

# ETF POSITION PAPER

## Social Partners in VET

This paper has been authored by Petri Lempinen, Specialist in VET and Social Partnership at the ETF, on the basis of in-depth discussions with ETF colleagues and external EU and partner countries experts. The author would like to thank especially Gerard Mayen for the comments and mentoring in preparation of this paper.

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## List of Acronyms

|           |   |
|-----------|---|
| ASCAME    | Association of Mediterranean Chambers of Commerce and Industry  |
| BDA       | Confederation of German Employers' Associations (Bundesvereinigung der Deutschen Arbeitgeberverbände)         |
| BIAC      | Business and Industry Advisory Committee to the OECD  |
| Cedefop   | European Centre for the Development of Vocational Training  |
| CEEP      | European Centre of Employers and Enterprises providing Public services  |
| CGEM      | General Confederation of Moroccan Enterprises (Confédération Générale des Entreprises du Maroc)               |
| CVT       | Continuing Vocational Training  |
| EBC       | Education and business cooperation  |
| ETF       | European Training Foundation  |
| ETUC      | European Trade Union Confederation  |
| EU        | European Union  |
| Eurofound | European Foundation for the Improvement of Living and Working Conditions                                      |
| FPU       | Federation of Trade Unions of Ukraine (Федерація профспілок України)  |
| FRU       | Federation of employers of Ukraine (Конфедерація роботодавців України)  |
| ILO       | International Labour Organization   |
| IOE       | International Organisation of Employers   |
| ITUC      | International Trade Union Confederation   |
| NGO       | Non-governmental organisation   |
| OECD      | Organisation for Economic Cooperation and Development   |
| PGFTU     | Palestinian General Federation of Trade Unions  |
| SMEs      | Small and Medium-sized Enterprises  |
| TESK      | Confederation of Turkish Craftsmen and Tradesmen  |
| TUAC      | Trade Union Advisory Committee to the OECD  |
| TURK-IS   | Confederation of Turkish Trade Unions   |
| UEAPME    | European Association of Craft, Small and Medium-sized Enterprises   |
| UGTT      | The Tunisian General Labour Union (Union Générale Tunisienne du Travail)                                      |
| UTICA     | Tunisian Union of Industry, Trade and Crafts (Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat) |
| VET       | Vocational Education and Training   |

## Table of Contents

|   |    |
|---|----|
| 1 Introduction .....  | 5  |
| 2 Policy Context .....  | 5  |
| 3 Who are the social partners? .....                            | 7  |
| 3.1. ILO and EU Definitions .....                               | 7  |
| 3.2 Representativeness .....                                    | 7  |
| 3.3 Missions and tasks.....                                     | 7  |
| 3.4 Chambers of commerce.....                                   | 8  |
| 4 International organisations.....                              | 9  |
| 5 Employers and trade unions in partner countries .....         | 10 |
| 5.1 Principles of organisation.....                             | 10 |
| 5.2 Political environment.....                                  | 10 |
| 5.3 Fragmentation and resources .....                           | 11 |
| 6 Working methods .....   | 12 |
| 6.1 Social dialogue.....  | 12 |
| 6.2 Collective bargaining.....                                  | 13 |
| 6.3 Preconditions of engagement .....                           | 14 |
| 7 Social dialogue on VET.....                                   | 15 |
| 7.1 EU member states .....                                      | 15 |
| 7.2 Partner Countries.....                                      | 16 |
| 7.3 Structures of social dialogue in VET .....                  | 17 |
| 8 Practical involvement of social partners .....                | 18 |
| 8.1 Collective bargaining to fund training.....                 | 18 |
| 8.2 Forecasting of skill needs .....                            | 19 |
| 8.3 Qualifications and occupational standards .....             | 19 |
| 8.4 Training provision.....                                     | 20 |
| 8.5 Certification of learners .....                             | 20 |
| 8.6 Guidance and counselling .....                              | 20 |
| Conclusions: Corporate position .....                           | 21 |
| 1. Involve social partners in projects.....                     | 22 |
| 2. Address the social partners .....                            | 23 |
| 3. Encourage public authorities to involve social partners..... | 23 |
| 4. Sharpen the terminology.....                                 | 23 |
| Sources .....   | 24 |
| Literature .....  | 24 |
| Interviews .....  | 25 |

## 1 Introduction

The modernisation of vocational education and training is high on agendas all over the world. The key issue in the policy debate is the shift from a supply-driven to a demand-driven provision of VET. The world of work needs to be involved in the reform processes to ensure that VET meets the immediate and long-term needs of labour market. Social partnership and social dialogue are tools to channel messages from the labour market to the reform agenda. In this paper the term social partners refers to employers and their organisations and to trade unions representing workers.

The aim of this paper is to support the work of the ETF with social partners as the main representatives of the labour markets in our partner countries. The document analyses and presents existing policies, definitions and practice. It presents and clarifies differences of thought between employers' and workers' organisations. The document defines social partners and presents their main activities in the fields of lifelong learning or VET. An important topic is the working conditions of social partner organisations. This goes beyond VET policies and national labour markets, and into the political situation and civil rights in societies at large. It also covers the traditions and resources of the social partners. In conclusion, the document presents recommendations for the ETF so it can systematise and widen its work with national and sector organisations in a way that supports the development of their capacity to be positively engaged in policymaking and the provision of VET.

From its establishment in 1995, the ETF has worked with social partners and involved them in many of its activities.<sup>1</sup> It has recently produced two mapping studies of social partner involvement in human capital development and VET policies. One of the studies (2008) covered IPA region. The second (2011) covered the southern and eastern Mediterranean region.<sup>2</sup> Currently, the ETF is working with social partners in the context of several regional and country projects, e.g. in the development of qualification frameworks. A specific regional project in the Mediterranean region started in 2010 to support the capacity of social partners to play a role in VET.

## 2 Policy Context

A relevant demand-driven provision of VET needs consultation and cooperation with representatives of the labour market. VET is recognised as an area of shared responsibility of national governments, social partners, VET providers, teachers, trainers, and learners.<sup>3</sup>

European policies have stressed the involvement of social partners in the design, provision and financing of VET as a prerequisite for efficiency. Partnership improves the relevance of training to labour market needs. In many countries, these partnerships take the form of skills councils, which are involved in labour market monitoring, skill profile development, curricula and certification.<sup>4</sup>

In the European Union, the term social partners is used for employer organisations and trade unions which represent the labour market as employers and workers. Their role and acceptance in society is the result of their long history. It is also linked to a high level of labour market regulation. In the 15 countries that made up the EU before its eastward expansion in 2004, the social partners take part in policy and decision making beyond employment issues because they have ownership of e.g. social security and pension schemes through funding. In the central and eastern European countries that joined the union in 2004 and 2007 social partners play a much more limited role in society.

In most EU member states social partners are involved in VET policymaking. They often play a role in the implementation of policies and in the practical provision of VET. Apprenticeship schemes provide a good example of how labour markets can take responsibility on training. In some cases they even have ownership of VET, especially where training takes place at work places.

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1 ETF 1998.

2 Kristensen 2008. Mayen 2011b.

3 The Bruges Communiqué 2010.

4 European Commission 2010.

Partnership takes place at cross-industry, sectoral or enterprise level between employers and trade unions and sometimes including public authorities such as national governments or the European commission.<sup>5</sup> The linkage between sectoral and cross-industry dialogue depends on the nature of partnership in each country. Often sectoral initiatives cover an entire sector at the national level. Dialogue and especially partnership can also take place at the local or enterprise level.

