

# Middle East and North Africa Regional Synthesis Report

Workforce Development

July 2015



System Approach for Better Education Results

Workforce Development

# Middle East and North Africa Regional Synthesis Report

July 2015

Dina Abu-Ghaida  
Simon Thacker



Systems Approach for Better Education Results



# Contents

- ACRONYMS AND ABBREVIATIONS** ..... v
- EXECUTIVE SUMMARY**..... vi
- CHAPTER 1: INTRODUCTION** ..... 1
- CHAPTER 2: REGIONAL CONTEXT**..... 4
- CHAPTER 3: KEY FINDINGS AND POLICY IMPLICATIONS** ..... 8
- CHAPTER 4: ALIGNING WORKFORCE DEVELOPMENT WITH KEY ECONOMIC AND SOCIAL PRIORITIES**..... 11
  - Policy Goal 1: Strategic Direction ..... 11
  - Policy Goal 2: A Demand-Led Approach to WfD ..... 12
  - Policy Goal 3: Strengthening Critical Coordination ..... 14
- CHAPTER 5: GOVERNANCE OF THE WORKFORCE DEVELOPMENT SYSTEM** ..... 17
  - Policy Goal 4: Efficient and Equitable Funding ..... 17
  - Policy Goal 5: Relevant and Reliable Standards ..... 19
  - Policy Goal 6: Diversified Pathways for Skills Acquisition..... 20
- CHAPTER 6: MANAGING SERVICE DELIVERY FOR RESULTS ON THE GROUND**..... 22
  - Policy Goal 7: Diversity and Excellence ..... 22
  - Policy Goal 8: Relevance ..... 24
  - Policy Goal 9: Accountability..... 26
- CHAPTER 7: CONCLUSION**..... 29
  - Annex 1: Palestinian Territories Country Report Matrix of Actions and Priority Areas..... 31
  - Annex 2: Key Findings of SABER Multiyear Country Report (2013) for Republic of Korea ..... 35
- REFERENCES**..... 38

## List of Figures

Figure 1. Functional dimensions and policy goals of the SABER WfD framework .....	2
Figure 2. SABER WfD scoring rubric .....	3
Figure 3. Quality of education is below international standards .....	5
Figure 4. Perceived skills shortages (share of firms identifying inadequately educated workforce as a major constraint for business operations and growth, by region and selected countries, 2005–11) .....	5
Figure 5. Declining enrollment in TVET, Arab States and worldwide .....	7
Figure 6. Summary of scores for seven MENA countries .....	9

## List of Tables

Table 1. Scores, Mean Scores, and Measure of Dispersion of Points by Variance, by Country .....	10
---	----

## List of Boxes

Box 1: Palestinian Territories—Employer Role at Local Level and in Donor-Funded Projects .....	14
Box 2: Tunisia—Regional Good Practice on Promoting Relevance .....	26

# Acronyms and Abbreviations

<b>ALECSO</b>	Arab League Educational, Scientific, and Cultural Organization
<b>ALMP</b>	active labor market policy
<b>CVET</b>	continuing vocational education and training
<b>DCI</b>	data collection instrument
<b>E4E</b>	education for employment
<b>EDI</b>	Education for All Development Index
<b>EFA</b>	Education for All
<b>EMIS</b>	education monitoring and information system
<b>EQF</b>	European Qualifications Framework
<b>ETP</b>	Enterprise TVET Partnerships
<b>E-TVET</b>	Employment, Technical and Vocational Education Training
<b>EU</b>	European Union
<b>GER</b>	gross enrollment ratio
<b>GIZ</b>	German International Cooperation agency
<b>ICT</b>	information and communications technology
<b>ILO</b>	International Labor Organization
<b>IT</b>	information technology
<b>IVET</b>	initial vocational education and training
<b>LET</b>	local employment and training
<b>LM</b>	labor market
<b>MENA</b>	Middle East and North Africa (region)
<b>NER</b>	net enrollment ratio
<b>NQF</b>	National Qualifications Framework
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>PIAAC</b>	Programme for the International Assessment of Adult Competencies (OECD)
<b>SABER</b>	Systems Approach for Better Education Results (World Bank)
<b>SME</b>	small and medium enterprise
<b>STEP</b>	Skills Toward Employment and Productivity
<b>TAFE</b>	technical and further education
<b>TVET</b>	technical and vocational education and training
<b>UNESCO</b>	United Nations Educational, Scientific, and Cultural Organization
<b>WB</b>	World Bank
<b>WfD</b>	workforce development

# Executive Summary

The workforce development (WfD) systems of the seven MENA countries studied in this exercise—Egypt, Iraq, Jordan, Morocco, the Palestinian Territories, Tunisia, and Yemen—were evaluated using the Systems Approach for Better Education Results (SABER) workforce development diagnostic tool and scored similarly in many aspects. Broadly, the seven MENA countries’ WfD systems remain very much in need of policy and institutional reform in order to better match skills demand with skills supply. With respect to the three system dimensions identified by the SABER tool, the seven countries show more variation among their strategic frameworks and, on average, score better in this dimension, while they score lower and more similarly on the dimensions of system oversight and service delivery.

Since there are regional patterns, a regional approach to developing WfD systems in MENA is warranted. Where the region demonstrates more varied experience across different countries—in particular, regarding their strategic frameworks—learning within the region potentially promises to yield benefits for lagging countries. However, where the region as a whole exhibits relatively little variation and low average performance, as is the case for system oversight and service delivery, policy makers will likely benefit from examining well-performing systems outside the region.

In either case, the benchmarking of each country’s current system by the SABER WfD tool offers an excellent diagnostic baseline on which national policy makers can begin to build. Many recommendations on the three SABER WfD dimensions are made in this report, including:

**Strategic Framework:** (i) identify and reinforce or develop a national, apex-level WfD body that has a recognized mandate to lead all WfD reform initiatives and coordinates strategic policies for WfD; (ii) provide real opportunities for industry and other relevant stakeholders to play an active role in planning, oversight, and delivery of workforce training, taking into account the prevalence of small and medium

enterprises (SMEs) in the region; and (iii) coordinate the actions of all stakeholders in pursuit of the goal of education for employment, in part by ensuring that the mandates and incentives of relevant actors are aligned.

**System Oversight:** (i) reform WfD financing in order to diversify funding sources; consider experimenting with innovative funding mechanisms to create incentives for performance; (ii) develop, implement, and evaluate a set of competency-based standards (a National Qualifications Framework, or possibly a Regional Qualifications Framework, needs to be established to improve the responsiveness of training providers to labor market needs, and the delivery of private sector training needs to be strengthened through appropriate incentives and the development of an accreditation system); and (iii) reform technical and vocational education and training (TVET) so that it is perceived to be on equal footing with general education, while creating pathways in and out of TVET.

**Service Delivery:** (i) experiment with new governance arrangements for public sector training providers with the goal of enhancing their autonomy and accountability for results; (ii) support training providers to meet quality standards and to deliver market-relevant programs; and (iii) take concrete steps to foster a culture of monitoring and evaluation, as well as information dissemination, in order to advance accountability in WfD systems.

The SABER WfD diagnostic tool does not prioritize needed reforms. The outstanding question thus becomes: Do certain reforms take precedence over others? In this regard, it stands to reason that establishing a clear vision, strategy, and mandate for WfD reform is an essential prerequisite. The experience of well-performing systems points precisely to a need for a proper strategic framework in order to facilitate further reforms. Visionary leadership is therefore essential; the World Bank can play an important role here in identifying and building the capacity of potential in-country champions.

## Introduction

The Middle East and North Africa (MENA) region enjoyed a decade of rapid economic growth prior to the global financial crisis of 2008. The crisis sapped economic growth, tightened budgets, and led to widespread unemployment. The events of the Arab Spring heightened these issues, making it more urgent to boost the region's economic competitiveness. These events also renewed concerns about the implications of its rapidly growing youth population, often referred to as the "youth bulge." While no panacea, workforce development (WfD) is nonetheless viewed by MENA governments as an important means to improve the area's socioeconomic prospects.

To inform policy dialogue on these important issues, this report presents a synthesis of a comprehensive diagnostic of the WfD policies and institutions of seven MENA countries (Egypt, Iraq, Jordan, Morocco, the Palestinian Territories, Tunisia, and Yemen) and in so doing, begins to outline the WfD landscape of the region as a whole.

The results are based on a new World Bank tool that is part of the World Bank initiative, Systems Approach for Better Education Results (SABER).<sup>1</sup> The aim of SABER is to provide systematic documentation and assessment of the policy and institutional factors that influence the performance of education and training systems. The SABER WfD tool encompasses initial, continuing, and targeted vocational education and training offered through multiple channels and focuses largely on programs at the secondary and postsecondary levels.

The tool is based on an analytical framework that identifies three functional dimensions of WfD policies and institutions:<sup>2</sup>

1. *Strategic framework*: the praxis of advocacy, partnership, and coordination needed to align WfD in critical sectors with national development priorities;
2. *System oversight*: the arrangements governing funding, quality assurance, and learning pathways. These arrangements shape the incentives and information signals that influence the choices of individuals, employers, training providers, and other stakeholders; and
3. *Service delivery*: the diversity, organization, and management of training, whether by state or non-state actors, that enables individuals to acquire market- and job-relevant skills.

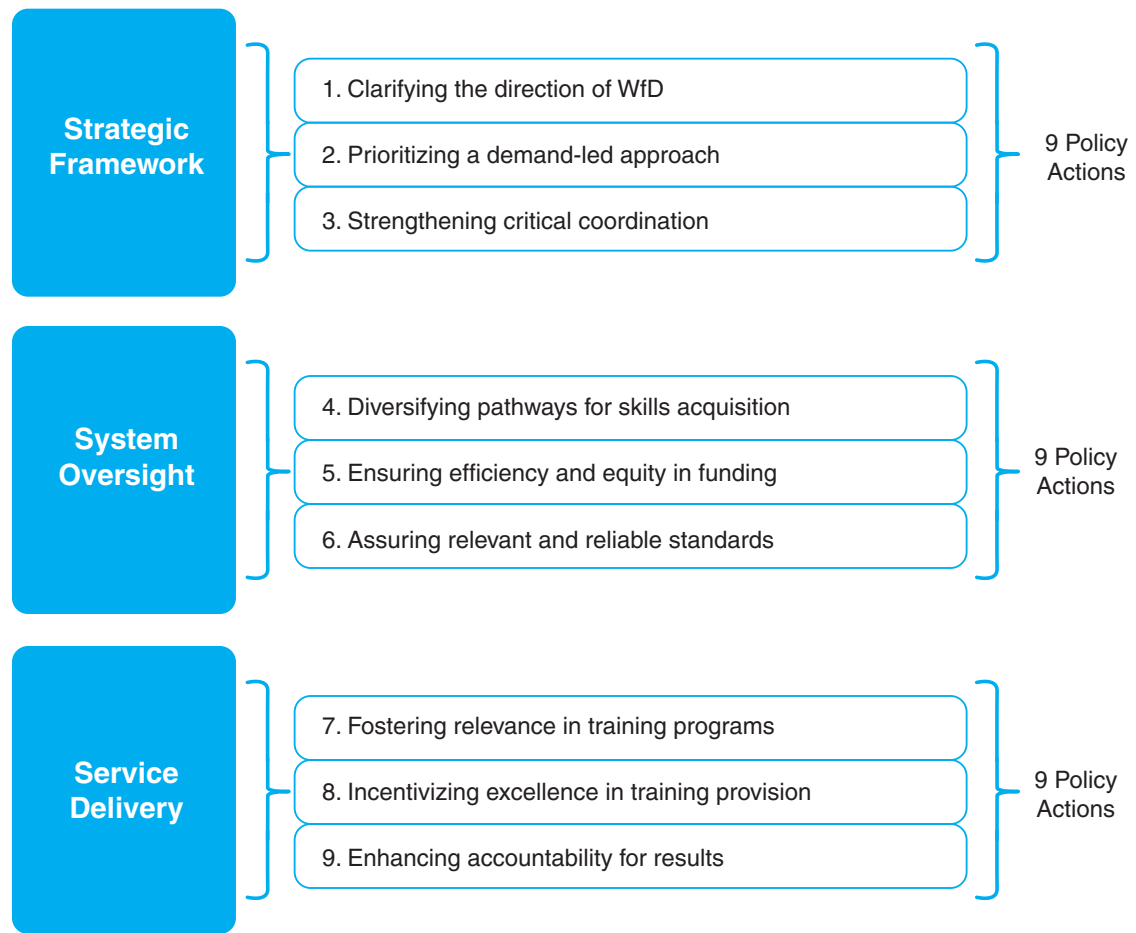
Taken together, these three dimensions allow for systematic analysis of the functioning of a WfD system as a whole. The SABER WfD framework focuses on the institutional structures and practices of public policy making and what they reveal about the system's capacity to conceptualize, design, coordinate, and implement policies in order to achieve results on the ground. Each dimension is composed of three policy goals that correspond to important functional aspects of WfD systems (Figure 1). These goals are further broken down into discrete policy actions and topics that reveal more detail about the system.

Data is gathered using a structured SABER WfD data collection instrument (DCI) designed to collect, to the extent possible, facts rather than opinions about WfD

<sup>1</sup> For details on SABER, see <http://www.worldbank.org/education/saber>.

<sup>2</sup> For an explanation of the SABER WfD framework, see World Bank (2013b).



**FIGURE 1. Functional dimensions and policy goals of the SABER WfD framework**

Source: Reproduced from World Bank (2013b, 33).

