More concerted actions are needed to adjust enrolments and offers of public VET providers in line with the needs identified and to ensure the delivery of skills that are relevant and required by the labour markets and economies. The importance of this challenge was emphasised in the 2016 Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey, as well as in the 2016 Communication of the European Commission on EU Enlargement Policy. Furthermore, the skills formation systems in the region need to become more forward-looking and to address challenges that are emerging at EU level (European Commission, 2016), such as the digital transformation of the economy (digital skills needed for all jobs, development of robotics and artificial intelligence with a potential to transform lives and work practices, etc.) and demographic changes (increased life expectancy, ageing and shrinking workforce, etc).
- The enlargement countries continue to face challenges in their efforts to improve the external social efficiency of VET by building equitable and accessible VET systems, and developing adult learning and VNFIL. The sizeable rates of early leavers from education and training and of NEETs in Albania, Bosnia and Herzegovina, Turkey and Kosovo call for immediate action.
- The governance of VET systems remains centralised, with the main governance structures functioning at national level, and sub-national governance bodies existing only in Turkey. Efforts to ensure more autonomy at provider level should continue. The efficient engagement of employers and businesses in VET policy implementation in SEE needs to be further strengthened. The breaking down of walls between VET schools and companies has begun in SEE and needs to continue.

Based on the analysis conducted, the 2016–17 Torino Process country reports have identified a set of priorities to be addressed in a short-term perspective. While the level of detail in formulating the priorities varies widely across the countries – from identifying the priority area and the objective to indicating the actions that need to be undertaken – their thematic clustering along the building blocks of the Torino Process analytical framework at cross-national, regional level provides interesting results and food for thought, as illustrated in the graph below.

NUMBER OF SEET PRIORITIES by Torino Process building block, 2016 (regional averages)



Notes: BB – Building block; BB.A – Overview of the VET system and its socioeconomic context; BB.B – Addressing economic and labour market demand; BB.C – Addressing demographic, social and inclusion demand; BB.D – Internal efficiency of the VET system; BB.E – Governance and policy practices.

Source: ETF calculations based on 2016 SEET Torino Process country reports.

The graph shows that the internal efficiency of the VET systems is considered a priority by the highest number of enlargement countries (4.14 as a regional average). This thematic block deals with the policies for VET teachers and trainers, for arranging optimal learning and training conditions and quality assurance mechanisms, and for putting the learning outcomes principle into practice. Its prioritisation by the enlargement countries has to do mainly with their commitment to enhance WBL modalities, especially in the context of the Riga Conclusions, and the continuing work on the NQFs.

In the second and third places, with regional averages of 2 and 1.57, respectively, come the priorities relating to VET governance and to the capacity of the VET systems to address economic and labour market demands. These priorities are fully in line with two of the challenges highlighted above: improving the relevance of VET outcomes to labour market needs and involving businesses in a more effective way in VET policy making and implementation. Their weight is, to a great extent, logical, since the two issues are intrinsically linked: the more that employers are involved in the design and delivery of VET programmes, the more that the skills gained by VET learners are 'the right ones', that is, in line with technological and business requirements.

It is worth noting that, despite the high expectations placed on VET to enhance inclusion and cohesion in society expressed in most of VET visions, the enlargement countries have not foreseen many priority actions in that thematic area (BB.C), and it scores relatively low. Further efforts are needed to ensure that the region recognises the importance of ensuring broader access to and participation in VET and sees the potential of VET to overcome social marginalisation and enable citizens' integration into the workforce and other spheres of social participation. IVET and CVET share the dual objective of contributing to employability and economic growth, and responding to the needs and aspirations of individual learners, as well as to broader societal challenges, in particular promoting social inclusion. Both should help young people and adults from the enlargement region to follow attractive and challenging career opportunities, and should appeal equally to women and men, to individuals with high potential and to those who, for whatever reason, face the risk of exclusion from the labour market.