There also is a supranational European social dialogue. Here, negotiations take place between European umbrella organisations representing employers and trade unions. Negotiating teams are partly nominated by affiliated national organisations so it is not only a negotiation between EU level actors. Decision makers of these organisations who approve final results or agreements come from national affiliates. This means that the European social dialogue does not take place in strict isolation from social dialogue in the member states.

Action at the European level offers opportunities for social partners to learn from each other and to build trust – a key asset in social partnership. There is a correlation between the effectiveness of social dialogue at the European and at the national level<sup>6</sup>

Adopted by the participants of international ‘Learning by Evidence’ conference, the *Torino Declaration* of 2011 recognised social dialogue as a way to reinforce good governance in VET. The declaration confirmed skills for employability, the changing role of teachers and trainers and equal access to education and training as policy priorities.

The Torino Process reports from 2010 indicate that ETF partner countries are struggling to shift from supply-driven to more demand-driven VET systems. Such a shift is generally acknowledged to increase employability, to better match the needs of the labour market and to improve access to training. In the 2010 round of the Torino Process, the role of social partners in VET was identified as an area of development in 22 out of 27 participating ETF partner countries.

This is a clear message came from the ETF’s Education and Business Cooperation study: “It is important for policymakers to involve the social partners in VET reform with the aim of discussing the skill issues and to create the necessary trust between stakeholders.”

While awareness of the importance to engage social partners to VET is emerging, signs of practical cooperation are fewer. Also, in most ETF documents the term social partners seems to make reference mostly to employers or individual enterprises.

The Torino Process and the Education and Business Study noted that social partnership is often hampered by centralised approaches or a lack of social partner capacity, typically related to lacking human resources and technical expertise. The 2010 Torino Process reports identified four factors that stand in the way of effective social partnership:

- Centralised decision making processes are in place in a large number of partner countries. As a result, there is a general reluctance to give an effective role to the social partners in VET management and limited resources are provided to the governing bodies for VET. This stands in sharp contrast with the heavy portfolio of responsibilities that have been transferred to these partners by law.
- Employers and employees’ associations are often reluctant to be involved in VET and more generally in human capital development issues because they do not consider it strategically important or they do not trust the public system to be able to provide the right answers to their needs,
- A large number of social partner institutions have limited capacity and resources to deal with policy issues. They are not prepared (or keen) to engage in a field which they do not sufficiently know.
- In the former socialist countries, most employer associations are young and not properly established. They have been created during the last two decades. In socialist countries trade unions were closely linked to ruling regime and they played a very different role than they do today.

Regardless if the issue of social dialogue is more linked to industrial relations, employment or vocational training policy, the social partners must have appropriate capacity to be engaged.<sup>7</sup> Both employers and trade unions need support and capacity building to be able to fulfil any

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5 Nielsen 2011.

6 Lempinen 2011.

7 Ghellab and Vylitova 2005.

expectations of their participation in social dialogue in the regions where the ETF works. VET and lifelong learning are new issues for them in most of the partner countries. Scarce resources, a lack of time and pressure from other issues can limit the role and contribution of social partners, even if their involvement in this new topic is considered to be essential.

### **3 Who are the social partners?**

#### **3.1. ILO and EU Definitions**

Social partners are trade unions and the employers or their representative organisations that are engaged in social dialogue. This definition is used both by the European Commission and the International Labour Organisation, the ILO. European law also uses the English term 'management and labour' when referring to representatives of workers and employers. In American English workers organisations are called Labour Unions. In literature, employer organisations and trade unions are also referred as "both sides of industry".

Freedom of association, independence and representativeness are important quality attributes of a social partner organisation. Freedom of association means voluntary membership both for employers and employees.<sup>8</sup> Independence means autonomy in decision making. Neither independent trade unions nor employer organisations are formally or informally attached to governments or a ruling political party. They also reflect the democratic nature of societies.

The characteristic of social partners is that they can negotiate and make binding agreements on behalf of their members. They are not merely service providers to their members but they represent the interest of members in various forums. All independent social partner organisations receive their legitimacy and the mandate from the members which in the end are individual enterprises as employers and individual employees. These organisations can be legitimate even if a government or public authorities are not willing to enter into negotiations or dialogue with them.

#### **3.2 Representativeness**

Representativeness is a political issue. Consequently, national rules for representativeness are different from one country to another. The French trade unions, which represent 8% of the work force, are considered to be as representative as Swedish unions with an affiliation rate of 69%. In Morocco and Algeria, the threshold of representativeness for trade unions is higher than in some European countries.

The European Commission identifies the criteria for including employer and trade union organisations in social dialogue at the European level. Eurofound makes studies on representativeness of national and European social partners.

In 2008, some 121 million employees out of 184 million in EU member states were covered by a collective agreement. At the same time, the number of unionised workers was 43 million and the number of non-unionised employees had increased to 140 million people. Trade union membership in Europe has been declining. There is no reliable data on the organisation rate of employers. In 2008, approximately 58% (106 million) of all workers, worked in enterprises affiliated with an employers' association.<sup>9</sup> The coverage of collective agreements made by representative organisations is three times higher than the number of unionised workers and also higher than the number of workers in organised enterprises. These figures reveal the complexity of representativeness

#### **3.3 Missions and tasks**

The mission of trade unions is to protect the interests of their members (workers) in general. Trade unions promote the rights of people both as workers and as citizens. In their mission statements, unions see themselves as a voice of ordinary workers facing the government and a global market economy. Even though in many countries workers have no right to organise themselves, the international trade union movement claims to be the largest and most representative organisation based on voluntary membership in the world.

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8 Ghellab and Vylitova 2005. Freedom of association and protection of the right to organise conventions. ILO 1947.

9 European Commission 2011. The highest coverage is in Austria (100%) and the lowest in Lithuania (approximately 15 %). In Central and Eastern European countries coverage in average is 43 % and it has been decreasing after 2000.

The goal of the Tunisian trade union UGTT is to improve economic and social conditions of all workers and retired workers, enlarging their awareness and defending their material interest. The purpose of the Ukrainian trade union FPU is to express, represent and protect social and economic rights and interests of union members towards government agencies and local governments and in relations with employers. The FPU also coordinates collective action of its members.

Employers' organisations are set up to organise and advance the collective interests of employers. This covers working conditions and social protection related to employment and also includes labour legislation. Nowadays most employer organisations also represent the business interest of their affiliated enterprises. Involvement in industrial relations makes the distinction between an employer organisation and a sole business association.

The main goal of the Confederation of Employers of Ukraine FRU is to represent its member employers and to protect the interests of their associations in economic, social, labour and other relations. The mission of UTICA, from Tunisia, is to safeguard the interests of its members. Its task is to participate in defining and implementing economic and social policy with the government and enter the dialogue with trade unions.

The previous examples from Tunisia and Ukraine highlight the difference of thinking between employers and trade unions. Definitions of mission or purpose of trade union or employer organisation are quite similar in ETF partner countries as in EU member states.

### **3.4 Chambers of commerce**

International definitions distinguish between employer organisations and other organisations representing enterprises and businesses. The core business for an employer organisation is social agenda related to working conditions and work force in a wide sense. In principle this excludes the work to promote better business environment like regulatory frameworks, infrastructure or R&D policies. In practise most modern employer organisations cover also this side of the watch interest of enterprises.