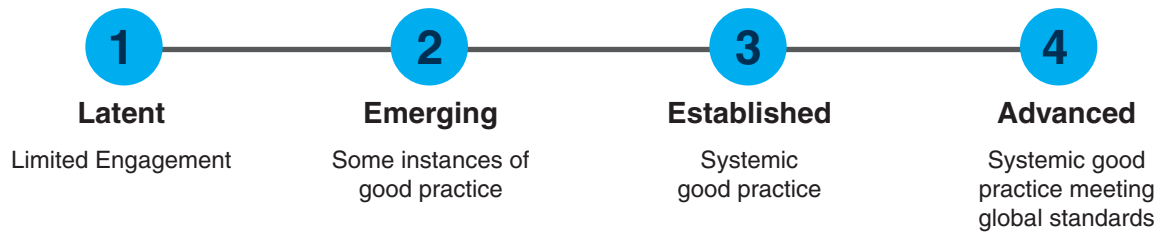
policies and institutions. For each topic, the DCI poses a set of multiple-choice questions that are answered based on documentary evidence and interviews with knowledgeable informants. The answers allow each topic to be scored on a four-point scale against standardized rubrics based on available knowledge of global good practices (Figure 2).<sup>3</sup> Topic scores are then averaged to produce policy goal scores, which them-

<sup>3</sup> Since the composite scores represent averages of the underlying scores, they are rarely whole numbers. Thus for a given composite score,  $X$ , the conversion to the categorical rating is based on the following rule:  $1.00 \leq X \leq 1.75$  converts to "Latent";  $1.75 < X \leq 2.50$ , to "Emerging";  $2.50 < X \leq 3.25$ , to "Established"; and  $3.25 < X \leq 4.00$ , to "Advanced."

selves are aggregated to produce dimension scores. The results are then validated by relevant national counterparts, including the informants themselves.

The rest of this report summarizes the key findings of the SABER WfD assessment for the seven countries benchmarked in this exercise, presenting detailed results for each of the nine policy goals in the three functional dimensions. This benchmarking was carried out over the period 2012–2013. To put this assessment into context, the report begins with a brief profile of the region's socioeconomic makeup as it relates to workforce development.

**FIGURE 2.** SABER WfD scoring rubric



Source: World Bank (2013b).

## Regional Context

The MENA region has a relatively large share of untapped human resources, meaning that a high share of the working-age population is either inactive or suffers from high unemployment rates (as compared with other middle-income regions, such as the Europe and Central Asia Region or the Latin America and Caribbean Region).<sup>4</sup> This is particularly true for women: three out of four working-age women are not participating in the labor force, making up 80–90 percent of MENA’s inactive population. In addition, unemployment overwhelmingly affects youth and women. In most MENA countries, the majority of the unemployed are medium- or low-skilled workers. The exceptions here are Egypt and Tunisia, where the highly educated are more likely to be unemployed.

Public sector employment continues to make up 60–80 percent of total formal employment in the Gulf countries, as well as in Egypt, Iraq, Jordan, and, to a lesser extent, Tunisia. Furthermore, Gallup data on individual preferences show that in some countries, the overwhelming majority of the population would rather work in the public sector despite its limited productivity, given the desirable pay and benefits that it offers. Hiring rates in the public sector have declined over time in the non-oil exporting countries, but this has not affected the desirability of public sector jobs even among the young generation. In order to improve their chances of securing such a job, young people choose advanced degrees that are not as relevant to the private sector, leaving graduates without the skills demanded by the market. In Tunisia, for example, a recent tracer study found that almost 50 percent of graduates in the humanities and law (degrees favored for public sector jobs) had still not found a job 3.5 years after graduation, while

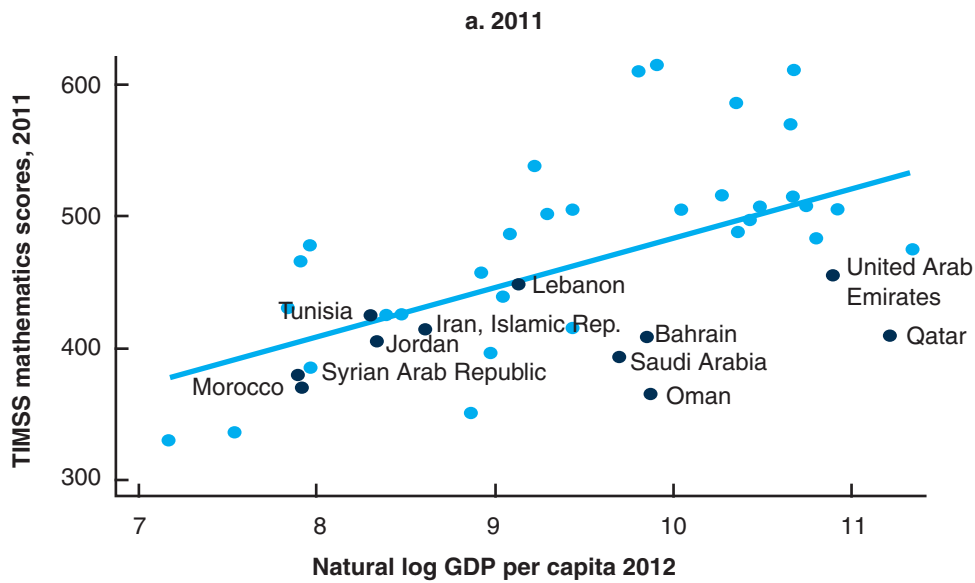
more than 80 percent of medical school graduates had found a job by that time.

Young people in MENA, in fact, not only show strong preferences for and expectations of public sector jobs (which offer pay as well as stability), but also highly paid private sector jobs. Yet private sector demand for labor is sluggish and public sector hiring rates are declining (at least in some countries), resulting in limited numbers of jobs relative to new labor-market entrants. The combination of the above two factors means that the transition from school to work for youth is either slow or incomplete, meaning the period of entry into the labor market for first-time job seekers is long. Arguably, in moving from school to work, youth in MENA need to make not just a single, but a double transition: first, they need to obtain skills, competencies, and credentials of sufficient quality to become employable; and second, they need to position themselves in a labor market characterized by poor signaling and substantial segmentation.

Regarding the first transition, MENA countries have significantly expanded access to education over the past decades, with substantial growth in enrollment in secondary and tertiary education. However, employability—defined as the capital represented by skills, competencies, academic certificates, and professional qualifications, as well as the capacity to function in a job—remains a challenge in the region. The quality of learning in MENA, as measured by international standardized tests, is still below the expected level, given per capita income in the countries of the region (Figure 3). At the same time, there is evidence of pervasive skills mismatches. More firms in MENA than in other regions claim that inadequate labor force skills, both technical and soft, hamper growth (Figure 4). The poor links between

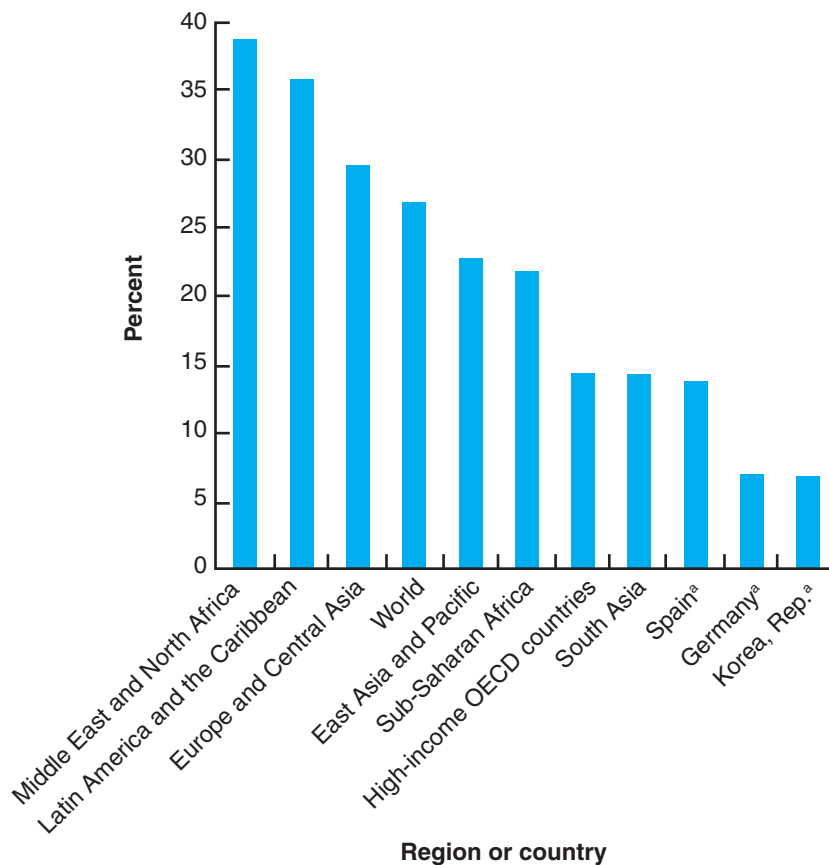
<sup>4</sup> This section draws extensively on World Bank (2013a).

**FIGURE 3.** Quality of education is below international standards



Source: World Bank. 2013a. *Jobs for Shared Prosperity: Time for Action in the Middle East and North Africa*. Washington, DC: MNSHD, World Bank, page 172.

**FIGURE 4.** Perceived skills shortages (share of firms identifying inadequately educated workforce as a major constraint for business operations and growth, by region and selected countries, 2005–11)



Source: World Bank (2013a).  
Notes: OECD—Organization for Economic Co-operation and Development.  
a. 2005.

the educational system and the private sector are one of the key factors contributing to this state of affairs. In MENA, educational and training systems lack the information to respond to the needs of the private sector, and the private sector lacks the capacity or the interest to play a role in a demand-driven skills development system. This miscommunication is a particular concern for the TVET system, in which employers play a crucial role in ensuring that the skills acquired are relevant to the labor market.

Regarding the second transition that MENA youth must make in order to find a job, the evidence suggests that in many countries of the region, individuals obtain desirable jobs not based on effort or merit (as measured by education and experience), so that formal degrees have limited signaling value. Instead, other factors, many of which may be well beyond the individual's control, can dominate job search and hiring decisions. These factors can include a person's circumstances, such as gender, location, or parents' educational level. Other factors, such as trust and personal or family connections, can be equally important. The prevalence of informal job-matching methods is consistent with small and family owned firms—the norm in the private sector of MENA countries—that have little to no incentive to invest in a wide talent search.

## Brief Diagnostic of the Educational Sector in the Region

The education sector in the region can be briefly characterized using several criteria.

### Educational Coverage

Enrollment in the region's school systems has increased significantly over the past decade, to the point where universal primary education has been achieved in most of the MENA region. Gross enrollment ratios (GER) in primary school climbed from 98 to 109 percent between 2000 and 2012; net enrollment ratios (NER) rose in parallel, from 85 to 95 percent. Secondary school enrollment increased as well, although not to the same degree. The secondary GER climbed from 69 to 81 percent, and NER, from 62 to 73 percent, over the same period.<sup>5</sup>

<sup>5</sup> See UNESCO Institute of Statistics table at <http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=182>.

### Literacy

One result of the push for greater access is that literacy rates for the adult population (defined as 15+ years old) in the region have improved dramatically in the last 20 years, rising from 58 percent in 1990 to 80 percent in 2012.

### Educational Quality

Nevertheless, most education specialists agree that school systems in general in the Arab world are often of low quality and poor relevance. As noted above, the quality of learning in MENA, as measured by international standardized tests, is still below expected levels (Figure 3) and evidence points to pervasive skills mismatches (Figure 4).

### Inequity

Disparities continue to exist in the region's school systems in many forms. Educational outcomes are unequal between genders, along the urban/rural divide, and by socioeconomic status in all countries of the region—regardless of whether a country is in the low-, middle-, or high-income category, or located in the Maghreb, the Levant, or the Gulf.

### Financing

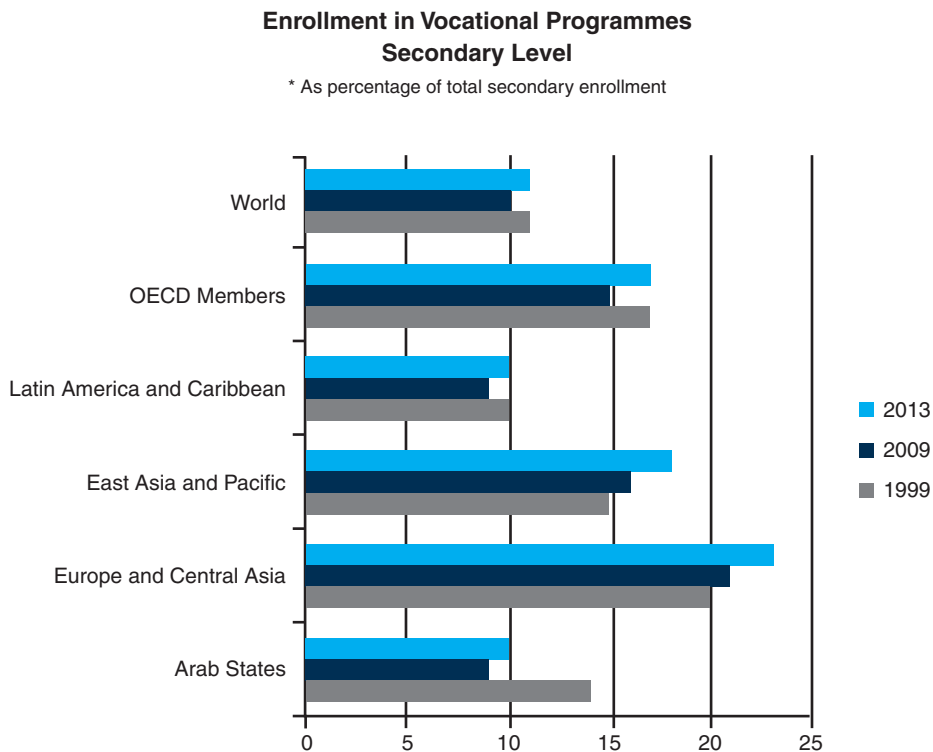
Educational spending in MENA, both as a percentage of GDP and as a percentage of total government expenditure, remains among the highest in the world. Given this fact, together with the modest results of the region's school systems, it is clear that the region is *not getting what it pays for*.

### Education for All Strategy

The objective of UNESCO's Education for All (EFA) Strategy is to improve the access, equity, and quality of education systems worldwide. To measure progress in these three domains in a combined manner, the Education for All Development Index (EDI) was developed.<sup>6</sup> The composite index represents the goals of universal primary education, adult literacy, educational quality, and gender equity. MENA countries have made progress towards Education for All goals, though no country has achieved an EDI between 0.97 and 1. Bahrain, Kuwait, and the United Arab Emirates

<sup>6</sup> For further information on the EDI, see the explanation on the UNESCO site: <http://www.unesco.org/new/en/education/themes/leading-the-international-agenda/efareport/statistics/efa-development-index/>.