ANNEXES

ANNEX 1. LABOUR MARKET, EDUCATION AND CONTEXTUAL INDICATORS

		AL			BA			ME			MK			RS			TR			XK		
		2015	D13	D10	2015	D13	D10	2015	D13	D10	2015	D13	D10	2015	D13	D10	2015	D13	D10	2015	D13	D10
Activity rate (20–64) (%)		71.3	5.5	2.3	59.2	0.9	1.4	68.5	5.2		70.2	−0.3	−0.3	68.1	3.0	6.7	59.9	2.6	7.2	42.8	−7.8	
Employment rate (20–64) (%)		59.3	4.6	−1.7	43.2	0.9	0.9	56.7	7.8	7.2	51.9	3.2	7.9	55.9	9.2	9.2	53.9	0.9	7.8	29.1	−11.8	
Unemployment rate (15+) (%)		17.1	7.5	22.1	27.9	1.1	2.2	17.5	−10.3	−11.2	26.1	−10.0	−18.4	17.7	−19.9	−7.8	10.3	17.0	−4.6	32.9	9.7	
Unemployment rate (15+) by education (%)	Low	13.4	−5.0		27.3	−3.2	−2.5	26.3	−16.0	−5.4	29.7	−13.2	−23.7	15.0	−23.9	−3.2	9.7	19.8	−4.9	47.0	3.1	
	Medium	20.4	7.9		30.0		2.4	17.4	−9.4	−8.9	26.6	−7.3	−17.1	19.4	−20.5	−13.8	11.3	10.8	−13.7	33.7	−13.6	
	High	19.4	30.2		18.4	8.9	17.9	10.2	4.1	−17.1	21.1	−10.2	−3.2	15.3	−16.4	16.8	10.9	17.2	11.2	18.9	−5.0	
Youth unemployment rate (15–24) (%)		33.2	22.1	47.6	62.3	5.4	8.3	37.6	−9.6	−17.4	47.3	−8.9	−11.9	43.2	−12.6	−6.5	18.4	8.9	−7.5	57.7	3.2	
Youth unemployment ratio (15–24) (%)		14.7	38.7		20.0	20.5	5.3	11.4	10.7	8.6	15.5	−11.4	−13.4	13.5	−4.9	3.8	7.7	16.7	4.1	14.4	11.6	
Participation in lifelong learning (25–64) (%)		1.0	−33.3	−52.4	2.3	−8.0	−17.9	3.0		25.0	2.6	−29.7	−25.7	4.8	20.0	20.0	5.5	22.2	89.7			
Tertiary educational attainment (30–34) (%)		22.1	40.8	93.9	17.2	9.6	45.8	31.0	10.7	65.8	28.6	23.8	67.3	28.9	14.2	41.0	23.6	21	52.3	10.0		
Underachievement in PISA (%)	Reading	50.3	−3.8	−11.3				41.9	−3.2	−15.4	70.7			33.2		1.2	40.0	85.2	63.3	76.9		
	Maths	53.3	−12.2	−21.2				51.9	−8.3	−11.1	70.2			38.9		−4.2	51.4	22.4	22.1	77.7		
	Science	41.7	−21.5	−27.2				51.0	0.6	−4.9	62.9			35.0		1.7	44.5	68.6	48.3	67.7		
Early leavers from education (18–24) (%)		21.3	−30.4	−33.2	26.3	1.5	−17.3	5.7	11.8	−13.6	11.4		−26.5	7.4	−14.9	−9.8	36.4	−2.9	−15.5			
Persons not in employment, education or training (NEET) (15–24) (%)		32.8	−1.8	4.5	27.7	7.4		19.1	7.3	−2.6	24.7	2.1	−3.1	19.9	2.1	−5.2	23.9	−6.3	−26.0	31.4	−11.0	
Students in VET programmes in upper secondary (%)		19.5	25.0	37.3	74.2	1.1	−0.4	67.2		−1.5	58.2	0.2	−0.2	75.1	−0.8	−1.3	46.4	2.2	14.6	50.8	−10.4	−8.3
Students in VET programmes in upper secondary (000)		27.3	12.3	36.3	106.7	−12.7	−2.4	19.7		−8.6	46.7	−10.5	−15.9	197.5	−6.9	−9.6	2513.9	10.8		42.6	−28.4	−25.8
Educational attainment of active population (15+) (%)	Low	44.1	−9.1		17.7	−10.2	−14.1	24.2	2.1	5.2	23.9	−6.3	−15.5	17.0	−17.1	−22.7	58.3	−3.5	−8.5	19.3	−16.1	
	Medium	37.2	6.9		66.6	4.2	0.8	47.7	−2.1	−14.5	52.5	−2.1	0.4	58.7	0.9	−0.3	20.4	−0.5		55.4	3.0	
	High	18.7	12.0		15.7	−4.3	18.0	28.0	1.4	32.1	23.6	12.9	21.0	24.2	13.1	26.0	21.3	11.5	34.0	25.3	9.1	
Expenditure on education as share of GDP (%)		3.1	−3.1	−8.8				4.0			4.3	−6.5	−4.4	4.2	−2.3	−8.7	5.1	2.0		4.4		15.8
Total population (000)		2 886	−0.4	−1.1	3 819	−0.3	−0.6	622	0.2	0.5	2 069	0.3	0.8	7 114	−1.0	−2.6	74 741	−1.2	3.0	1 772	−2.7	−19.7
Relative size of youth population (15–24) (%)		18.1	−11.3	−17.7	15.3	−5.6	−5.6	19.6	−2.0	−6.7	21.5	7.0		16.7	−1.2	−7.7	21.3	−1.4	−7.0	28.6	−1.4	