Most common organisations for enterprises are Chambers of Commerce and Industry or Chambers of Crafts which exist all around the world. Chambers are organisations that work with a goal to further interests of businesses and trades. They are often consulted by governments when new legislation or policies related to industry or commerce is prepared.

Many countries have chambers with compulsory membership of enterprises. They are public statutory bodies with self-administration and they are often under the inspectorate of the state. These chambers exercise responsibilities of public administration on behalf of state authorities. Their responsibilities can be linked to regional development, the registration of enterprises, the promotion of foreign trade or, indeed, vocational training. Such chambers exist in Germany, Spain and Japan as well as in ETF partner countries from Egypt to Croatia.

There are chambers with a voluntary membership that work to promote the common interests and networking of businesses. They are a sort of lobby or business organisations often with a regional or local focus. Other business associations represent enterprises from different sectors. Their goal is usually to defend the interests of a branch of industry nationally or even internationally.

There are also bilateral organisations, such as the Italian Chamber of Commerce in Egypt or the Turkish-American Chamber for Commerce & Industry who promote trade between two countries. These kinds of chambers provide foreign trade services to their affiliated enterprises.

In most ETF partner countries, a huge number of very small enterprises form the core of an informal economy. Informal employment is not restricted to informal enterprises. In Moldova, for example, one third of informal employment (32.3% in 2007) is in formal enterprises.<sup>10</sup>

Throughout the regions where the ETF works the dominance of small and micro enterprises forms an obstacle to social partnership and cooperation in general. Small enterprises and their workers are less frequently organised than big enterprises and their workers.<sup>11</sup> Enterprises operating in the informal economy are not even members in Chambers of Commerce or other institutions that usually have compulsory membership.

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10 ETF 2009b.

11 Wallenborn 2011a.



The abovementioned ILO definition means that a number of organisations representing enterprises, such as Chambers of Commerce, are not considered to be social partners in many (European) countries. The reasons for this are that they have compulsory membership and by performing public duties they are often semi-public organisations. They do not represent their members on employment issues or they do not deal with trade unions. This does not mean that the work and roles of these organisations have only minor value. In fact, perhaps it only means that 'social partner' as a concept is clearly defined in EU and UN context.

#### **4 International organisations**

The International Organisation of Employers (IOE) and the International Trade Union Confederation (ITUC) are two global organisations to which the majority of independent national social partner organisations are affiliated. Both the IOE and ITUC work in the context of the ILO and G20.<sup>12</sup> They both demand voluntary membership and independence from their members but affiliation in a global social partner organisation is not a quality indicator as such.

The IOE represents 148 employer organisations from 141 countries and has usually one member organisation from each ILO member state. The mission of the IOE is to promote and defend the interests of employers in international fora, particularly in the ILO. It works to ensure that international labour and social policy promote the viability of enterprises and create an environment favourable to enterprise development and job creation.

ITUC has 301 affiliated member organisations in 151 countries and territories, with a total membership of 176 million workers. The ITUC's primary mission is the promotion and defence of workers' rights and interests through international cooperation among trade unions, global campaigning and advocacy among the major global institutions.

In Europe four organisations are recognised by the European Commission as representative social partners. The European Trade Union Confederation (ETUC) exists to speak with a single voice at the European level on behalf of the common interests of workers. Employers have three different organisations. The main task of BusinessEurope is to ensure that companies' interests are represented and defended at the European institutions, mainly to preserve and strengthen corporate competitiveness. The UEAPME represents the interests of European crafts, trades and SMEs. CEEP represents providers of services of general interest, such as education and health care.

ETUC, BusinessEurope, UEAPME and CEEP all work at the EU level. They are invited to have a constant dialogue with the European Commission, which also supports and facilitates the bipartite social dialogue at the EU level. Several European sector organisations have also been recognised by the European Commission. These European organisations are tools for national social partners to enter the dialogue and influence decision making at a supranational level that the EU is.

Eurochambers represents the interest of national chambers of commerce from 45 different countries. Eurochambers covers most of the ETF partner countries in Eastern Europe, the Western Balkans, Turkey and Israel. They work at the European level and in an EU context but they are not recognised as a social partner like the abovementioned four organisations. From the point of view of the ETF, the Association of Mediterranean Chambers of Commerce and Industry (ASCAME) is also an important organisation. It covers affiliates from 23 countries around Mediterranean. Among the ETF partner countries only Kosovo, the Occupied Palestinian Territory and five Central Asian countries are outside these two organisations.

Legitimacy of all these international and European organisations comes from their national members, not from the ILO, the OECD or the EU in which they represent the interest of their members.

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<sup>12</sup> For the OECD both sides of industry have advisory bodies (BIAC for employers and TUAC for workers) which represent national social partners from industrial countries. From the ETF partner countries Turkish unions and employers are affiliated into TUAC and BIAC. Employers from Israel are also members of BIAC, which has observer members from non-OECD member countries including Russia and Morocco.

The IOE and ITUC have affiliated members in most but not in all ETF partner countries. These global organisations also work with countries that do not yet have organisations which meet membership requirements. Membership of a national federation in the IOE or ITUC can be checked from the website of these organisations.<sup>13</sup>

## **5 Employers and trade unions in partner countries**

### **5.1 Principles of organisation**

Independent employer organisations and trade unions usually follow a bottom-up approach. The basis of organisation lies at the level of enterprises or workplaces where workers have a basic trade union to negotiate or enter a dialogue with their employer, an individual enterprise.

The second and usually the most important level of organisation is the sectors which sometimes are complemented by regional organisations. Enterprises are affiliated in sector federations that represent the interest of employers within a certain specific economic branch. Their counterparts are trade unions representing workers of the same sector. Sector organisations can be affiliated to cross-industry organisations.

At the next level of organisation are national confederations which have affiliated unions or organisations from several or all sectors. In many countries there are several confederations or central organisations that are in competition with each other. This means that there can be several trade unions or employer organisations within one sector. These principles and structures of organisation are different from one country to another.

In Morocco, national employer organisation CGEM consists of eight regional and 31 sector organisations. The Serbian Association of Employers (Unija Poslodavaca Srbije) has territorial and sector associations as well as individual enterprises as members. Ukraine has one major employer organisation with affiliated branch federations. All three organisations mentioned here are members of the International Organisation of Employers.

Trade unionism is based on affiliation of individual workers in the work place. These basic trade unions at company level are the basis for both regional and sector organisations. This mode of organisation is the source of trade union power (where this exists) as it enables unions to mobilise workers and coordinate their actions.

Countries like Algeria, Azerbaijan and Bosnia-Herzegovina have one major trade union confederation that is internationally recognised and affiliated with ITUC. These organisations are usually engaged in dialogue and negotiations with the government. Some countries have several trade unions that are internationally recognised. Morocco, Russia and Ukraine for example all have three major trade union federations which are divided in sectoral and regional organisations. Turkish trade unions are associated with four confederations. The biggest one is TURK-IS with 35 affiliated unions representing different sectors and regional workers of Northern Cyprus.