**FIGURE 5. Declining enrollment in TVET, Arab States and worldwide**



Source: Edstats, 2012, World Bank

are nevertheless close, with EDIs of between 0.95 and 0.96. Six countries (Algeria, Jordan, Lebanon, Oman, the Palestinian Territories, and Qatar) are in an intermediate position, with EDI values ranging from 0.8 to 0.94. Behind these, Morocco is still progressing towards EFA goals, with an EDI below 0.8 (UNESCO 2012).

**Current TVET Systems**

There is a very definite sense in the region today that TVET is a “second-choice, second-rate” option, an alternative for those who cannot succeed academically or who cannot be accommodated by higher education.<sup>7</sup> It is likely that the low quality and poor relevance of the training provided in the region underpins this sentiment, which leaves TVET graduates ill equipped for the labor market and facing poor job prospects.

The result is weak interest in TVET on the part of students. The evidence shows that, over the past decade,

student demand for TVET in MENA has declined, while the opposite trend is observed for upper secondary and tertiary education. Of course, the decreasing demand for TVET is a worldwide phenomenon, but as Figure 5 shows, it is particularly dramatic in Arab states, where there has been a drop of 14 percentage points from 1999 to 2009: from 34 to 20 percent of total secondary education enrollment. At the same time, employers in the region complain of not finding adequately trained graduates for positions they wish to fill, so the drop in TVET enrollment appears to be declining due to demand and not supply (IFC 2011).

**Future TVET Systems**

The challenge is for TVET systems to provide students with the skills required in the labor market, while at the same time offering satisfactory alternatives to individuals without an academic profile. Although there are some examples of successful TVET initiatives in the region,<sup>8</sup> these are the exceptions to the rule.

<sup>7</sup> TVET systems have been used with limited success as part of active labor market policies (ALMPs) to combat youth unemployment in the region and, to a lesser extent, to help retrain workers affected by economic restructuring.

<sup>8</sup> The private university ESPRIT in Tunisia is notable in this context. See Chapter 6, policy goal 8, of this report for more details.

## Key Findings and Policy Implications

This chapter highlights the findings of the WfD system assessments in the seven countries benchmarked in this exercise, based on the SABER WfD tool. To repeat, the WfD tool focuses on policies, institutions, and practices in three important functional dimensions of policy making and implementation: strategic framework, system oversight, and service delivery. Because these aspects collectively create the operational environment in which individuals, firms, and training providers (both state and non-state) make decisions with regard to training, they exert an important influence on observed outcomes in skills development. Strong WfD systems have institutionalized processes and practices for reaching agreement on priorities, promoting collaboration and coordination, and generating routine feedback that sustains continuous innovation and improvement. By contrast, weak systems are characterized by fragmentation, duplication of effort, and limited learning from experience.

The SABER WfD assessment results summarized below provide a baseline for understanding the current status of WfD systems in the seven countries studied, and thus of the entire region to some degree. The results also provide a basis for discussing how best to strengthen WfD systems in the coming years.

### Overview of Scores

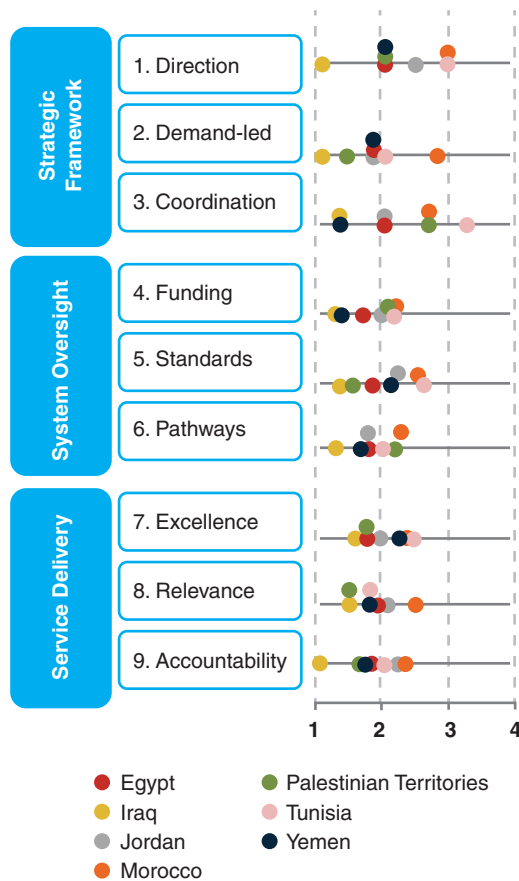
The scores for the WfD systems of the seven countries are depicted graphically in Figure 6 and numerically (including mean and variance) in Table 1. Some interesting patterns are seen: policy goals 1–3 (strategic framework dimension) show the greatest variance, with policy goals 1 and 3 exhibiting two of the three highest means among all policy goals. By contrast,

policy goals 4–9 show markedly lower variation across the seven countries and lower means (with the possible exceptions of goals 5 and 7). As a group, the WfD systems of the countries of the region are therefore further advanced in terms of the strategic framework dimension than in the system oversight and service delivery dimensions. MENA countries acknowledge the importance of implementing a new vision for WfD, together with new strategies and new coordinating mechanisms, all of which would translate into a higher overall mean score for the strategic framework dimension.

The text that follows explores the underlying root causes of similarities and differences in specific policy goals, as well as the strengths and weaknesses of each respective country's WfD system. The findings show that in order for WfD systems in the region to develop, it will be important to do the following in each of the three dimensions:

- 1. Strategic Framework** (policy goals 1–3):
  - Identify and reinforce or develop a national apex-level WfD body with a recognized mandate to lead all WfD reform initiatives and coordinate strategic WfD policies.
  - Provide real opportunities for industry and other relevant stakeholders to play an active role in planning, oversight, and delivery of workforce training.
  - Coordinate the actions of all stakeholders in education for employment.
- 2. System Oversight** (policy goals 4–6):
  - Reform WfD financing in order to diversify funding sources; consider experimenting with

**FIGURE 6.** Summary of scores for seven MENA countries



innovative funding mechanisms to create incentives for performance.

- Develop, implement, and evaluate a set of competency-based standards. A National Qualifications Framework, or possibly a Regional Qualifications Framework, needs to be established in order to improve the responsiveness of training providers to labor market needs. In addition, private sector training delivery needs to be strengthened through appropriate incentives and the development of an accreditation system.
- Reform TVET education so that it is perceived to be on equal footing with general education, while creating pathways in and out of TVET.

**3. Service Delivery** (policy goals 7–9):

- Help training providers meet quality standards and deliver market-relevant programs.
- Experiment with new governance arrangements for public sector training providers to enhance their autonomy and accountability for results.
- Take concrete steps to foster a culture of monitoring and evaluation, as well as information dissemination, in order to advance accountability in WfD systems.



**TABLE 1. Scores, Mean Scores, and Measure of Dispersion of Points by Variance, by Country**

	Policy Goal	Egypt	Iraq	Jordan	Morocco	Palestinian Territories	Tunisia	Yemen	Variance	Mean
Strategic Framework	1. Setting a Strategic Direction	2	1	2.5	3	2	3	2	0.49	2.2
	2. Fostering a Demand-Driven Approach	1.8	1	1.8	2.8	1.4	2	1.8	0.31	1.8
	3. Strengthening Critical Coordination	2	1.3	2	2.7	2.7	3.3	1.3	0.57	2.2
System Oversight	4. Ensuring Efficiency & Equity in Funding	1.7	1.3	2	2.2	2.1	2.2	1.4	0.14	1.8
	5. Assuring Relevant & Reliable Standards	1.8	1.3	2.2	2.5	1.5	2.6	2.1	0.24	2
	6. Diversifying Pathways for Skills Acquisition	1.8	1.3	1.8	2.3	2.2	2	1.7	0.11	1.9
Service Delivery	7. Enabling Diversity & Excellence in Training Provision	1.8	1.6	2	2.4	1.8	2.5	2.3	0.12	2.1
	8. Fostering Relevance in Public Training Programs	1.9	1.5	2.1	2.5	1.5	1.8	1.8	0.12	1.9
	9. Enhancing Evidence-based Accountability for Results	1.8	1	2.2	2.3	1.6	2	1.7	0.19	1.8

## Aligning Workforce Development with Key Economic and Social Priorities

Workforce development is not an end in itself, but a means of achieving broader objectives: boosting employability and productivity, relieving skills constraints on business growth and development, and advancing overall economic growth and social well-being. Within the SABER WfD framework, achieving these objectives requires actions to advance the three policy goals of setting a strategic direction for WfD; fostering a demand-led approach to WfD; and ensuring coordination among key WfD leaders and stakeholders. Based on the WfD assessments, ratings for these policy goals are presented and explained below, followed by a reflection on their implications for policy dialogue.

### Policy Goal 1: Strategic Direction

Leaders play an important role in crystalizing a strategic vision for WfD that is appropriate for a given country's unique circumstances and opportunities. The advocacy and commitment of these leaders attract partnerships for the common good, build public support for key WfD priorities, and ensure that policy dialogue addresses critical issues. Taking these ideas into account, policy goal 1 assesses the extent to which apex-level leaders in government and the private sector provide sustained advocacy for WfD priorities through institutionalized processes. The commitment of top-level leaders to any particular cause is admittedly difficult to quantify. To document commitment to WfD, questions are used that reveal: (i) the extent of collaboration on shared strategic priorities among the champions of WfD; (ii) the specificity of their actions in advancing the WfD agenda; and (iii) attention to follow up through systematic monitoring and tracking of implementation progress.

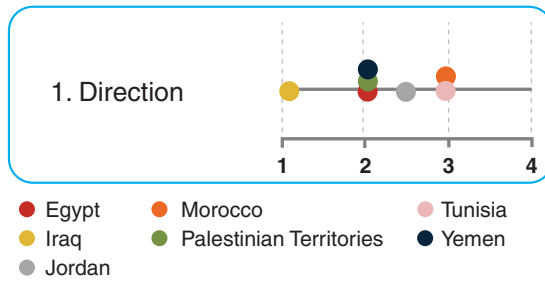
### Example of International Good Practice

In reviewing the pattern of growth over the past few decades, the Commission for Growth and Development (2008) has emphasized the importance of “leaders who are committed to achieving growth and who can take advantage of opportunities from the global economy.”<sup>9</sup> With respect to workforce development that supports growth, East Asia's fastest-growing economies over the past 50 years—South Korea, Taiwan, China, and Singapore, among others—provide the clearest examples of how leaders can shape the skills agenda. These nations have built a strong foundation in basic skills through general education for all and are now consistently among the top-performing nations in international educational assessments. At the same time, they have taken decisions to develop training systems that effectively equip workers with job-relevant skills in order to expand national technological capabilities. The increasing sophistication of exports from these countries is evidence of their success. National leaders achieved these advances by promoting consensus on a medium-term strategy with clear objectives and marshaling the necessary means to achieve them.

### The Region

Direction is the policy goal with the highest mean score and the highest variance, reflecting a diversity of experience among the seven countries studied.

<sup>9</sup> As cited in World Bank (2013b). For the original source, see: [http://growthcommission.org/index.php?Itemid=169&id=96&option=com\\_content&task=view](http://growthcommission.org/index.php?Itemid=169&id=96&option=com_content&task=view).



In many MENA countries, including Yemen and Morocco, WfD has become a main focus of donor agencies and individual countries, who often target specific sectors. For example, in Jordan, the Vocational Training Corporation has collaborated with USAID and the National Tourism Council on the “Siyaha” project, which targets the tourism sector. The role of donor agencies can be more prominent, as in the Palestinian Territories, where advocacy for WfD is currently coordinated by the German International Cooperation (GIZ) agency. This advocacy has taken the form of strategies and plans that focus on WfD, as well as routine calls for greater attention and resources for WfD—the most recent TVET strategy having been launched in 2010. GIZ drives implementation of the strategy, including the operation of national teams and a donor-coordinated approach to TVET. At the level of concerned ministries, there are implementation plans and monitoring reports for the education sector; there is also a vocational training plan at the Ministry of Labor. However, there is no overall monitoring of the implementation of TVET strategy.

When donor involvement is key, the question of sustainability arises, as exemplified by the Mubarak-Kohl Initiative-Dual System in Egypt, which set out to establish a partnership between schools and employers to improve skills needed for employment. Once German funding ended, the pilots were not scaled up and their successes were not mainstreamed.

In some countries, political commitment to TVET is nascent. In the case of Iraq, the will and commitment of different stakeholders to address WfD challenges has come to the forefront recently with the development of the National Strategy on Education 2010–2020 and a draft TVET strategy. Advocacy for WfD in Yemen is heard in political speeches—there is even a national day for TVET where exhibitions and public events are held to raise awareness regarding the subsector. However, this national day has rarely been celebrated or received media attention.

The absence of an overarching government champion capable of bringing multiple national and international stakeholders to consensus means that individual ministries or other actors may develop sectoral strategies, as is the case in Egypt, Jordan, and Morocco. Thus, in 2006, the Jordanian Ministry of Labor took the lead in developing a vision and mission for the E-TVET sector and subsequently translated the vision into an action plan, along with the establishment of the E-TVET Council and Fund Board, both chaired by the minister. While these actions provided a basis for reform, they did not constitute a comprehensive policy embracing all training providers (many are beyond the purview of the Ministry of Labor). In addition, the business community can provide some leadership for WfD, but their efforts are sporadic and focus on advancing sectoral agendas that may not be in line with national priorities, such as the Industrial, Tourism, or Construction Training Councils in Egypt, or the cooperation of the armed forces with the private construction sector in Jordan.

Tunisia provides a potential example of a broad partnership for implementing professional training reforms: for the first time, a social contract was concluded, in January 2013, by the government; the Tunisian Union for Industry, Commerce, and Handicrafts; and the Tunisian General Labor Union, indicating a new active partnership with respect to WfD.

### Implications of Regional Findings

The regional findings point to the need for stronger leadership by apex-level leaders in defining national strategies and following through on their implementation. In the absence of a unifying national strategy resulting from a broad consensus, governments run the risk of individual ministries or private sector actors implementing sectoral policies, often with the support of donors, which are not necessarily sustainable nor in line with national priorities.