Sources: National statistical offices, Eurostat, UNESCO Institute for Statistics, World Bank, OECD, UNPD, ILOSTAT.
Legend:
D13: percentage change from 2013 – [lay-2013]/(2013)*100
D10: percentage change from 2010 – [lay-2010]/(2010)*100
Yellow cells: positive value of change; Purple cells: negative value of change
lay: last available year
Low: ISCED 0–2; Medium: ISCED 3–4; High: ISCED 5–8
Notes:
MK, RS, TR: 2014 break in time series for Unemployment rate by education, NEETs rate, Educational attainment of active population, Early school leavers, Lifelong learning, and Tertiary educational attainment
RS: Break in time series for all indicators except Expenditure on education, Students in VET programmes, Total population, and Relative size of youth population
Employment rate – AL: 2012 break in time series
Unemployment rate – ME, MK, TR: 15–74; XK: 15–64; AL, BA: 15+
Unemployment rate by education – AL, BA: 15+; TR: 15–74; XK: 15–64
Youth unemployment rate – AL: 15–29
Youth unemployment ratio – AL: 15–29; XK: lay 2014; TR: 2014 break in time series
Skill gaps – lay: 2013
Lifelong learning – TR: lay 2016; AL, ME: data received
Tertiary educational attainment – XK: lay 2014; TR: lay 2016; ME, RS: data received
Underachievement in reading, mathematics and science (OECD PISA) – D13 is calculated on 2012–15; D10 is calculated on 2009–15
RS: lay 2012; D10 is calculated on 2009–12
Early school leavers – TR: lay 2016; ME, RS: data received
NEET – AL: 15–29; BA, ME, RS: data received
Students in VET programmes in upper secondary (% and total) – TR: lay 2014; TR: 2013 break in time series; MK, XK: lay 2016; XK: only public schools
Educational attainment of active population – MK: 25+; XK: 25–64; TR: 15–74
Expenditure on education as share of GDP – MK, RS, TR, XK: lay 2014; ME: lay 2011, data received
Total population – AL, ME, TR: lay 2016; AL: data received
Relative size of youth population – AL: 15–29; RS: lay 2014; AL, ME: lay 2016
National educational levels (specific for Unemployment rate by education, and Educational attainment of active population; those not mentioned fulfil the standard definition) –
BA: Low = primary school or less; Medium = secondary school; High = tertiary
ME: Low = less than primary, primary and vocational education after primary; Medium = secondary; High: tertiary
RS: Low = no formal education, incomplete primary, primary; Medium = secondary; High = higher school, university
XK: Low = no school, I–VII/IX classes; Medium = secondary; High = tertiary