### **5.2 Political environment**

At the moment freedom of association, independence and representativeness of social partners depend on the political system of their country. Most of the ETF partner countries have a less democratic heritage than some countries in Western Europe and in some countries trade unions and employers are still closely linked to the political regime. This has especially been the case in Eastern Europe and the Southern Mediterranean region. In some less democratic societies, social partners (especially trade unions) are a communication and organisation channel for political opposition just as it was in Poland in the 1980s. Their role is much wider than dealing with labour market issues. In Turkey and the Western Balkans social partners tend to follow the EU model of social partner autonomy and independence.

The role that employer organisations and trade unions play in society is different in most ETF partner countries than in EU member states. Many employer organisations and trade unions have limited resources and capacity to be involved in different topics.<sup>14</sup> They are not well organised and there are problems with their representativeness. Governments do not always welcome activities of social partners. There are restrictions or limitations to workers' rights to

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<sup>13</sup> [www.ioe-emp.org](http://www.ioe-emp.org) > member federations, [www.ituc-csi.org](http://www.ituc-csi.org) > about us > list of affiliates.

<sup>14</sup> Mayen 2011b.

organise and to defend their interests. In many countries trade unionists face the constant threat of dismissal or even arrest.

The International Trade Union Confederation (ITUC) annually reports violations of trade union rights on their website. The reports visualise in what political and legal environments trade unions and sometimes also employer organisations have to work. Limitations to collective bargaining also violate the rights of employer organisations.

Most of the organisations are not politicised in a sense that it would bias their work. Still, government interference and political conditions can hinder the development of employer organisations and trade unions. Trade union rights are usually recognised in legislation, but may not be respected in practise. There have been problems in several ETF partner countries with the registration of trade unions as well as with government interference in trade union elections. Governments have mobilised campaigns to change the leadership of employer organisations.

Poor security in the labour market, high levels of unemployment and in some countries a large informal economy make it difficult for trade unions to act and recruit members. Dismissal of trade union activists is a common phenomenon in several partner countries. Even the threat of dismissal or a cut in wages prevents ordinary workers from unionising. Union activists have been arrested without access to due trial. There are even examples of physical attacks.

Many existing organisations have an old leadership and they do not know how to innovate. The leaders are not always interested in elections or competition. Trade unions that are losing members may not know how to move into emerging sectors. The real test for the social partner organisation is continuity when the leadership changes.

On the other hand, countries that do not always respect freedom of organisation or the rights of trade unions can have formal bodies for tripartite cooperation. The effectiveness of economic and social councils can be an issue, even if they provide an established platform for dialogue. The picture is not always black and white.

In many ETF partner countries trade unionism is concentrated in the public sector or in big companies that are either multinational or state-owned. When state is the main employer, the interests of workers can lead to conflicts with government. This can happen when working conditions are negotiated but also in the process of privatisation or restructuring. On the other hand, in countries where state-owned companies play a major role in economy, they also form the backbone of employer organisations. This can create a link between employer organisation and ministry in charge of the economic sector.

The annual ILO labour conference is the biggest tripartite event in world. The participation list, available from the ILO website, reveals which employer organisations and trade unions are recognised by their respective governments or ministries of labour. The list also reveals that not all ETF partner countries participated in the conferences even if they were members of the ILO. This lists also reveals that some countries sent only one- or bipartite delegations.

### **5.3 Fragmentation and resources**

The main characteristic of social partners in most of the ETF's partner countries is their organisational fragmentation. This is also quite common in EU member states. There usually are several trade unions and employer organisations which are in competition for influence or representativeness. Sometimes, this competition sets the agenda more than the promotion of workers' interests. Often unions or employer organisations do not understand that fragmentation is not in the interest of their members.<sup>15</sup> Low membership figures themselves also cause problems – few members may be divided among various organisations. In many countries, multinational or international enterprises are not affiliated with national employer organisations. Instead they apply their own policies and business models.

Fragmentation causes problems in countries where the rate of organisation and the capacity of members to contribute in fees is low. Organisations that lack financial resources have difficulty attracting professional and dedicated staff who can deal with complex issues and demanding processes. According to the IOE, the main challenge for most employer organisations is their low number of members. In fact, some of the organisations may in

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<sup>15</sup> E.g. ETF 2009a.

reality be 'one man shows'. Representativeness is a crucial issue when evaluating the value and role of each individual organisation.

External funding can jeopardise the independence of organisation. The new Egyptian Federation of Independent Trade Unions has declared that they will not accept any foreign funding. Increasing membership is the only way to increase their budget and develop activities, including services for members. Also, more members would equal better representativeness and this could force their government to listen. The workers of SME's and the informal sector, which are dominant in most ETF partner countries, are only rarely organised in trade unions.

In 2011, Egypt experienced the birth of an independent trade union movement with birth of new trade unions that represent workers of individual enterprises, sectors or regions. Examples from other countries, such as Indonesia, have shown that democratisation may lead to a mushrooming of trade unions. Consolidation takes place only later. So there seem to be natural historical phases that need to be understood. The spread of the democratic movement in Arab countries will probably create further new trade unions and also employer organisations.

There is no single model of trade unionism or organisation of employers in Europe or in the ETF partner countries. Each partner country has employer organisations and trade unions but there are also chambers of commerce and industry. Chambers can be the main form of employer organisation or they can exist in parallel with sector or national federations. There can be competition among different employer organisations as well as among trade unions. Where the chambers have an obligatory membership they have better funding and capacity to act.

As we wrote earlier, organisational fragmentation is also common in EU member states. In early 2010, there were 111 national employer confederations and peak associations in 27 EU countries. These had 1700 sector affiliates. There were 98 trade union confederations and the number of trade unions, a number that is at least as high as that of the employer organisations.<sup>16</sup> Several countries have only one confederation of employers or trade unions, but there is even a country with nine trade union confederations. Italy has ten employer organisations and Romania has 13.

## **6 Working methods**

### **6.1 Social dialogue**

According to the ILO, social dialogue includes all types of negotiation, consultation or simply exchange of information between or among representatives of governments, employers and workers on issues of common interest relating to economic and social policy. It does not necessarily need to lead to agreements or even to a common understanding. Social dialogue is the main activity of the social partners.

Exchanging information is the basic process and an essential starting point of social dialogue. It does not necessarily imply any real discussion or action on the issues concerned.

The second level of dialogue is consultation, in which the social partners engage in a more in-depth dialogue about the issues raised. Collective bargaining and policy formulation are the two dominant types of negotiation.<sup>17</sup> Different working groups or permanent bodies established by the government are part of social dialogue. When VET or lifelong learning issues are dealt with in such a context they are also subjects of social dialogue.

For the ILO, social dialogue is a fundamental right of different population groups to participate in the formulation and implementation of decisions which affect their lives.<sup>18</sup> Social dialogue is presented as a way to enhance democracy as it ensures that large segments of population are legitimately involved in policy-making processes. Social dialogue is a tool of good governance in relation to society and economy. It is closely linked to the concept of multilevel governance.

Social partnership means working together and identifying the responsibilities which are shared between the different actors. In practice it denotes the involvement of social partners

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<sup>16</sup> European Commission 2011.

<sup>17</sup> Ishikawa 2003.