## Policy Goal 2: A Demand-Led Approach to WfD

Effective advocacy for WfD requires credible assessments of the demand for skills, engagement of employers in shaping the country’s WfD agenda, and incentives for employers to support skills development. Policy goal 2 incorporates these ideas and benchmarks a WfD system based on the extent to which policies and institutional arrangements are

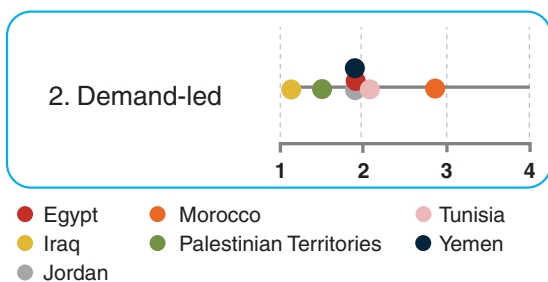
in place to: (i) establish clarity on the demand for skills and areas of critical constraint; and (ii) engage employers in setting WfD priorities and enhancing skills upgrades for workers.

**Example of International Good Practice**

The specific ways in which a government brings together the necessary elements to prioritize a demand-led approach to WfD depends on the country’s circumstances. To illustrate, in 1996 Costa Rica’s president led the country on an eventually successful bid to persuade Intel, a global computer chip manufacturer, to set up the firm’s newest plant in the country (World Bank 2013b). Part of the deal included the introduction of new technical training courses and new curricula. In subsequent years, the country continued to align its education and training programs to meet the needs of employers in the information technology (IT) industry. The IT industry is today a major part of the Costa Rican economy, accounting for nearly 19 percent of exports in 2009, compared with just 4 percent in 1997.

Mexico’s Integral Quality and Modernization program is another example of a government effort to encourage firms to upgrade worker skills. In South Korea, the introduction in 2010 of a high-profile government initiative involving “Meister” high schools addressed emerging shortages of technicians in national priority sectors (for example, electricity, media, logistics, shipbuilding, IT, and automotive).

**The Region**



On the whole, the region’s scores on policy goal 2 show the second lowest mean among all goals (between “latent” and “emerging,” as with policy goal 9) but high variance, with Morocco close to “established.” Broadly speaking, the region has taken some positive, yet modest steps to institutionalize employer engagement and occasionally conduct assessments of

national economic prospects and skills implications in a few key sectors.

Government and other WfD stakeholders (including international partners) in MENA countries (for example Egypt, Jordan, and Morocco) conduct occasional assessments of national economic prospects and their skills implications for a number of sectors, but not on an economy-wide scale. These studies provide a fairly up-to-date picture of skills demand, but not a complete picture of each country’s economic prospects and skills implications. In addition, they are often not translated into initiatives that TVET institutions are required to implement and are thus of little policy value. In the Palestinian Territories, no formal assessments of economic prospects and their skills implications are conducted at a national level, but at the local level, two major assessments of all economic sectors in selected governorates were conducted in 2011 with the support of the Belgian Technical Cooperation and GIZ. By contrast, skills demand in Yemen is identified through ad-hoc and informal, unsystematic ways, such as small-scale studies and surveys conducted by different stakeholders, mainly prior to establishing donor-supported programs. In Iraq, there is a widespread sense of urgency among different stakeholders regarding the need for market research and analysis in order to help education and training institutions better address market needs.

In general, MENA countries do not specify a clear role for the private sector in defining WfD priorities and the resulting action agenda. This limited private sector engagement is linked to the fact that, as noted earlier in this paper, the majority of firms in the region are SMEs, whose focus is narrow and who may lack the resources and capacity to contribute to long-term national WfD goals in the way that giant industry leaders could. In Jordan, the government appoints private sector representatives to sit on boards and advisory committees (for example, those of the E-TVET Council, E-TVET Fund, the Vocational Technical Corporation, and the Ministry of Higher Education and Scientific Research). The private sector members who serve on these committees and boards are not officially nominated or elected by the private sector, have no legal mandate to speak on its behalf, and are viewed as guests or observers by the government, leaving them little room to assume a leadership role. In Egypt, employers help define WfD priorities on an ad-hoc basis and make limited contributions

to addressing the skills implications of major policy or investment decisions. Sporadic employer engagement occurs through enterprise TVET partnerships (ETPs)—employer-led organizations modeled after the U.K. Sector Skills Councils—which give employers a voice in TVET policy dialogue, but still lack robust institutional and financial support.

Employers can be incentivized in different ways to form better links with the education system and work with it to develop and upgrade student skills, such as by training and upgrading the skills of new graduates, followed by their deployment in the labor market. In Jordan, the focus is on initial vocational education and training (IVET) to reach disadvantaged and other target groups; incentives include wage subsidies and covering the cost of social insurance or benefits. However, these incentives are not systematic and tend to be one-time interventions. In the Palestinian Territories, donor-funded programs and projects are providing incentives through training grants, which are awarded to employers who partner with TVET institutions, based on specific proposals (Box 1). In general, programs in MENA do not aim to upgrade the skills of existing employees.

## Implications of Regional Findings

Clearly, the MENA region has some distance to cover in terms of analyzing the skills demand constraint faced by individual countries, whether at the national or local level. Bearing in mind the nature of the private sector in MENA (i.e., the relatively small size of the average firm), the region needs to develop appropriate mechanisms to involve the private sector as an equal partner in setting WfD priorities and improving worker skills. The ETPs in Egypt and LET Councils in the Palestinian Territories offer useful examples that could be built on and expanded.

## Policy Goal 3: Strengthening Critical Coordination

WfD encompasses a wide range of activities and an extensive web of stakeholders with diverse interests, roles, and responsibilities. These include different government agencies, public and private service providers, and public and private employers. Ensuring that the efforts of multiple stakeholders involved in WfD are aligned with the country's key socioeconomic priorities is an important goal of strategic coordination. Such coordination typically requires leadership

### BOX 1. PALESTINIAN TERRITORIES—EMPLOYER ROLE AT LOCAL LEVEL AND IN DONOR-FUNDED PROJECTS

At the national level, employers and industry in the Palestinian Territories play a limited role in defining strategic WfD priorities and make few contributions to addressing skill constraints. The Higher Vocational and Technical Education Council, envisioned as a body that would institutionalize employer engagement, has not been active. The other national platform, the Tripartite Committee of the Ministry of Labor, is composed of representatives from the government, employers, and workers. Although it holds regular meetings every four months, discussions and decisions focus on issues related to the minimum wage and labor disputes rather than skills-related subjects.

At the local level, however, employers and industry help define WfD priorities on a routine basis through

their participation in Local Employment and Training (LET) Councils. The councils are very active and provide an effective platform for employers to define and provide inputs into strategic WfD priorities at the governorate level.

Employers and industry are involved in the same tasks via national programs and/or projects, such as (i) the EU-funded GIZ-managed Support to TVET Development; (ii) the GIZ project for Updating the Arab Occupational Standards; (iii) the GIZ-funded Developing a National Qualification Framework for the Palestinian Territories; and (iv) the Belgian Technical Cooperation project, Development of Palestinian TVET Curriculum. Employer and industry support consists mainly of internships, apprenticeships, and other work-based learning, as well as curriculum development.

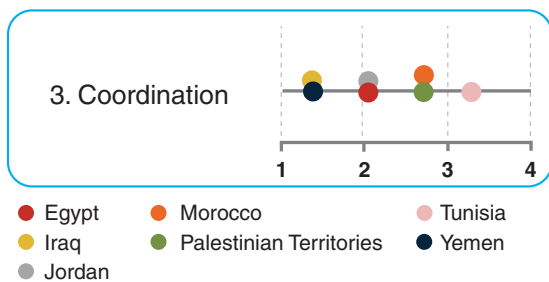
Source: World Bank (2014) Palestinian Territories SABER-WfD Country Report.

at a sufficiently high level to overcome barriers to cross-sectoral or cross-ministerial cooperation that are often impossible to resolve among peers with similar levels of decision-making authority. Coordinated effort is particularly relevant for major WfD initiatives that break new ground, involve new or nontraditional partners, and/or possibly introduce new operational procedures. Coordination at both the strategic and operational level can help avoid duplication of effort—or worse, misalignment and/or conflict—and ensure that critical initiatives receive the necessary support. Policy goal 3 examines the extent to which policies and institutional arrangements formalize roles and responsibilities for coordinating action on strategic priorities.

**Example of International Good Practice**

An example of strategic coordination at the highest level of government can be seen in the Indian government’s decision to create several new bodies as part of a three-tiered governance for WfD: the National Council on Skill Development, chaired by the prime minister; the National Skill Development Coordination Board, chaired by the deputy chairman of the Planning Commission; and the National Skill Development Corporation, headed by an eminent private sector industrialist (World Bank 2013b). Ireland’s establishment of new regional technical colleges, beginning in the late 1960s, is another example of coordinated effort, in this case to supply mid-level technicians to the country’s emerging industries.

**The Region**



This policy goal has the second highest variance and the third-highest mean of all nine goals, implying a range of experiences across the region, some of which is quite positive. Generally speaking, government ministries and agencies responsible for WfD have overlapping mandates and rely on ad-hoc mechanisms for coordination. Nongovernmental stakeholders

have no legally defined roles and responsibilities and coordinate with national governments through ad-hoc mechanisms. Finally, strategic WfD measures are implemented according to a specified plan and budget, but there is only ad-hoc monitoring of implementation progress. This said, there are some exceptions.

Relevant entities in MENA countries may or may not have the mandate to coordinate WfD efforts; even when such a mandate is present, the incentives of various actors may not be aligned. In Iraq, for example, government ministries and agencies responsible for WfD have clear mandates and legally defined roles. Numerous coordination committees with various stakeholders have also been created at different levels, but these committees have no clear mandates, working protocols, or responsibilities, not to mention that they have little to no authority. In Yemen, inter-ministerial committees have been formed and tasked with developing a mechanism to coordinate actions across relevant ministries. However, existing incentives (even within ministries) to communicate, engage in information sharing, and work collaboratively at the technical level protect territorial interests rather than promote collaboration.

In Jordan, various ministries and agencies have legally defined roles and responsibilities in E-TVET, but each is governed by different laws and sets its own strategy. As a result, there is a high degree of overlapping mandates. While the E-TVET Council was envisioned as an umbrella body that would set strategy at the sectoral level, the Education Board continued to set strategies for vocational education at the secondary level, and the Council for Higher Education, at the community college level. The E-TVET Council was thus limited to setting strategy primarily for Ministry of Labor programs. Though this Council was established to carry out overall coordination at the sectoral level by assembling the relevant ministries, employers, and stakeholders, it has proven difficult for it to coordinate providers governed by independent bodies and boards. In Egypt, the institution designed to perform the coordinating role, the Supreme Council for Human Resource Development (whose board includes relevant ministries, employer representatives, and other institutions), has been inactive since its establishment in 2000. A similar council in Morocco, the Superior Council for Education, spans both education and training, and undertakes national assessments in partnership with enterprises.

Coordination with nongovernmental actors varies across MENA. In Egypt, nongovernmental WfD stakeholders have no legally defined roles or responsibilities, and the country lacks an institutionalized body to facilitate sustained coordination with them. In Yemen, coordinating boards involve different governmental as well as private and NGO actors, but the extent to which good communication and coordination is sustained tends to depend on the personalities of the people in charge and their individual loyalties, rather than on clear lines of responsibility and accountability. In Jordan, coordination is achieved through ad-hoc mechanisms, with non-state WfD providers and stakeholders having no legally defined roles and responsibilities. In the Palestinian Territories, implementation plans and budgets accompany strategic WfD measures and legislation defines the roles and responsibilities of both governmental and nongovernmental actors, including employers and

industry groups, trade unions, civil society organizations, and training providers. Yet in most cases, these formulated roles are not clear. Finally, Tunisia has a formal institutionalized coordination mechanism, with nongovernmental actors assuming well-defined responsibilities in line with an implementation plan—but this applies only to certain economic sectors.

### **Implications of Regional Findings**

The regional findings summarized above point to the need for: (i) legal definition of the roles of various actors (and de jure establishment of coordinating bodies and councils) and (ii) aligning the incentives and mandates of these actors so that coordination benefits all involved. In addition, each respective coordinating body requires its own implementation plan and budget. In this way, these bodies should provide value added to other stakeholders by monitoring progress towards agreed goals.

## Governance of the Workforce Development System

The SABER workforce development framework identifies three policy goals pertinent to the mechanisms that influence the choices of individuals, training providers, and employers: (i) efficient and equitable funding; (ii) relevant and reliable standards; and (iii) diversified pathways for skills acquisition. This chapter begins with a brief overview of the institutional landscape for governance of a WfD system, then presents detailed results from the SABER WfD assessments in the MENA region, and concludes with a discussion of the policy implications of these results.

### Policy Goal 4: Efficient and Equitable Funding

WfD requires a significant investment of resources by the government, households, and employers. To ensure that these resources are effectively used, it is important to examine the extent to which policies and institutional arrangements are in place to: (i) ensure stable funding for effective programs in initial, continuing, and targeted VET; (ii) monitor and assess equity in funding; and (iii) foster partnerships with employers to fund WfD.

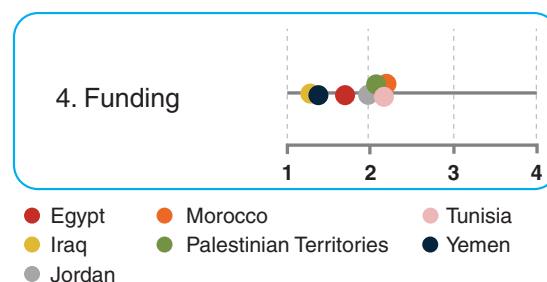
#### Examples of International Good Practice

Funding is a ubiquitous concern in WfD systems—many governments simply do not have enough resources to prioritize TVET when other parts of the education system (e.g., primary and secondary schooling) are also poorly funded. Support for TVET is, moreover, often weakened by the fact that most TVET students come from poor families that typically lack the political clout to influence budget allocations, as well as by the general perception of TVET as a “second-class” route to the labor market with a doubtful impact on students’ ability to gain

job-relevant skills. Some countries have nonetheless successfully tackled some of these problems. In Switzerland, for example, secondary-school TVET tracks offer excellent programs and flexible pathways to tertiary-level courses. As a result, TVET attracts a sufficiently meaningful share of the country’s top students and thus overcomes public bias against such programs (World Bank 2013b). In Singapore, sizable investments in a high-quality TVET system over many years, coupled with sustained attention to the employability of graduates, has lowered social resistance to the TVET programs that less academically inclined students enter after general education.