ANNEX 2. SEET 2016–17 TORINO PROCESS AND EU 2020 TARGETS IN EDUCATION AND EMPLOYMENT

			AL		BA		ME		MK		RS		TR		XK		EU		EU 2020 objectives
			2015	2013	2015	2013	2015	2013	2015	2013	2015	2013	2015	2013	2015	2013	2015	2013	
Headline targets	Early leavers from education (18–24) (%)		21.3	30.6	26.3	25.9	5.7	5.1	11.4	11.4	7.4	8.7	36.4	37.5			11.0	11.9	< 10%
	Tertiary educational attainment (30–34) (%)		22.1	15.7	17.2	15.7	31.0	28.0	28.6	23.1	28.9	25.3	23.6	19.5	10.0		38.7	37.1	≥ 40%
	Employment rate (20–64) (%)		59.3	56.7	43.2	42.8	56.7	52.6	51.9	50.3	55.9	51.2	53.9	53.4	29.1	33.0	70.1	68.4	≥ 75%
Other targets	Participation in lifelong learning (25–64) (%)		1.0	1.5	2.3	2.5	3.0	3.0	2.6	3.7	4.8	4.0	5.5	4.5			10.7	10.7	≥ 15%
	Underachievement in PISA (%)	Reading	50.3	52.3			41.9	43.3	70.7			33.1	40.0	21.6	76.9		19.7	17.8	< 15%
		Maths	53.3	60.7			51.9	56.6	70.2			38.9	51.4	42.0	77.7		22.2	22.1	
		Science	41.7	53.1			51.0	50.7	62.9			35.0	44.5	26.4	67.7		20.6	16.6	
	Employment rate of recent graduates (20–34) (%)						50.2	46.4	48.0	43.3			61.9	61.7	22.3		76.9	75.4	≥ 82%

Sources: *National statistical offices, Eurostat, OECD*

Notes:

MK, RS, TR, EU: 2014 break in time series

Tertiary educational attainment – XK: last available year 2014

PISA – 2013 column refers to 2012 data

Employment rate of recent graduates – XK: last available year 2014; ME: no information on 'having successfully completed their highest educational attainment one, two or three years before the survey'

ACRONYMS

ALMP	Active labour market policy
AQF	Albanian Qualifications Framework
CPD	Continuing professional development
CVET	Continuing vocational education and training
EQAVET	European Quality Assurance in Vocational Education and Training
EQF	European Qualifications Framework
ERP	Economic Reform Programme
ET 2020	Education and Training 2020 – Strategic framework for European cooperation in education and training
ETF	European Training Foundation
EU	European Union
EU-28	European Union Member States
GDP	Gross domestic product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Technical Assistance Agency)
ICT	Information and communication technology
ISCED	International Standard Classification of Education
IT	Information technology
IVET	Initial vocational education and training
LFS	Labour force survey
MTD	Medium-term deliverable
NEET	Young people not in employment, education or training
NQA	National Qualifications Authority (Kosovo)
NQF	National qualifications framework
OECD	Organisation for Economic Cooperation and Development
PISA	Programme for International Student Assessment
SEE	South Eastern Europe
SEET	South Eastern Europe and Turkey
SME	Small and medium-sized enterprise
USAID	United States Agency for International Development
VET	Vocational education and training
VNFIL	Validation of non-formal and informal learning
VTC	Vocational training centre
WBL	Work-based learning

COUNTRY CODES

AL	Albania
BA	Bosnia and Herzegovina
ME	Montenegro
MK*	the former Yugoslav Republic of Macedonia
RS	Serbia
TR	Turkey
XK*	Kosovo

* Two-letter code yet to be defined. The provisional code MK does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations. XK is the provisional code used by Eurostat.

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