<sup>18</sup> Ghellab and Vylitova 2005.

in the development, implementation and evaluation of policies in cooperation with public authorities and learning institutions.<sup>19</sup>

Tripartism is a form of cooperation between workers' organisations, employers' organisations and governments that aims at formulating and implementing social and economic measures. The bipartite dialogue between trade unions and employers' organisations can also have direct or indirect government involvement. An outcome of tripartite social dialogue can be the conclusion of an agreement or social pact.<sup>20</sup>

Social dialogue takes place at within companies or at the national level. It is typically sectoral, but can also take place in a cross-industry context. The European Commission has been supporting a supranational European social dialogue which has been quite successful. EU-level trade unions and employers have reached several agreements which have been implemented either by them or through European legislation. At the EU level, this dialogue has been facilitated and financially supported by the European Commission.

## 6.2 Collective bargaining

Collective bargaining is the process of negotiation between employers' and workers' representatives towards a collective agreement that is binding to all signatories. It is one of the most widespread forms of social dialogue and is institutionalised in many countries. Both sides should participate in collective bargaining voluntarily and they should be autonomous in their decision making.

A collective agreement covers the terms and conditions of employment, which goes beyond traditional issues like wages, pensions or working hours. It has also been used to promote staff training and to fund continuing training (CVT) of the workforce, including job seekers. In Finland, for example, some sector agreements have stipulations on the right to training of individual workers, e.g. three annual training days that are decided by employer. A collective agreement can specify that time used for training is part of paid working hours. Italian social partners govern training funds based on levies on payroll. They have agreed on these funds through collective bargaining.

When vocational education and training takes place at workplaces it is provided by trainers who often are highly skilled workers. Taking their task as a trainer into account in their job profiles and in their salaries can be an issue for collective bargaining too.

Collective agreements are binding for the signatories. They are signed by an individual employer, a group of employers or one or more employer organisations. Workers are represented by one or more trade unions or in the absence of such organisations by the duly elected and authorised representatives of the workers. Agreements can be concluded within one company, for a whole sector, or for an entire regional or national labour market.

There is some European evidence of the impact of social dialogue on training participation. Employees in unionised workforces seem to benefit more from training activities. The proportion of agreements on CVT increases with the size of the company.<sup>21</sup>

Collective bargaining can be a powerful tool to promote CVT of the workforce, but it only works well in environments where both employers and trade unions are strong. Only two equal partners with a level capacity to negotiate complicated arrangements can agree on such complex issues as, for example, the use of money from the payroll to fund training. But negotiating organisations also need the means to enforce agreements. If companies or workers are not implementing agreements, such agreements remain just rhetoric statements without practical value.

In the partner countries, Turkey is an example where established social partners are supported by legislation. The 1961 constitution guaranteed trade union rights and other fundamentals of industrial relations.<sup>22</sup> Turkey has thousands of collective agreements. But the coverage of these agreements is limited only to formal employment in a country where the informal sector plays a considerable role in the national economy.<sup>23</sup>

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<sup>19</sup> Skølstrup 2008.

<sup>20</sup> Ghellab and Vylitova 2005

<sup>21</sup> Cedefop 2011.

<sup>22</sup> Eurofound 2006. ETF 2009a.

<sup>23</sup> Eurofound 2006.

### 6.3 Preconditions of engagement

Social partners need a mandate from their members to engage in policy issues, to negotiate and to make binding agreements on specific topics on behalf of their members. In Ukraine, regional trade unions that are affiliated in central organisations have not raised the skills or training issue. Therefore the confederation has not been active in this field.

Organisations also need to have a certain level of control over their members so that these will apply or obey results of the negotiations, such as a collective agreement at work places. To be effective, social partners should be willing to work together to reach consensus on challenges and problems and to find a joint response. Dialogue can only take place in partnership.

Social partners need to organise or reorganise their own work to be able to participate. In Croatia, for example, all organisations that are involved in VET issues have established functions or even departments to participate in the planning and implementation of various initiatives linked to education and training issues.<sup>24</sup>

There is evidence from Southeast Europe that a lack of in-house technical expertise and weak cooperation among social partners hindered the participation and effectiveness of some employer organisations and trade unions in pension reforms – a classic agenda item of social dialogue.<sup>25</sup> Before entering a new policy agenda, such as human resource development, trade unions and employers must learn to negotiate on training issues. They must understand that cooperation in sectors can only be built on recognised concerns and interests and that it requires that employers and trade unions want to work together.<sup>26</sup>

The goodwill and capacity of social partners is a necessary precondition for successful dialogue but it is not the only one. Governments must be ready to work with them or delegate power to them. Typically, this demands that the role of the social partners in policymaking or more generally in governance of training is recognised in legislation and policy documents. Secondly, structures of cooperation and consultation need to exist.

Successful social dialogue requires political will. Without this, there is a danger that social dialogue becomes a unidirectional social monologue from the part of the government.<sup>27</sup> If a country has little or no experience with tripartite dialogue, in many cases the governments will not understand the importance of the contribution that social partners can make.<sup>28</sup> Neither have they understood that institutions involved in social dialogue can make sustainable reforms.

In Western Europe, governments have accepted the idea that social partners can independently take decisions. Social partners have been given powers to deal with different issues, such as pension systems or income-based social security systems. On the other hand, social dialogue is unlikely to be successful in countries which are characterised by weak governance, transparency and accountability or disregard for the law.

Legal frameworks are essential conditions for social dialogue, but so are relevant institutions and actors. Legislation alone is not enough for social partnership to work in practice. In the case of VET, schools<sup>29</sup>, enterprises and work places must be involved, and so must communities or regions and the economic sectors represented by the different federations.

Ownership and commitment, both closely related, are also preconditions for partnership or cooperation between public authorities and social partners.<sup>30</sup> In a policy field like VET, it is necessary to demonstrate the benefits of participation to all concerned. For employers it can be a tool for better labour productivity. For trade unions social dialogue can support employment.<sup>31</sup> The development of social partnership can be inhibited if employers and trade unions do not see themselves as key actors in it.<sup>32</sup>

Most individual employers and employees are unable to address their training needs in an efficient way on their own. Therefore stakeholders who collectively represent the interests of

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<sup>24</sup> ETF 2009a.

<sup>25</sup> Ghellab 2008.

<sup>26</sup> ETF 2004

<sup>27</sup> Ghellab 2008

<sup>28</sup> Kristensen 2008.

<sup>29</sup> ETF 2009a.

<sup>30</sup> Wallenborn 2011a.

<sup>31</sup> ETF 2009a.

<sup>32</sup> ETF 2004.

enterprises or workers are needed. They are crucial for balancing public interests in the development of education and training.<sup>33</sup>

In some countries trade unions were better organised than employers' associations and had traditionally good links with the government. In other countries governments are more willing to listen to employer organisations. Both cases can lead to an unequal dialogue. One way of balancing the situation is to rotate leadership of different tri- or bipartite bodies between employers and trade unions.<sup>34</sup>

Ukrainian employers can serve as an example for proactive engagement in VET reforms. They propose amendments to legislation and take part in the development of educational standards. They initiate seminars and participate actively in conferences. Trade unions are insufficiently active in the design and management of VET policies, especially in the regions.<sup>35</sup> This is also the case in the southern Mediterranean region where the capacity of unions lags behind that of the employers.<sup>36</sup> For trade unions, VET is not always a priority issue.<sup>37</sup> Reasons for this can be several, relating to their capacity, their possibilities to be involved and the notion that training is not among the immediate needs of their members. If local or regional trade unions do not raise the issue, national federations or confederations will not develop activities in VET.