With regard to funding for worker training, a common arrangement involves collecting a tax or levy from firms, often in relation to the size of their payroll, and using the proceeds to reimburse firms that offer training. Some observers cite Malaysia and South Korea as examples of successful examples of this type of funding. With regard to partnerships, the aforementioned relationship between Costa Rica’s training institutions and Intel has been sustained over time because it generates benefits for all parties: the firm, participating training institutions, and trainees.

#### The Region





The region is rated low (near “emerging”) on policy goal 4—indeed, this goal exhibits one of the lowest variances and mean scores among all nine goals. While several countries have for some time levied a tax on firm payrolls for the purposes of financing professional education and training of existing workers, no MENA country seems to have made an assessment of the equity of funded training. In addition, though governments foster linkages between employers and educational institutions, government-employer partnerships to fund WfD are rare.

In Yemen, a 1 percent tax is levied on the payroll of every enterprise for the purposes of funding the Skill Development Fund, which in turn supports enterprises and employees to improve their skills. The Fund specifically allocates a share of funds to continuing vocational education and training (CVET). Morocco has had a tax for professional training since 1974; enterprises benefit from funding for training as well as studies that seek to define training needs and how to fulfill them. But the majority of these funds go to initial vocational education and training (IVET). Tunisia has had a tax for professional training since 1966; it finances a National Employment Fund that targets unemployed youth and attempts to improve their employability through apprenticeships and the teaching of enhanced entrepreneurial skills. The fund also subsidizes employee salaries.

Other MENA countries have adopted a modified approach to raising such funds. In Jordan, for example, the E-TVET Fund primarily relied on a 1 percent levy on firm payrolls until 2011; since then, it has relied on fees levied on foreigners’ work permits. The Fund faced several governance and management issues when it was first established, including unclear funding criteria and a focus on a limited number of projects related to the National Employment and Training Company of the Ministry of Labor. However, important changes and improvements were made in the management and decision making of the E-TVET Fund in 2011. Its operations became much more transparent, with better accounting and auditing standards and improved diversity in program funding. Today, the Fund can rightfully be considered an engine for promoting innovation, as well as for scaling up both best practices in vocational and technical training and active labor market policies (ALMPs). Given that employers are involved in various decision-making committees, the Fund could potentially be effective

in financing employer-driven training if the latter was well targeted and aligned with national priorities.

In addition to government, donors play a role in funding worker training, but the role of the private sector in such training remains limited. In the Palestinian Territories, the government mobilizes funds through general taxation and mobilizing donor funds to support WfD projects. Consequently, ALMPs are funded and institutionalized partnerships are established between training institutions and employers, particularly at the local level. However, funding for IVET institutions and programs remains based on the previous year’s budget and is heavily dependent on donor funding; that is, there is no funding of CVET, which is mostly limited to Continuing Education Departments and Centers at universities, with funding coming from student fees or external donors. Some for-profit organizations operate in the sector and rely exclusively on student fees. At the government level, there is no support for on-the-job training in SMEs. Cultural centers licensed by the Ministry of Education, however, do provide CVET. Finally, few formal reviews have been conducted on the impact of training programs on beneficiaries.

The funding of WfD in Egypt is likewise mostly based on historical expenditure data, with no links to performance, no consideration of national socioeconomic priorities, and no formal reviews of the impact of training on beneficiaries. In addition, investment by the Egyptian private sector in WfD at the national level remains limited. The latter is true for MENA more broadly; with few exceptions, the private sector plays little to no role in funding TVET programs. In Iraq, Shell Oil Company is an example of a private company that works with the national government (i.e., the Ministry of Labor) to fund worker training programs.

### **Implications of Regional Findings**

Overall, inertia rules WfD funding in the region, with countries relying on payroll levies and historical budgeting. Worker training programs also suffer from an overemphasis on IVET as opposed to CVET, a failure to consider the equity aspects of funding, and little evaluation of the actual impact of training on beneficiaries. The private sector remains largely absent as a source of funding. Given tight government budgets and limited allocations for TVET and

the latter's relatively higher unit cost, a fundamental rethinking of funding is necessary in the region.

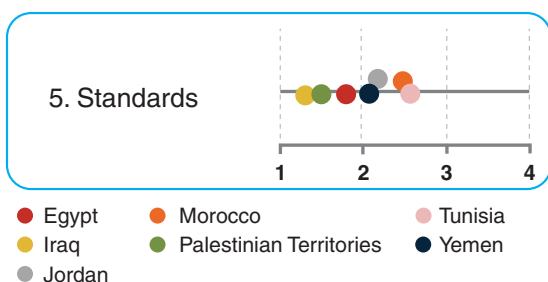
## Policy Goal 5: Relevant and Reliable Standards

A WfD system comprises a wide range of training providers who offer courses at various levels in diverse fields. An effective standards and accreditation system enables students to document what they have learned and allows employers to identify workers with relevant skills. In this regard, a National Qualifications Framework (NQF) helps chart the WfD landscape. For policy goal 5, it is therefore important to assess the ability of policies and institutions to: (i) set reliable competency standards; (ii) assure the credibility of skills testing and certification; and (iii) develop and enforce accreditation standards in order to maintain training quality.

### Example of International Good Practice

An example of an NQF is found in Europe, where there is a movement to validate all kinds of learning and experience within a lifelong learning system. This system includes formal, informal, and nonformal learning, as well as TVET and work experience. “[T]he European Qualifications Framework (EQF) . . . specifies eight levels of skills, ranging from basic to advanced qualifications, to which individuals’ learning and experience are linked. The EQF emphasizes what learners know, not where they learn; it eliminates the gap between general education and TVET, facilitates the recognition of skills by employers, and promotes the mobility of workers” (Wang 2012, 36).

### The Region



As is clear from the loose clustering of points in the graph, MENA region scores range from near “latent” to beyond “emerging” on this goal. This result is consistent with progress in introducing NQFs and the attendant institutional infrastructure for align-

ing curricula, testing procedures, and standards for accreditation and licensing. However, the adjustment of curricula and testing procedures lags behind the development of occupational standards, and quality control measures for training providers and programs have not proven robust.

For many countries in the region, despite the existence of a number of key institutions and initiatives, a comprehensive functioning system dedicated to TVET quality assurance, standards, accreditation, and certification does not exist. National frameworks, often the subject of much strategy discussion, have not yet been fully developed and thus vocational training remains unregulated. Egypt is a case in point: it has nine organizations active in quality assurance, standardization, accreditation, and certification, some of which may overlap and none of which necessarily work together, though some may. Similarly, in Jordan, each subsector has its own system and criteria for quality assurance, but there is no system that regulates the quality of the WfD system *as a whole*.

Nonetheless, countries in the region are greatly interested in establishing single national frameworks and in many cases, the first steps have been taken to do so. Legislative measures have been adopted in Tunisia, with a 2009 decree putting into place a National Framework and the National Authority for Evaluation, Quality Assurance, and Accreditation was created in 2012. Similarly, an NQF is being developed in Morocco. Neither system is yet operational, however.

*Competency standards.* Partial measures have nonetheless been taken to introduce competency standards in certain sectors. In Iraq, for example, the ILO has helped produce 33 training programs based on competency standards with another 22 in progress. In Egypt, the National Skills Standard Project has defined competency standards in three major sectors: manufacturing, tourism, and construction.

*Skills testing.* Occupational skills testing is relatively unknown in the region and, as yet, there are no nationally recognized, functioning systems for conducting such testing. Yet certain initiatives have been launched. For instance, in Morocco, a system designed to assess workers’ professional experience is being piloted.

*Accreditation systems.* Like other features in this area of the WfD landscape, most accreditation systems are incomplete for the moment. Generally speaking, if accreditation systems do exist, they are typically partial—reserved for use in certain formally recognized sectors. Informal education does not yet come under its purview.

There is nevertheless a regional move towards accreditation, seen, for example, in the interest in the University Governance Score Card introduced by the Marseille Center for Mediterranean Integration. This instrument allows Arab universities to benchmark their own governance practices and disseminate those results in an easy-to-read format, giving students, parents, and other stakeholder’s access to information that was previously unavailable. Data from these report cards are available on the Web, representing a potentially powerful tool for local accountability. This type of evaluative work is expected to expand to public secondary institutions, including TVET providers, in the near future.

### Implications of Regional Findings

The seven countries assessed here scored relatively similarly on this policy goal, just below and above “emerging,” demonstrating that they all need to develop relevant, reliable standards. In order to do so, three important steps need to be taken in parallel: An NQF needs to be established, or possibly a *Regional* Qualifications Framework, since countries in the region are strikingly similar in their needs. Second, competency standards and competency-based testing need to be developed and endorsed for all occupations. Third, an accreditation system for TVET providers, both state and non-state, needs to be established through consultations between providers and industry. Although these steps may represent an intricate series of initiatives that will require time to develop—Singapore took 40 years to develop its current system—the countries of the MENA region can benefit from the best practices developed by Singapore and other TVET leaders to expedite the process.

## Policy Goal 6: Diversified Pathways for Skills Acquisition

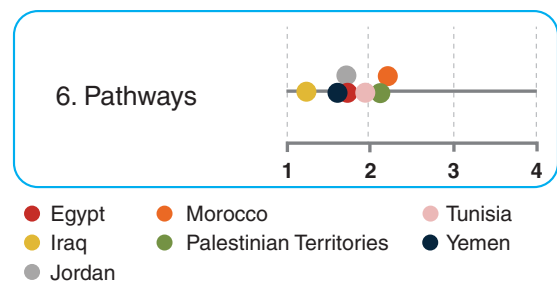
In thriving economies, workers need to acquire new skills and competencies, as well as keep their current skills up to date throughout their working lives. They are best served in this objective by a system that

offers clear, flexible initial and continuing education and training, as well as multiple pathways to transfer courses, progress to higher levels of training, and access programs in other fields—all of which permit lifelong learning to take place. For those already in the workforce, schemes to recognize prior learning are essential in order to allow individuals to efficiently upgrade their skills and learn new ones. Policy goal 6 therefore evaluates the extent to which policies and institutions are in place to: (i) enable people to progress through multiple learning pathways, including for students in TVET streams; (ii) facilitate the recognition of prior learning; and (iii) provide targeted support services, particularly to the disadvantaged.

### Example of International Good Practice

Wang (2012) cites Australia’s Technical and Further Education (TAFE) Program, established in 1974, for its multiple entry and exit points. The program has concluded a credit transfer and articulation agreement with a range of universities, enabling TAFE students to transfer program credits to those universities. At the same time, students at these universities can transfer their credits toward TAFE if they so wish. In addition, the program offers a second-chance re-entry into education for those who dropped out of school.

### The Region



As is clear from the clustering of points in the graph, the MENA region scores roughly around “emerging” for this policy goal. Indeed, this goal exhibits the second-lowest variance of all nine goals.

*Multiple pathways.* Generally speaking, MENA regional systems are characterized by limited flexibility. That is, it is difficult to re-enter formal education or to progress within horizontal and vertical pathways. This is the case in Morocco, where bridges between TVET and general education are not systematically established, though work is under way to do so. Some possibility for movement between the two types of

education is present in Tunisia and Egypt, while in the Palestinian Territories and Jordan, *de facto* constraints make these transitions difficult, even as efforts are being made to open up such pathways. In Iraq, a draft TVET strategy is being formulated in Iraq that includes a section on the need for interconnected educational paths.

Students channeled into TVET streams and institutions in MENA more or less stay there, in other words. Indeed, the World Bank report *Jobs for Shared Prosperity* (2013) suggests that excessive selection, evident in rigid tracking in secondary education and high-stakes examinations, characterizes regional educational systems. Yet, research reveals that early tracking and streaming can have negative consequences for subsequent education and labor market outcomes, particularly for pupils from poorer socioeconomic backgrounds who tend to perform less well in early selection processes (Ireson, Hallam, and Hurley 2005; OECD-PISA 2006; Jakubowski et al. 2010). One particular disadvantage of highly stratified education systems is that transitioning from a lower to higher track is difficult and thus quite uncommon. “In educational systems in MENA, tracking happens relatively early in pupils’ lives, which substantially limits transition pathways and viable second chances. For example, in Egypt, only 5 percent of graduates from technical secondary schools transitioned into postsecondary vocational education in 2008–09, down from 8 percent in 2003–04” (World Bank 2013a, 24).

*Lifelong learning and the recognition of prior learning.* The concept of lifelong learning is not yet well known in the region. Returning to university or TVET in order to change a profession after having been part of the workforce is the exception rather than the rule, a phenomenon seen more as a luxury for those who can afford it than a necessity. Yet, with rising unemployment and the need to overcome the shifting vagaries of the 21st-century labor market, this must change.

For the moment, TVET in the region is usually accessible only during very defined times in a person’s life. Within the formal education setting, TVET in its pre-employment education form is usually offered in middle and/or high school or in two-year college-level programs. TVET *training*, on the other hand, may occur throughout a worker’s career, though this is usually complementary in character, adding to already existing skills in a given domain, rather

than offering full retraining (or “retooling,” as it is sometimes called), in the sense that it would allow a worker to change sectors entirely.

Given this situation, formal recognition of prior learning has not yet been instituted in Iraq, Jordan, Morocco, or Yemen, and the absence of both a qualifications framework and routine procedures for recognizing prior learning presents an added challenge for countries in the region. In Egypt, for example, there is no National Qualifications Framework and mechanisms for recognizing prior experience are virtually nonexistent. In the Palestinian Territories, only those institutions operating under the Ministry of Education or Higher Education have the mandate to provide formal qualifications. Though recognition of prior experience has received limited attention thus far, TVET strategy in the Territories nevertheless intends to incorporate it. Tunisia has created an institution with the mandate to deal exclusively with qualifications, but it is not yet functional. In addition, Tunisia’s future TVET system foresees the possibility of recognizing prior work experience in lieu of qualifications.