Locally, partnerships are not limited to social partners as institutional representatives of employers and workers. Local chambers of commerce play an important role, but cooperation also directly involves staff and management of local companies, local public and private training providers, universities, municipalities and NGOs.<sup>38</sup> These can be important partners but they are not social partners if they are not representatives of a broader local labour market.

## 7 Social dialogue on VET

### 7.1 EU member states

The Copenhagen process in Europe has involved social partners from the beginning. The initial *Copenhagen Declaration* of 2002 was adopted by member state education ministers, the European Commission and four European social partners representing workers and employers. The commission invited both sides of industry to nominate representatives to technical working groups that prepared European initiatives such as the Common Quality Assurance Framework, the European Credit system for VET, the European Qualifications Framework and Europass. In most member states, the government established a dialogue with social partners to follow up on the results of the work at the European level. The later *Maastricht Communiqué* and *Helsinki Communiqué* encouraged social partners to cooperate internationally and member states to work with their own national social partners.

In most of the 15 countries that were EU members before the 2004 enlargement round, social partners are heavily involved in vocational training and active labour market policy making. This includes EU policies, which are an inseparable part of national decision making in most policy areas. Through European organisations (ETUC, BUSINESSEUROPE, UEAPME and CEEP), national employer organisations and trade unions directly influence EU cooperation led by the European Commission.<sup>39</sup>

Social dialogue and collective bargaining are practical tools for social partners. The dialogue on education and training can take place in economic and social committees or skill and sector councils. Dialogue can also be organised in working groups established by public authorities or social partners themselves. Bodies like this work mostly at the national level even if they cover only one sector of the economy.

Dialogue or partnership can also take place at the local or regional levels in employment committees and councils. Sometimes social partners or local enterprises are involved in boards of VET institutions. In some countries advisory committees at the level of VET

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<sup>33</sup> ETF 2004.

<sup>34</sup> ETF 2004. Skølstrup 2008.

<sup>35</sup> ETF 2011.

<sup>36</sup> Mayen 2011a.

<sup>37</sup> ETF 2009a.

<sup>38</sup> ETF 2004.

<sup>39</sup> Lempinen 2011.

providers keep a finger on the pulse of the local market. Often, social partner involvement in VET is also linked to employment policies and authorities.

Social partner involvement in VET finds its justification in the fact that the social partners represent the interests of labour market. Present and future employers and employees are the main customers and beneficiaries of VET. Both are found at the local level. In the other words, VET is the sector of education that is most closely linked to world of work. The role of the social partners is stronger in the 15 countries that made up the EU in 2004, that in most of the countries that joined the union in the last decade. This is especially true for the role of the trade unions.

## 7.2 Partner Countries

Awareness of the importance to work with social partners in field of VET is also emerging in the ETF partner countries. This is also beginning to be supported by legal or policy frameworks but sometimes parallel legislation can be conflicting. Effective social partnership in VET at local level demands autonomy of institutions. Otherwise dialogue can lead to frustration.<sup>40</sup>

In the Western Balkan countries and Turkey the will exists to move from centralised and hierarchical governance models to more pluralistic and market-based societies. Social dialogue is recognised as an important tool in the transition towards decentralised forms of governance that are based on consultation and consensus with stakeholders. However social partners in the region suffer from relatively low membership rates, which have made social partnership a government-led exercise where employers and trade unions have felt themselves marginalised or undervalued.<sup>41</sup> In the southern and eastern Mediterranean region, EU policies and those of other donors could become a driving force in promoting social partnership but so far evidence is scarce.<sup>42</sup>

Eastern European countries have memorandums of understanding and even legislation to support partnership between businesses and VET, but cooperation is not systematic.<sup>43</sup> In Central Asia, social dialogue is almost non-existing and cooperation between the worlds of work and education is absent. Existing cooperation is based on the interests and the initiative of individual actors – either training institutions or enterprises. Only Kazakhstan and Uzbekistan have some policies to support cooperation in VET.<sup>44</sup>

The Torino Process and Education and Business Cooperation reports reveal that the importance of partnership between education and businesses is understood in principle in almost all ETF partner countries but the move from there to fully established, functioning and permanent cooperation is still a long road. The main obstacle is that the tradition of social partnership is missing in most of the ETF partner countries. Still, the first steps have been taken and both social partners and public authorities need incentives, skills and capacity for cooperation. Such cooperation should include education institutions.<sup>45</sup>

Experience shows that in countries where tri- and bipartite cooperation is still in its infancy, the first steps will likely be to open a dialogue on employment issues such as wages and working conditions. Involvement in the planning of training of unemployed people can provide a first opportunity for social partners to become involved in VET. Armenia, for example, has a system of 'Conciliation Committees' that are tasked to ensure social partner participation in the development and implementation of state programmes on employment. These committees exist both at the national and the local levels.<sup>46</sup>

In Serbia, the main contribution of employers to the development of VET is their involvement in designing general policy development and strategic planning of VET. They also participate in the definition of occupational standards. At a more practical level they are involved in examinations.<sup>47</sup>

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<sup>40</sup> ETF 2009.

<sup>41</sup> Petkova 2011a. ETF 2009a.

<sup>42</sup> Mayen 2011a.

<sup>43</sup> Wallenborn 2011b. ETF 2011.

<sup>44</sup> Wallenborn 2011c.

<sup>45</sup> Petkova 2011b.

<sup>46</sup> Skølstrup 2008.

<sup>47</sup> ETF 2009a.



### 7.3 Structures of social dialogue in VET

Despite this rather gloomy picture of social partnership and dialogue, there are examples of institutions created for cooperation that involves VET. National VET councils (such as those in the Occupied Palestine Territories and Georgia), political or technical working groups established by national authorities, sector or skills councils, and school boards or advisory bodies at school level all provide institutional frameworks for involving social partners in policy dialogue. In principle, governments can use existing bodies to consult social partners and other stakeholders when they are preparing actions to improve the provision of VET. But often these bodies or platforms of cooperation have been initiated by the government – not by the social partners.<sup>48</sup>

Turkey and the Western Balkan countries have created VET agencies with tripartite governing boards. Public employment services with tripartite governance are also well-established and functional. Employers may even contribute to policymaking or to the development of curricula and standards but their involvement remains either sporadic or little more than a formality. At the level of schools, employers' involvement in governance is the exception, not the rule.<sup>49</sup>

Turkey has had its Economic and Social Council since 1995.<sup>50</sup> It also has the (national) Vocational Education Board and provincial employment and vocational education boards. All trade union confederations, employer confederations, chambers of commerce and public administrations have representatives in these councils. The Turkish example also covers the third level of cooperation: sectors. Businesses and employers' organisations have seats on sector committees.<sup>51</sup>

Serbia has established the Council for Vocational Education and Adult Education. This is a tripartite body with key functions, including links with businesses, involvement in the national qualification framework and curricula. How much actual input the council will be able to provide remains to be seen.<sup>52</sup>

Also many countries in the southern and eastern Mediterranean have established a variety of multi-stakeholder platforms for policy discussions and reforms, but education and training policies are still mainly initiated and driven by the public authorities. In general, governmental actors are reluctant to let partners from the business world take responsibilities in policymaking.<sup>53</sup> In Morocco, the Office de la Formation Professionnelle et de la Promotion du Travail, whose tripartite board has representatives from the government, employers and trade unions, is in charge of implementing CVT programmes. There are also tripartite committees for continuing training in ten regions of Morocco.<sup>54</sup>

Social partners can also take advantage and be members of economic and social committees like, for example, in Croatia<sup>55</sup>. Economic and social committees are tripartite bodies through which governments consult social partners and other recognised stakeholders on economic and social issues. Through these committees, the latter can gain wider support for their initiatives.

Skills councils are also appearing in ETF partner countries. Croatia has an established system of VET sector councils. Now numbering 13, these started as voluntary bodies with a limited mandate. Their legal basis was established in 2009. The task of the sector councils is to establish a set of national qualifications following a revision of occupational standards.<sup>56</sup>

Moldavia has two councils – one for construction and one for agriculture. Ukraine is taking steps to establish councils with ETF support. It has established inter-sector working groups to develop competence-based standards for several areas including hospitality, services, industries, construction and mining.

Sector councils are not always working with skills issues but if their mandates are widened they can provide a bridge between the worlds of work and learning. In this way councils could to promote skills development in a specific economic sector, which would ensure that training

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<sup>48</sup> Ghellab 2008.

<sup>49</sup> Petkova 2011a.

<sup>50</sup> Eurofound 2006.

<sup>51</sup> Petkova 2011a.

<sup>52</sup> Petkova 2011a.

<sup>53</sup> Mayen 2011c. Castejon and Chakroun 2011.

<sup>54</sup> Mayen 2011b.

<sup>55</sup> ETF 2009a.

<sup>56</sup> ETF 2009a.

in their sector meets the needs of the labour market as well as the objectives of education or VET policy in their country.

The real role and influence of these different bodies depends on their tasks and powers and on their links to funding mechanisms. They can be used for consultation, which gives them a limited role. But governments could also delegate them some powers, which would emphasise their role. The abovementioned bodies provide formal participation for employers and often also for trade unions but the effectiveness of these structures is not always clear. There can be gaps between the goals assigned to the body and the reality of social dialogue as perceived by its participants.

Formal consultation is only the first level of involving social partners in policymaking or practical development. A more inclusive way of working is to invite social partners to contribute to working groups or committees that make proposals for political decision makers. This would allow stakeholders to contribute from the outset, instead of giving them an opportunity to comment already finalised proposals.

Existing bodies are not always included in the first stages of decision making and there can be communication problems of all sorts. One of the main problems is the low capacity of social partner representatives to engage in policy debates and development. Participation in a meeting is not enough. Social partners should be able to contribute proactively by finding problems to be solved, analysing government proposals and making counterproposals. People who are nominated to be members of this type of bodies need to know how to represent the interests of their constituencies in a constructive way.

Social dialogue is sometimes supported by agreements between social partners and the government. In the Georgia, the Ministry of Education and Science, trade unions and employer organisations signed an agreement on social partnership policy in vocational education in 2011. The agreement emphasises the importance of international cooperation and encourages the development of learning partnerships. Both trade unions and employers have an obligation to participate in the preparation and development of occupational standards and new educational programmes. The agreement can become a basis for a joint work programme as three sides have agreed to report twice a year to the national council on activities carried out.

Also Ukraine has an agreement that supports the participation of employers and trade unions in VET policymaking in a way that allows their comments and proposals to be taken into account when concrete action on policy implementation is taken. Ukraine adopted the Law on Employers Organisations in 2012 which specified the role of employers in education and training policy development and introduced the concept of sector skills councils.

## **8 Practical involvement of social partners**

Besides enriching the process of policy development, social partners can also play a very practical role in the development and provision of training. In principle, practical activities of social partners in VET and lifelong learning can be divided into the following baskets:

1. Collective bargaining to fund training
2. Forecasting of skill needs
3. Development of standards, qualifications and frameworks of qualifications based on labour market information
4. Provision of training in their own training centres or through apprenticeships and on-the-job training
5. Certification of learning, validation and recognition of informal and non-formal learning
6. Guidance services for members, including awareness rising

### **8.1 Collective bargaining to fund training**

Algeria and Morocco have training funds based on a percentage levy on the payroll to fund both in-service training and the training of youth. There are two main models for payroll levies in developing countries. In the traditional model a tax is collected from companies to fund public training provision. Alternative schemes provide incentives to enterprises to organise in-house training. In the system of payroll tax, enterprises receive grants in proportion to the

level of training that their employees undergo.<sup>57</sup> Such arrangements are also found in EU countries.

Programmes which allow social partners to manage funds allocated to CVT might be desirable from the point of view of the social partners. Entrepreneurs believe that they have a better knowledge of how in-company training can be made efficient than their governments. This applies also to the provision of apprenticeships or on-the-job training in initial VET.<sup>58</sup>

In Belarus, in-service training and CVT are supported by collective agreements that are signed by the official trade unions. The agreements recognise the right of workers to be trained every three to five years and stipulate that training at workplaces takes place during paid working hours and that the cost of training is borne by the employers. Upgraded qualifications are normally a condition for wage rises.

CVT is also covered by collective agreements in Russia but these decrees are not really effective any longer. Ukraine is taking steps to enhance the efficiency of in-house training by implementing the *Concept Document for the Development of the Staff Advanced Training System to 2010*. The document was adopted in 2006 by the government and the implementation is supported by annual consultations between the Ministry of Labour and other sector ministries, education authorities and social partners.

Also Romanian collective labour agreements specify basic conditions related to training. These may include responsibilities of employers to fund training programmes based on development plans as well as training responsibilities of employers in the case of restructuring.<sup>59</sup>

## 8.2 Forecasting of skill needs

Anticipating or forecasting skill needs is a way to match the needs of the labour market with a systemic capacity to respond to change. Employers see this as a task for themselves. They particularly want to strengthen cooperation between the private sector and the education sector to match skills to emerging needs, both qualitatively and quantitatively, of businesses.<sup>60</sup>

In practical terms, social partners can be support the process of forecasting by participating in activities that are led by national authorities or donors. Their role can vary from gathering labour market information to interpreting the results from their own perspective. They can also organise and run projects of their own. In some countries sector skill councils are responsible for forecasts.

Councils can provide a platform for national coordination as they usually involve employers, trade unions, training providers and ministry in charge of VET issues. They can also make proposals or prepare actions to solve skill mismatches.

## 8.3 Qualifications and occupational standards

In most of the ETF partner countries social partners, especially employers, have been involved in the development of national qualification frameworks. They can offer an invaluable contribution to the process of translating labour market information into occupational standards, qualifications and even qualifications frameworks. Employers' and workers' organisations can also offer important contributions to the development of learning outcomes for qualifications. When social partners are weak and they lack the capacity to play a role in development of education and training, the public authorities tend to take the lead. This mirrors the weak institutional support to advisory and managerial roles of social partners.<sup>61</sup>

Translating standards into qualifications or curricula seems to be easier for employers than for trade unions. Russian employers, for example, are actively involved in aligning the next generation of educational standards with the needs of the labour market.

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<sup>57</sup> Dar et al 2003.

<sup>58</sup> ETF 2009a.

<sup>59</sup> ETF 2004.

<sup>60</sup> Lifelong Learning Strategy IOE BIAC. March 2010. See also Investing in Human and Social Capital: New Challenges. BIAC Statement to the Meeting of the OECD Education Policy Committee at Ministerial Level. Paris, 4-5 November 2010.