*Targeted support services, particularly to the disadvantaged.* Only limited support for TVET is available to vulnerable populations in the MENA region, including former detainees, illiterate populations, and people who are unschooled, physically or mentally challenged, or facing other challenges. Some provisions are made in ALMPs for specific groups—such as the blind, the hearing impaired, and those with reduced mobility—but this practice is neither widespread nor at a scale to adequately cover the needs of disadvantaged residents in most countries.

### **Implications of Regional Findings**

The seven countries score very similarly on this policy goal, at “emerging,” demonstrating that pathways into and out of TVET programs need to be greatly improved. TVET systems in the region are associated with low academic performance, limited social possibilities, and low-skilled jobs, creating a very clear perception that TVET is a dead end. This perception needs to change. If tracking is modernized to allow students to move more freely between TVET and general education programs, and if good TVET training leads to good jobs, it will change. The new paradigm for TVET must be a 21st-century super highway that leads to many possibilities.

## Managing Service Delivery for Results on the Ground

Training providers, both governmental and non-governmental, are the main actors that translate a country’s workforce development policies into results on the ground. This chapter therefore provides a brief overview of the composition of these providers and the types of services available in a WfD system before presenting the detailed SABER WfD findings on service delivery and their policy implications for the seven MENA countries assessed here.

The policy goals for the service delivery dimension in the SABER WfD framework focus on: (i) diversity and excellence in training provision; (ii) the relevance of public training programs; and (iii) evidence-based accountability for results.

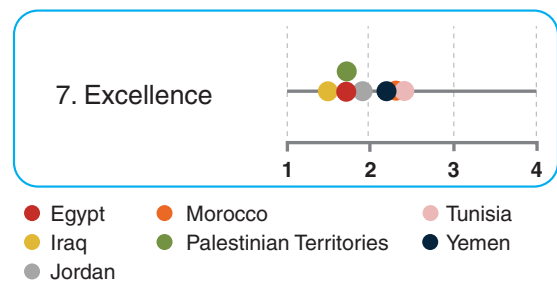
### Policy Goal 7: Diversity and Excellence

Because the demand for skills is impossible to predict with precision, a diversity of training providers is a feature of strong WfD systems. Among non-state providers, the challenge is to temper the profit motive or other agendas with appropriate regulation in order to assure the quality and relevance of technical training. Among state providers, a key concern is responsiveness to the demand for skills on the part of both employers and students. Striking the right balance between institutional autonomy and accountability is a way to address this concern. Policy goal 7 takes these ideas into account and benchmarks a WfD system based on the extent to which policies and institutional arrangements: (i) encourage and regulate nonstate provision of technical and vocational education and training and (ii) foster excellence in the public provision of such training by using a combination of incentives and autonomy in the management of public institutions.

### Example of International Good Practice

International best practices suggest that it is essential to establish instruments to assist institutions in meeting performance standards. These instruments might include the autonomy to set school policies and manage resources; technical-pedagogical support for trainers and school administrators; and the facilitation and coordination of government and private institutions and networks. In addition, effective education governance uses mechanisms to reward (or sanction) institutions for meeting (or not meeting) agreed-upon requirements and performance standards.

### The Region



As the spread of scores in the graph indicates, this policy goal shows the lowest variance and a relatively high mean—just above “emerging,” meaning that MENA countries perform quite similarly and relatively well with respect to this goal. A diversity of nonstate providers is active in the training market, despite the fact that few government incentives encourage such provision. While most of these providers are registered and licensed, there are few quality assurance mechanisms in place. With regard to public training provision, the government grants limited autonomy to government training institutions, but does not require them to meet explicit performance

targets, nor does it provide financial or nonfinancial performance incentives to them

*Encourage and regulate non-state providers.* Though there is a diverse range of non-state providers in the countries of the region, there are few incentives and limited regulation. At one end of the spectrum, in Iraq, there is a very limited set of non-state providers (52 registered training institutions); the government offers these providers no incentives and no mechanisms are in place to ensure the quality of their services. In Jordan, non-state TVET providers cover a limited sphere of activity. While regulations for creating a non-state provider are straightforward, the government provides neither financial nor nonfinancial incentives, and a regulatory body does not exist. As a result, quality assurance is weak.<sup>10</sup> However, some providers, such as INJAZ al-Arab, have international certification.

Among non-state training providers in Egypt, there are institutions whose training is perceived by employers to be of good quality. However, in general, there are limited measures in place to ensure training quality by such providers. Further, the scope of non-state provision is limited due to a lack of incentives and clarity on the legislation needed to develop such incentives. The Palestinian Territories' situation is comparable: a diverse mix of non-state providers offers IVET and CVET, and implements ALMPs. Most of these providers are registered and licensed, but the government does not have a systematic approach to quality assurance of the training that they provide.

At the other end of the regional spectrum, the Tunisian government has put into place a number of initiatives to promote private sector participation in the national education system. These are mostly financial in nature. In spite of this, private sector participation remains weak and it is generally not included in reform initiatives. Finally, in Morocco, private sector provision is regulated by a June 21, 2001 decree and a 2011 government proposal (the latter articulate four defining axes along which private TVET institutions must operate). In exchange for government subsidies, these providers accept that they will be regulated by the Moroccan government. Further subsector regulation is planned to come from business representatives.

*Combine incentives and autonomy in the management of public institutions.* In general, public training institutions in the region operate with limited autonomy. They might be allowed to generate profits, but cannot usually retain them,<sup>11</sup> and they are not governed by boards to which management is accountable. Incentives for performance are either nonexistent or highly limited. In Egypt, for example, public providers are expected to achieve a set of targets for enrollment and meet basic performance indicators, but they receive limited rewards for doing so. Public institutions are also generally slow to respond to changes in the demand for skills. Relevant ministries conduct no system-wide assessments and labor market analysis is limited and/or rudimentary.

For example, in Iraq there are neither defined performance targets nor financial or nonfinancial incentives for public education and training providers. Their autonomy is limited and market studies and/or analytic findings for use in policy planning are in short supply. The Palestinian Territories, Jordan, Yemen, and Egypt are comparable in that public training providers have little autonomy; only the exceptional provider has control over admissions, operations, and staffing. The high centralization of TVET systems in these countries eliminates competition and offers little incentive for training providers to become more responsive to market needs.

In Tunisia, the law of 2008 relating to TVET is demanded, based on a direct government partnership with the business sector. Yet despite this law, important gaps persist. The training of TVET teachers is not systematic and does not respond to the needs of the courses offered by state providers. In addition, competency-based approaches to training have not been implemented. In Morocco, decentralization was adopted to address the unique needs of state TVET providers from 2000 on. This policy is currently being rolled out through deconcentration, a process whereby administrations are delocalized, but administrative procedures are retained. Training institutions retain only limited autonomy—that is, they have some decision-making authority in certain purchases, but admissions and staffing are the responsibility of the central state authority. So it is not yet clear whether or not this policy will relieve the bureaucratic congestion, given that the same rules are still in place.

<sup>10</sup> The Center of Accreditation and Quality Assurance in Jordan is expected to change this situation.

<sup>11</sup> With the occasional exception of community colleges.

The World Bank has advocated for using incentives and accountability to drive education reform in the region for some time. The hypothesis in the *The Road Not Traveled*, the World Bank MENA Region Education Flagship Report (2007), is that greater accountability, together with incentives and a shift from an input-based to a results-based approach to TVET, will lead to improved educational outcomes in the Arab world. The report discusses three general ways in which greater accountability plays, or might play, a role in education reforms: school autonomy, public voice, and teacher accountability.

### Implications of Regional Findings

The seven countries benchmarked score similarly on this policy goal, at or slightly above “emerging,” demonstrating that non-state provision of training needs to be encouraged but also regulated, and that excellence in public training must be promoted by combining incentives and autonomy in the management of public institutions. These policies mean establishing standards for state and non-state providers alike; developing and/or reinforcing an inspectorate to oversee compliance with these standards; and identifying and encouraging appropriate professional and market accountability, as well as offering incentives for continuous improvement.

## Policy Goal 8: Relevance

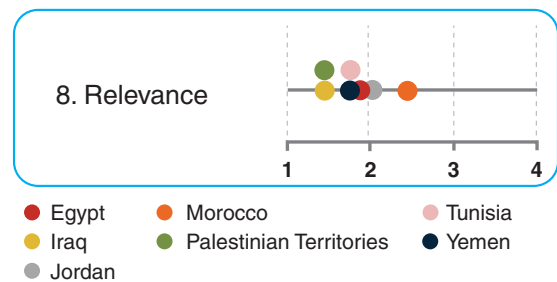
Public training institutions need reliable information on current and emerging demands for skills in order to keep their program offerings relevant to market conditions. It is therefore desirable for public training institutions to establish and maintain relationships with employers, industry associations, and research institutions. Such partners are a source of expertise and information about skills competencies, as well as expertise and advice on curriculum design and technical specifications for training facilities and equipment. They can also help create opportunities for workplace training for students and continuing professional development for instructors and administrators. Policy goal 8 considers the extent to which arrangements are in place to ensure that public training providers benefit from industry and expert input into the design of their programs, recruit administrators and instructors with relevant qualifications, and support the professional development of these instructors.

Without the necessary back-and-forth of information between the two sides, training providers and the labor market will not see eye to eye. A recent McKinsey Report, for instance, clearly illustrated a disconnect between providers and employers: when asked whether recent graduates were adequately prepared to enter the labor market, only 42 percent of employers felt they were, in contrast to 72 percent of training providers (Mourshed, Farrell, and Barton 2012).

### Example of International Good Practice

An example of international good practice comes from Singapore, where collaboration between Nanyang Polytechnic and local industry has led to the formation of a board consisting of employer representatives and instructors from various industries, as well as the donation of updated equipment to schools. Through these ties, industry staff helps the Polytechnic with training, and the school in turn helps firms develop business processes. Teachers at the Polytechnic also collaborate with their counterparts in industry to develop new products and technologies. The joint partnership produces graduates that are in high demand (cited in Wang 2012, 45).

### The Region



On the whole, the scores of the seven countries on this goal exhibit one of the lowest levels of dispersion, indicating relatively low performance. That is, the region has limited links between public training institutions and industry and/or research institutions, meaning these groups are not involved in either curriculum design or the specification of standards. This is particularly true in Iraq. In Jordan, Egypt, and the Palestinian Territories, as well in Tunisia and Morocco, some links exist between providers and industry, though they are limited and to some extent sporadic. Moreover, private sector industry in these countries has limited involvement in curriculum design and the development of standards. Links between training

providers and research institutions are equally rare. The situation in the Palestinian Territories typifies the usual relationship between providers and industry: most students in state training institutions do an internship in a company at the end of their training, but these training stints are usually difficult to find, unpaid, too short to be useful, and do not usually lead to a permanent position. Thus the extent of business involvement in TVET training is more symbolic than symbiotic.

There are nevertheless several examples of good collaboration between supply- and demand-side institutions. In Jordan, the Vocational Training Corporation (part of the Ministry of Labor) has established Model Skill Centers of Excellence (MSCoE) in hospitality, tourism, and nine other sectors, which are by many accounts successful public-private partnerships. In Egypt, the establishment of schools through partnerships between the Ministry of Education and individual companies in leading industries (e.g., Arab Contractors, El Araby Group, Americana, BTM, Arafa Group, MCV, and General Motors), is worth noting. Another area of collaboration is in curricula. In the Palestinian Territories, the BTC Project (Belgian Development Agency) uses a formal process to engage industry in curricula development. While this involvement is currently limited to the electrical sector, it holds great promise for other sectors. These best practices, among others, deserve greater study in order to be developed on a greater scale.

In contrast to other countries of the region, the participation of industry in state training provision in Morocco is relatively advanced. When training institutions are established, industry representatives participate in needs assessment studies, the defining of standards, the development of curricula, and the evaluation of internships. In addition, industry is more and more involved in the management of state institutions by means of co-management or delegated management structures. For example, conventions have been established between the state and industry in the textile, fashion, aeronautic, automobile, and audiovisual/cinema sectors. In addition, while partnerships between state institutions and researchers are relatively undeveloped in Morocco, teaching staff at public training institutes have the status of researchers in their domain and can access facilities to undertake sector-specific research. That said,

contracting out research activities to consultants is a common phenomenon.

The low score on this policy goal also reflects the fact that previous industry experience is not used as a criterion for the recruitment of instructors and administrators of public training institutions. Furthermore, despite formal provisions, instructors often face practical difficulties in accessing opportunities for professional development. This is reportedly the case in Iraq. In Jordan, Egypt, Tunisia, and Morocco, hiring is undertaken by the civil service following an established system, though these procedures do not necessarily guarantee adequate competencies or that experience is taken into account in the hiring process. Furthermore, few opportunities exist for in-service training, once instructors are hired. In contrast, in the Palestinian Territories, there are explicit recruitment standards that include minimum academic qualifications, teaching experience, and work/industry experience. However, once hired, in-service training is only occasionally available—at best, once every few years for most public servants, though efforts are being taken to improve this situation.

### **Implications of Regional Findings**

The seven countries benchmarked scored similarly on this policy goal, all closely bunched at “emerging,” demonstrating that arrangements could clearly be improved to help public training providers benefit from industry and expert input into program design, recruit administrators and instructors with relevant qualifications, and support these instructors’ professional development. The implication here, as policy goal 2 revealed, is that a demand-led TVET system is needed, which entails convincing employers to participate, generally by demonstrating that the return on their investment is indeed worthwhile. For this to happen, all stakeholders need a common forum for dialogue because the “education-for-employment (E4E) juncture,” as it is sometimes called, is a complex and busy interchange where communication between parties, in spite of their apparent proximity, can be fraught with difficulty. TVET providers and employers must not only meet, they must cooperate in shaping the content of TVET programs, determining the number of individuals to be trained, developing assessments, and creating industry worker qualifications.



## BOX 2: TUNISIA—REGIONAL GOOD PRACTICE ON PROMOTING RELEVANCE

A good practice from the region is seen in the TACT Academy in Tunisia. TACT, a consortium of information and communication technology (ICT) providers, has collaborated with the private university ESPRIT and the Tunisian government to provide training in several sectors. One sector in which the consortium currently works successfully in is offshoring, which is identified by several studies as a viable short-term option for job creation. ESPRIT retraines and then places unemployed ICT graduates in TACT companies.\*

There are three interesting features of this initiative. First, it is an excellent example of a functioning public-private partnership for job training and labor market reintegration, as the pilot brought together the government with the private sector, both of which

are interested in seeing unemployed ICT graduates retrained and placed in a vibrant, expanding employment sector. Second, the initiative exploits a results-based approach to financing. During the pilot, PACT Academy took all responsibility for selecting and training unemployed candidates and only requested reimbursement for training costs from the government once a candidate was successfully placed. This is a win-win situation, as ICT companies obtain the specifically skilled candidates they require, while the government pays for the training only of those who are successfully retrained (i.e., who do not drop out or are lost from attrition). Third, this is a model that has a clear potential for use in other sectors and other countries.

Source: World Bank (2013) Departmental Notes, MENA Education  
Note: \* In the pilot year, TACT Academy selected 200 candidates, who were retrained and placed in the TACT group of companies. Approximately 10 percent of candidates dropped out, which is a remarkably low attrition rate.

## Policy Goal 9: Accountability

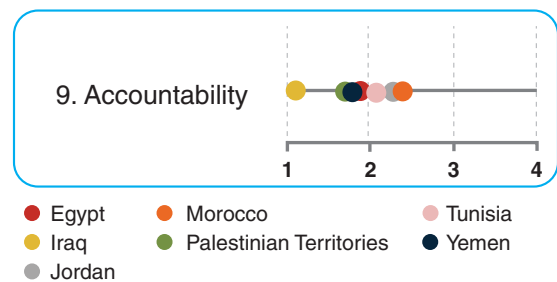
Systematic monitoring and evaluation of service delivery are important for both quality assurance and system improvement. Accomplishing this function requires gathering and analyzing data from a variety of sources. The reporting of institution-level data enables relevant authorities to ensure that providers are delivering expected outcomes. Such data also enable authorities to identify gaps or challenges in training provision or areas of good practice. Additionally, periodic surveys and evaluations of major programs generate complementary information that can help enhance the relevance and efficiency of a WfD system as a whole. Policy goal 9 considers these ideas when assessing a system's arrangements for collecting and using data to focus attention on training outcomes, efficiency, and innovation in service delivery.

### Example of International Good Practice

Noteworthy examples of monitoring and evaluation that have strengthened WfD systems include the Programme for the International Assessment of Adult Competencies (PIAAC), which aims to provide a new source of information about the quality of skills in the adult population and the link between skills and both employment and productivity for the

member countries of the Organization for Economic Co-operation and Development (OECD) (Schleicher 2008). Similarly, the Skills toward Employment and Productivity (STEP) Measurement Study developed by the World Bank is under way to support the collection of similar data by national teams in some 13 low- and middle-income countries. Policy makers in Korea also have access to a compilation of comprehensive, up-to-date data from surveys and other sources to inform WfD policy design, thereby boosting that country's understanding of multiple aspects of its WfD system (KRIVET 2007; see also Annex 2).

### The Region



On the whole, the region scores on or near “emerging” for policy goal 9, but with a relatively low mean score and relatively low variance. This is because training

providers, both state and non-state, are typically required to collect and report basic administrative data for use in assessing institutional performance as well as analyzing system-level trends and issues. However, in practice, sources of data on labor market outcomes are limited to a few ad-hoc skills-related surveys or evaluations of specific targeted programs. Public access to this data is also limited.

Though there is limited variation across the seven countries in this regard, nuances remain. In Iraq, no training provider, state or non-state, has a cohesive integrated data system in place and none is required to report any kind of data or to analyze any trends. In the Palestinian Territories, all training providers, both state and non-state, are required to collect and report basic administrative data, even if the data are rarely used to enhance program and system performance. Most of the time, the data (on enrollment, graduation rates, and staff) are used to produce statistical reports. The Ministry of Higher Education does, however, use the results of a comprehensive exam to provide feedback to individual institutions, as well as to analyze system-level trends and issues. While relevant ministries do not publish information on the employment and earnings of training program graduates, all providers in the Palestinian Territories now publish data on training capacity on a new TVET website created with the support of GIZ. Egypt and Jordan both lack key performance indicators and the appropriate mechanisms to monitor and evaluate WfD system performance. Only public training providers are required to collect and report basic administrative data, which are occasionally used to assess individual institutional performance. Data on labor market outcomes are limited to a few ad-hoc skills-related sectoral surveys or evaluations of specific, targeted programs. There is limited public access to this information.

Donor funded initiatives can try to counter these trends. In Jordan, the World Bank-supported Education Reform for the Knowledge Economy Project has put into place an education monitoring and information system (EMIS), but it is not yet functional. The Al Manar project supported by the National Center for Human Resources Development and the Canadian International Development Agency has developed a human resources information system which includes labor market data and education and/or training institutions. Under the Employer Driven Skills Development

Project, the TVET system is developing a monitoring and evaluation (M&E) system.

Morocco scores highest for this policy goal. Unlike private providers, state institutions are not formally required to provide administrative data, though in practice they usually volunteer to do so. The Professional Training Department of the Ministry of Labor does not directly oversee TVET institutions, preferring to remain neutral in order to assess the performance of the system through labor market insertion or the satisfaction level of employers (through the use of surveys). The information generated is used to help providers assess their performance and identify best practices and innovative advances. It is used within government for planning and budgetary allocation decisions. Summaries of these data are also published. Most training providers produce an annual report for internal use and, although they manage their own databases, the information is sent on to central levels where it is collected and stored.

*Regional examples.* Holding providers accountable for their performance presupposes that that performance has been measured well. This is the role of good monitoring and evaluation. In *Making Schools Work: New Evidence on Accountability Reforms* (Bruns, Filmer, and Patrinos 2011), the power of information to strengthen accountability is discussed at length. Three good examples from the region, described below, illustrate the power of accountability.

As noted earlier, the Marseille Center for Mediterranean Integration has introduced the University Governance Score Card in the region. Among other things, this instrument gives a snapshot of the governance practices of Arab universities, allowing administrators, policy makers and other stakeholders to take stock and reflect on the comparative performance of these universities.

In the Palestinian Territories, tracer studies were used to assess the impact of a bilateral Palestinian-GIZ project aimed at preparing participants for self-employment or private-sector employment, both within and outside of the Palestinian Territories. This project supported the Palestinian Authority in reducing youth unemployment by integrating young people into market-oriented, modular, nonformal, vocational education and training courses and programs. The tracer studies showed that one-third of

graduates were employed one year after completion of the program. Results such as these reinforce the accountability of the system.

Finally, the Arab League Educational, Scientific, and Cultural Organization (ALECSO) is establishing the ALECSO Observatory of Education Indicators. In conjunction with UNESCO's Institute of Statistics, the Observatory will offer data on all Arab countries' school systems and thus provide a regional overview of educational system performance. The release of such data not only improves transparency, it also helps hold governments accountable for meeting the performance targets they have given themselves.

### **Implications of Regional Findings**

The scores of the seven benchmarked countries demonstrate that improvements are still clearly possible. Each respective country needs to assess its arrangements for collecting and using data to focus attention on training outcomes, efficiency, and innovation in TVET service delivery. Good monitoring and evaluation (M&E) are essential; using the data produced by M&E systems must become second nature to policy makers—a key feature of their toolbox.

## Conclusion

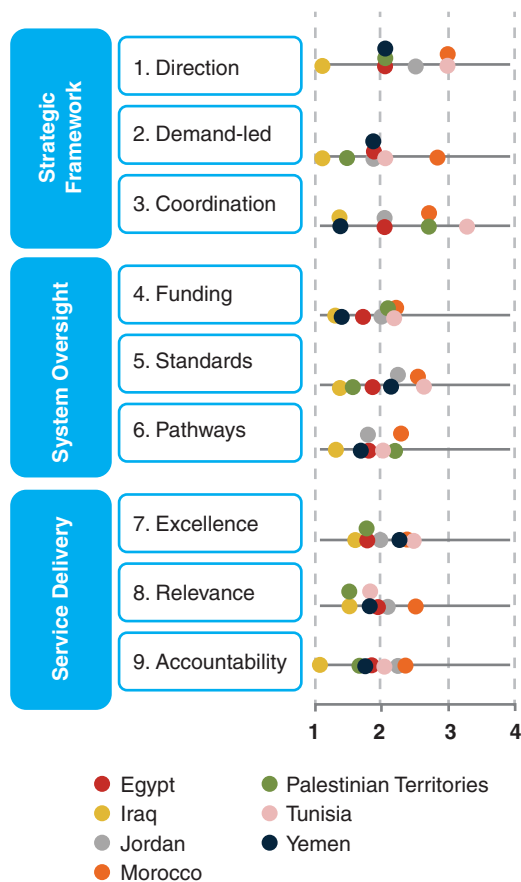
The SABER exercise has shown that WfD systems across the seven countries examined in this report show many similarities. Nonetheless, policy goals 1–3 (strategic framework dimension) show the greatest variance, with goals 1 and 3 further exhibiting two of the three highest means among all policy goals. By contrast, goals 4–9 show markedly lower variation across the seven countries (with the possible exception of goal 5) and lower means (again with the possible exceptions of goals 5 and 7). The WfD systems of the countries of the region, as a group, are therefore

further advanced in terms of the strategic framework dimension than they are in the system oversight and service delivery dimensions, with the caveat that the first dimension exhibits the most variation across the seven countries.

Since there are regional patterns, a regional approach to developing WfD systems merits consideration. At the very least, further study of WfD systems and further discussions on a regional basis are warranted. The Arab Regional Agenda for Improving Educational Quality (ARAIEQ) led by ALECSO in Tunis has adopted this approach on many education issues with some success.

Arguably, where the region demonstrates some dispersion in country scores for a certain policy goal, in particular, those under the strategic framework dimension, learning within the region promises to yield benefits to lagging countries. However, where the region as a whole exhibits little variation and low average performance, as is the case for both the system oversight and service delivery dimensions, policy makers will likely benefit from looking to well-performing systems outside the region. In this regard, multiyear country reports for Singapore, Korea, and Ireland are available and can provide at least initial insights.<sup>12</sup>

In either case, by benchmarking the countries' current WfD systems, the SABER WfD tool offers an excellent diagnostic baseline on which national policy makers can begin to build. Based on this exercise, the following recommendations are made for each of the three dimensions:



<sup>12</sup> See the World Bank SABER-WfD website at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/0,,contentMDK:23191129~pagePK:148956~piPK:216618~theSitePK:282386,00.html>.

**Strategic Framework** (policy goals 1–3): (i) identify and reinforce or develop a national apex-level WfD body with a recognized mandate to lead all WfD reform initiatives and coordinate strategic WfD policies; (ii) provide real opportunities for industry and other relevant stakeholders to play an active role in planning, oversight, and delivery of workforce training, taking into account the prevalence of SMEs in the region; and (iii) coordinate all stakeholders in pursuit of the goal of education for employment, in part by ensuring that mandates and incentives of relevant actors are aligned.

**System Oversight** (policy goals 4–6): (i) reform WfD financing in order to diversify funding sources; consider experimenting with innovative funding mechanisms to create incentives for performance; (ii) develop, implement, and evaluate a set of competency-based standards (a National Qualifications Framework, or possibly a Regional Qualifications Framework, needs to be established as a mechanism to improve training providers responsiveness to labor market needs; in addition, private sector training delivery needs to be strengthened through appropriate incentives and an accreditation system should be developed); and (iii) reform TVET education so that it is perceived to be on equal footing with general education, while creating pathways in and out of TVET.

**Service Delivery** (policy goals 7–9): (i) experiment with new governance arrangements for public sector training providers with the goal of enhancing their autonomy and accountability for results; (ii) support training providers to meet quality standards and deliver market-relevant programs; and (iii) take concrete steps to foster a culture of monitoring and evaluation, as well as information dissemination, in order to advance accountability in WfD systems.

The SABER-WfD diagnostic tool does not prioritize identified reforms across the different dimensions and policy goals. The outstanding question thus becomes whether certain reforms take precedence over others. In this regard, certain criteria and the experience of well-performing WfD systems offer a means to identify priority reform areas.

Of the three dimensions, the first—putting in place a strategic framework for workforce development—is likely the most important first step for all of the seven countries to develop further. It stands to reason that establishing a clear vision, strategy, and mandate for WfD reform is an essential prerequisite for effective reform, as the experience of Korea indicates (Annex 2). The SABER-WfD country report for Korea is a multiyear report, thus the status of its WfD system was assessed in 1970, 1990, and 2010. Of the three dimensions of the SABER WfD tool, only the strategic framework dimension was assessed at “established” in 1970 (the other two were “emerging”). This indicates that establishing a clear vision and strategy did indeed come first and led to further necessary reforms. In this regard, it is encouraging that the strategic framework dimension for the MENA region demonstrates the highest mean score (though the variance in this score is also the largest), indicating that the region has identified it as a priority and is moving in the right direction.

It will, of course, be up to policy makers in each country of the region to decide on priorities and set a reform agenda at the national level. On a thoroughly practical level, a matrix of actions and priority areas could be used, as the Palestinian Territories Country Report suggests (Annex 1). In all cases, the SABER WfD diagnostic tool will have significantly helped policy makers begin the WfD reform process.

# Annex 1: Palestinian Territories

## Country Report Matrix of Actions and Priority Areas

Dimension	Policy Goal	Score	Summary (examples)	Actions			Should this be a priority area for action?
				Action 1	Action 2	Action 3	
1. Strategic Framework	1. Strategic direction	2.0	PT scores at the <b>emerging</b> level on this policy goal, reflecting the advocacy of visible WfD champions of support for economic development. Their involvement, however, is limited and mostly ad hoc, without any routine or institutionalized arrangement to monitor and review the implementation progress of strategies and decisions.				
	2. Demand-led approach	1.4	PT scores at the <b>latent</b> level for policy goal 2. The government has taken some positive, yet modest steps by institutionalizing employer engagement at the local level and occasionally conducting assessments of economic prospects and skills implications at the local level.				
	3. Coordination	2.7 (might need re-scoring)	PT scores as <b>established</b> for policy goal 3. Implementation plans and budgets accompany strategic WfD measures, and legislation defines roles and responsibilities of governmental and nongovernmental actors. However, the mandate and responsibilities of ministries and agencies with responsibility for WfD overlap and coordination among stakeholders is ad hoc.				

(continued)

Dimension	Policy Goal	Score	Summary (examples)	Actions			Should this be a priority area for action?
				Action 1	Action 2	Action 3	
2. System Oversight	4. Efficiency/equity in funding	2.1	WfD requires a significant investment of resources by the government, households, and employers. To ensure that these resources are effectively used, it is important to examine the extent to which policies and institutional arrangements are in place to: (i) ensure stable funding for effective programs in initial, continuing, and targeted VET; (ii) monitor and assess the equity of funding; and (iii) foster partnerships with employers for funding WfD.				
	5. Relevant and reliable standards	1.5	PT scores at the <b>latent</b> level for this policy goal. This score is consistent with the country's progress in introducing competency standards for a few occupations and launching a consultative process to develop an NQF. However, curricula are not yet competency based. Standards are defined on the basis of internal consultations and are reviewed on an ad-hoc basis. Except for higher education, only private providers are required to obtain accreditation; accreditation standards are publicized and enforced to a large extent. Training providers are offered some incentives to seek and retain accreditation, mainly in the form of a license to operate.				
	6. Pathways for skills acquisition	2.2	PT scores at the <b>emerging</b> level for policy goal 6. While in principle pathways and recognition of prior learning exist, there are limitations. For example, TVET students can pursue formal skills acquisition beyond the secondary level, but their options are limited to vocationally oriented programs. Most certificates for TVET programs will be recognized in the proposed NQF, however, qualifications certified by noneducation ministries are not currently recognized				

Dimension	Policy Goal	Score	Summary (examples)	Actions			Should this be a priority area for action?
				Action 1	Action 2	Action 3	
3. Service Delivery			for admission into formal programs under the MOE/MOHE. Recognition of prior learning receives limited attention by policy makers and the general public. The government provides practically no support for further occupational and career development; however, it supports training programs targeted to disadvantaged populations on a systematic basis. Moreover, these programs are routinely reviewed for impact and adjusted in light of the findings.				
	7. Diversity and excellence in training provision	1.8	PT scores at the <b>emerging</b> level for policy goal 7. A diversity of non-state providers operate in the training market despite the paucity of government incentives for non-state provision of training. While most of these providers are registered and licensed, few quality assurance measures are in place and the government is not actively reviewing and formulating policies on non-state provision. With regard to the public training provision, the government grants limited autonomy to the state training institutions, but does not require them to meet explicit performance targets. Furthermore, the government uses ad-hoc processes to make decisions on program creation and closure, typically on the basis of implementation feasibility (e.g., funding, capacity).				
	8. Relevance in public training programs	1.5	The SABER-WfD benchmarking exercise indicates that PT stands at a <b>latent</b> level for policy goal 8. Informal links exist between training institutions and industry, and industry has a limited role in the design of curricula and in the specification of training facility standards. However, links between				

(continued)



Dimension	Policy Goal	Score	Summary (examples)	Actions			Should this be a priority area for action?
				Action 1	Action 2	Action 3	
			public training providers and research institutions are rare. The trainers and heads of public training institutions are recruited on the basis of minimum academic qualifications and teaching experience; this staff also has limited opportunities for in-service training.				
	9. Evidence-based accountability	1.6	PT scores at the <b>latent</b> level for policy goal 9. All training providers, whether state or non-state, are required to collect and report basic administrative data. However, there are virtually no skills-related surveys or impact evaluations and the data that is collected is rarely used to enhance program or system performance.				

# Annex 2: Key Findings of SABER Multiyear Country Report (2013) for Republic of Korea

## Strategic Framework

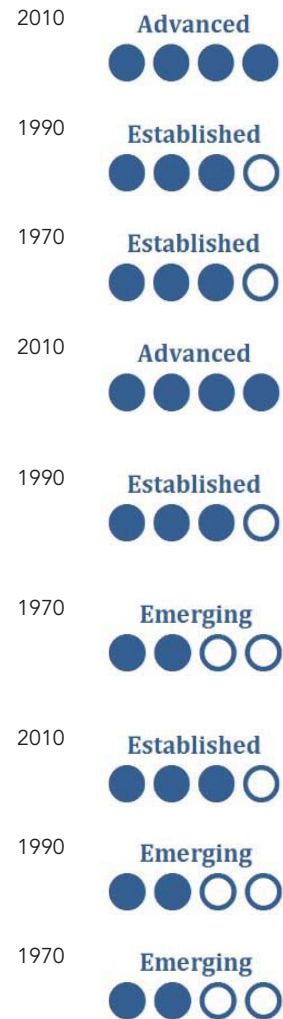
Strategic Framework was assessed at the established level in 1970 and 1990 and had reached an advanced level by 2010. These results reflect active apex-level leadership on the part of the government, which consistently maintains a close alignment between Korea’s economic development priorities and workforce development (WfD) policy; the integration of robust surveys of the demand for and supply of skills into the policy-making process; and the clear delineation of the legal roles and responsibilities of governmental and nongovernmental stakeholders involved in setting WfD strategy.

## System Oversight

System Oversight was assessed at the emerging level in 1970, progressed to an established level by 1990, and reached an advanced level in 2010. These results reflect strong oversight of the WfD system through the consistent enforcement of appropriate accreditation standards for all providers that receive public funding; a credible and comprehensive system of skills testing and certification; and an education system that creates multiple pathways in and out of vocational education at both the secondary and postsecondary levels. The system has steadily improved with respect to facilitating lifelong learning and using criteria to allocate WfD funds in order to both incentivize efficiency in resource use and ensure alignment of WfD programs with economic development priorities.

## Service Delivery

Service Delivery was assessed at the emerging level in 1970 and 1990 and progressed to an established level in 2010. These results reflect the numerous measures adopted by Korea to: foster links among individual training providers, research institutes, and industry; encourage diversity in training provision by supporting private providers and companies that train workers; and make extensive use of data collection and analysis to both identify strengths and weaknesses in service delivery and, especially in the past two decades, incentivize provider performance.



## Skills Were a Key Element of Rapid Economic Development in the Republic of Korea

The Korean economy has enjoyed sustained rapid growth since the 1960s. Over the past few decades, the dominance of state-led economic planning has given way to greater reliance on market forces to drive economic growth and diversification. Workforce

development has received close attention during this entire period, providing employers with workers who have the skills needed to support Korea’s transformation from one of the poorest countries in the world in the 1960s to a developed country with an advanced, knowledge-based economy today. The demand for skills has been consistently met through coordinated government action and collaboration with industry, research institutions, and other stakeholders. WfD

institutions, policies, and practices related to the first dimension, already strong in 1970, became stronger in subsequent decades, while significant and steady gains were achieved in the other two dimensions as well, especially after 1990.

## Key Reform Elements at the Strategy Level

The Korean government early on recognized the importance of WfD for economic development. By the 1960s, the country's president was convening weekly meetings with ministers to discuss WfD strategy, a practice that has continued to the present day. Over this period, leaders passed key reforms to institutionalize the roles of governmental and nongovernmental leaders in setting and implementing WfD strategies. One example is the creation of the Vocational Training Review Committee in 1967 to facilitate stakeholders' implementation of reforms. From 1961 to 1995, Korea's powerful central planning agency, the Economic Planning Board, played a critical role in setting economic development strategy and coordinating the actions of government ministries and agencies, including actions related to WfD.

Starting in the 1970s, the process for setting WfD strategy benefited from the availability of robust information on labor market conditions generated by government research institutions such as the Korea Education Development Institute (created in 1972), the Korea Employment Information Service (created in 1979), and the Korea Research Institute for Vocational Education and Training (created in 1997)—institutions that were established to provide information and analysis that would inform the development of economic and WfD initiatives. In recent years, the strategic focus of the system has benefited from the creation of the Human Resource Development Forum and Regional Human Resource Development Committees, which give nongovernmental leaders a regular, institutionalized role in reviewing WfD policy and discussing its implications.

## Reforms That Improve Oversight of the Education and Training System

Institutions and policies for oversight and governance of the WfD system developed steadily over time. A

national curriculum and stringent facilities standards, combined with robust employer participation in governing and funding the system, have created effective incentives for the provision of high-quality, industry-relevant training by both public and private providers. The National Education Curriculum, first defined in 1963 and most recently revised in 2009, sets system-wide standards for curricula, facilities, and equipment used in vocational education. Korea's Vocational Training Standards, first issued in 1976 by the Ministry of Labor, perform a similar function for continuing vocational training.

Early reforms included passage of the National Technical Qualifications Act in 1973 and introduction of a training tax levy system in 1976. More recent reforms include:

- steps to increase information about job opportunities in the form of the CareerNet and WorkNet websites;
- introduction of the Academic Credit Bank in 1997 and the Individual Training Account system in 2008 to encourage lifelong learning;
- transformation of the training levy into a system of training grants financed by a payroll tax and its integration in 1995 into the Employment Insurance System;
- development of National Competency Standards starting in 2002; and
- use of performance-based allocation of funding to intensify the incentives for providers to offer job-relevant training services.

## Reforms That Improve the Management of Training Institutions and Programs

The government actively oversees training service delivery by both public and private providers. To ensure the relevance and quality of training programs, it puts heavy emphasis on fostering collaboration and linkages among TVET providers and employers. Such measures were institutionalized early in Korea's development push, for example, in the form of the Department of Cooperation between Schools and Industry, created in 1973 to increase opportunities for workplace training for students, and through the Vocational Training Research Institute, created in 1981

to advise training providers on how to tailor programs and curricula to regional labor market demand.

Recent initiatives to strengthen the role of firms in creating and governing training programs include: formation of the Consortium for HRD Ability Magnified Program (CHAMP) in 2001 to enhance vocational training opportunities for working adults and creation of Meister High Schools in 2010 to offer high school graduates an attractive career pathway through vocational education. In addition, systemic measures to strengthen service delivery have been put in place, including:

- new procedures for awarding grants from the government-funded Job Skills Development Program that are designed to increase competition among training providers;
- use of the Job Posting and Bidding System to hire heads of training institutions on a competitive basis and to attract candidates with industry experience; and
- increased attention to monitoring institutional outcomes and performance.

## Reflections on Lessons from the Republic of Korea

The Korean experience is an example of effective government-led WfD. Government leaders at the highest levels have consistently asserted WfD's importance for providing an appropriately skilled workforce to advance strategic economic development objectives. The government's large investments in gathering robust and accurate data on current and

future economic conditions and the skills implications of these conditions have been instrumental in aligning WfD with national economic development goals. This alignment has been achieved through the creation of numerous dedicated governmental and quasi-governmental research institutions and think tanks, as well as by maintaining strong formal and informal government links to industry. A collaborative approach to WfD was also essential. The government recognized industry, training providers, and labor unions as essential partners in activities that ranged from implementing strategic reforms to system oversight to collaboration to ensure that providers deliver desired outcomes.

In the face of rapid economic change and ambitious economic development targets, Korea has for most of the past several decades relied on a centralized approach to governing the TVET system. All training providers operating in the country must complete a rigorous accreditation process and depend to varying degrees on government subsidies to finance their operations. The government's insistence on detailed spending plans and adherence to a national curriculum have given it considerable influence over TVET providers. In response to increasing economic diversification and the need for more flexibility in the WfD system, the government now relies increasingly on market competition and funding incentives to ensure that providers achieve WfD targets. In the coming years, Korea's WfD system faces new challenges, among them, the need to foster flexibility and creativity among workers, manage the persistence of a strong social preference for academic rather than vocational education, and expand participation in lifelong learning as the population ages.

# References

- Bruns, Barbara, Deon Filmer, and Harry Patrinos. 2011. *Making Schools Work: New Evidence on Accountability Reforms*. World Bank, Washington, DC.
- Edstats (database). 2012. World Bank, Washington, DC. <http://go.worldbank.org/ITABCOGIV1>.
- IFC (International Finance Corporation). 2011. *Education for Employment: Realizing Arab Youth Potential*. IFC and Islamic Development Bank, Washington, DC.
- Ireson, J., S. Hallam, and C. Hurley. 2005. "What Are the Effects of Ability Grouping on GCSE Attainment?" *British Educational Research Journal* 31 (4): 443–58.
- Jakubowski, M., H. A. Patrinos, E. E. Porta, and J. Wisniewski. 2010. "The Impact of the 1999 Education Reform in Poland." Policy Research Working Paper 5263. World Bank, Washington, DC.
- KRIVET (Korea Research Institute for Vocational Education and Training). 2007. Brochure. KRIVET, Seoul.
- Mourshed, Mona, Diana Farrell, and Dominic Barton. 2012. *Education to Employment: Designing a System That Works*. McKinsey Center for Government, Boston, MA.
- OECD–PISA (Organisation for Economic Co-operation and Development–Programme for International Student Assessment) database. 2006, 2009. OECD, Paris, France. <http://pisa2006.acer.edu.au/downloads.php>.
- Porta, Emilio. 2011. "A Data Set for Estimating Global Indicators of Education Inequality." Human Development Network, World Bank, Washington, DC.
- Schleicher, Andreas. 2008. "PIAAC: A New Strategy for Assessing Adult Competencies." *International Review of Education* 54(5-6): 627–50.
- UNESCO (United Nations Educational, Scientific, and Cultural Organization). 2012. *Youth and Skills—Putting Education to Work*. EFA Global Monitoring Report, UNESCO, Paris.
- Wang, Yidan. 2012. *Education in a Changing World: Flexibility, Skills, and Employability*. World Bank, Washington, DC.
- World Bank. 2007. *The Road Not Traveled: Education Reform in the Middle East and North Africa*. World Bank, Washington, DC.
- . 2013a. *Jobs for Shared Prosperity: Time for Action in the Middle East and North Africa*. World Bank, Washington, DC.
- . 2013b. *What Matters for Workforce Development: A Framework and Tool for Analysis*. SABER Working Paper Series 6. World Bank, Washington, DC.
- . 2014. *Palestinian Territories: Workforce Development*. SABER Country Report. World Bank, Washington, DC.