<sup>61</sup> Castejon and Chakroun 2011.

## 8.4 Training provision

Work-based learning is the type of training where enterprises or social partners most commonly take responsibility because this covers the development of staff skills. In-house training can be organised by enterprises themselves or it can be subcontracted to external training providers. It does not necessarily follow any national or sectoral standards or curricula. In some countries, the right of enterprises to provide training for their staff and establish training units is regulated by the public authorities.

Also on-the-job training for students or apprentices during their practical periods or in-house training can be provided by social partners. There are a lot of examples of continuing partnership between enterprises and VET providers (e.g. in Turkey and the Western Balkans) for the organisation of practical periods.<sup>62</sup>

Egypt follows a German-style dual model of apprenticeship training that was initiated by the Kohl-Mubarak Initiative. It is supported by the National Center for Human Resource Development, which in fact is part of the Union of Investors Associations. The German employer organisation BDA claims that enterprises annually invest some 55 billion Euros in vocational training through apprenticeship training. This kind of involvement passes ownership of the training provision to employers, even if public institutions are involved.

Training centres and educational institutions can also be owned by trade unions, employer organisations or enterprises. In Russia, for example, big enterprises like RUSAL have their own corporate universities. Russian Railways has more than 50 training centres. The biggest Russian trade union confederation FNPR has two universities. The Confederation of Trade Unions in Armenia also has a training and research centre.<sup>63</sup>

The Confederation of Turkish Tradesmen and Craftsmen (TESK) has training centres where it provides apprenticeship training.<sup>64</sup> Employers and trade unions in the construction sector in Turkey have financed buildings, equipment and training centre staff for five years. Another example is the initiative of the Chamber of Commerce in Eskisehir to establish a private regional vocational school.<sup>65</sup>

In the Occupied Palestine Territories, the trade union federation PGFTU has run joint projects with European trade unions to provide vocational training for workers. The Palestinian chambers of commerce and industry also have an international network of donors to support their work in the provision of training. CVT is one of the activities of the chambers in Serbia too.

## 8.5 Certification of learners

Social partners, chambers and local businesses are involved in VET certification in several EU member states.<sup>66</sup> In Finland social partners are in charge of qualifications which are based on the recognition of learning outcomes regardless of the source of learning. Qualification committees that are in charge of the system consist of representatives of employers, trade unions and VET teachers.

Armenian social partners are involved in the practicalities of the awarding process in VET institutions through assessment and final attestation. The head of the qualification commission in each VET institution should be a representative of the labour market of the relevant branch.<sup>67</sup>

## 8.6 Guidance and counselling

Guidance on counselling on lifelong learning and continuing training opportunities is an area where both employer organisations and trade unions can play a role. This would be particularly well-suited to sector associations or local and regional organisations. The strength of grassroots level social partners would be their network which they can use to contact enterprises and individual workers.

The British trade unions have developed an innovative network of 'union learning representatives' who help people to get the skills and knowledge that they need to improve

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<sup>62</sup> ETF 2009a.

<sup>63</sup> Skølstrup 2008.

<sup>64</sup> Vos and Ünühisarcikli 2009.

<sup>65</sup> ETF 2009a.

<sup>66</sup> Cedefop 2011.

<sup>67</sup> Skølstrup 2008.

their lives at work and beyond. Trade unions have trained some 23,000 learning representatives which have helped more than 220,000 individuals to progress in their learning pathways. The success of a union learning representative depends on the support of employers as they operate at individual work places. Trade union learning representatives have also been used in Finland and in Sweden. The German trade union IG-Metall operates an Internet platform at [Jobnavigator.org](http://Jobnavigator.org) to help members and other people to take decisions on further training.

Especially in cases of restructuring, trade unions in several countries have helped their members to enter training as an alternative to unemployment. This has often been done in cooperation with employment services. Also employer organisations and chambers provide information to their members on the possibilities of obtaining training and accessing training funds.

## Conclusions

Social partners are trade unions and employer organisations that represent both sides of the labour market. They exist to promote and protect the interests of their members. The ILO has defined three quality attributes of social partners:

- Freedom of association means voluntary membership for individual workers and employers.
- Social partners should be independent from the government or ruling political party.
- Representativeness is a measure of the percentage of workers for which a union enters collective bargaining and concludes binding agreements.

Chambers of commerce, industry and trade are not internationally considered to be social partners when they have a compulsory membership. In spite of this, the ETF should work with them as they are often the most representative and well-resourced organisations representing enterprises and employers.

Independent national organisations are usually affiliated with the International Organisation of Employers (IOE) or the International Trade Union Confederation (ITUC) that work with the ILO or with international sector organisations. Chambers have their own international networks. In some countries trade unions and employers are closely linked to the political regime. These organisations are not usually affiliated with the IOE or the ITUC.

The most common challenge for social partners in most of the ETF partner countries is their organisational fragmentation. Several trade unions and employer organisations are often in direct competition for influence. Employers or trade unions are not always well organised and there are problems with their representativeness.

Their main activity is social dialogue, in which the public authorities usually participate too. Social dialogue encompasses all kinds of negotiation, consultation and exchange of information between the partners.

Social partnership is a specific way of cooperation, which builds on shared interests among both sides of industry. This can be complemented with education and business cooperation and partnership with other stakeholders, but the expression 'social partners' itself refers only to trade unions and employer organisations.

Social dialogue often reflects the democratic nature of society. Most of the ETF partner countries have a non-democratic heritage in which the role of social partners was quite different from that in EU member states. Social dialogue is not in place in all ETF partner countries and governments do not always welcome autonomous activities of social partners. Many countries have restrictions to the right of workers to organise and trade union activists can face threats of dismissal or even arrest. In some partner countries, collective bargaining is a process that is not free but rather controlled by the government.

The main argument for involving social partners in VET policies and practice is that it supports effective, relevant and demand-driven VET. As representatives of the labour market they are the main beneficiaries or customers of VET. Stakeholder participation promotes ownership and democracy at different levels of the VET system if stakeholders are given real power. Social partners can be a driving force in the promotion of lifelong learning.

Involvement of social partners in VET depends on the structures of cooperation and the legal frameworks that support these. Social partners can play a role if there is room for their contribution. Therefore, VET councils, sector skill councils and certification bodies are

needed. These can be effective cooperation platforms if they have the required mandate and means. These structures need to be recognised through appropriate legislation that gives them authority. They need resources (e.g. a secretariat) to successfully perform their tasks. Training of employees can be covered in collective agreements and social partners can contribute to the funding of training through levies on payroll. This gives them ownership of training.

Governments need to show the will to work with social partners by incorporating the mandates of VET or sector council into legislation. Policy documents can support the involvement of employers and trade unions in the preparation of strategies, educational standards and qualifications. This would transform their role from one of reactive consultation to one of active participation in policymaking. Social partners can be awarded with practical tasks in the provision of (work-based) training and in the certification of competencies but this should always happen in accordance with and based on dialogue or negotiations with the organisations involved.

Social partnership and social dialogue depend on the skills and the resources of their participants. These need awareness of the importance of skills and competences for VET and lifelong learning. They require a profound understanding of VET and its links to the labour market. The overall capacity of social partner organisations depends on the interests and capacity of their elected people and the staff. An effective organisation has dedicated people to follow the VET dossier, but it also needs a wider network of affiliates or partners with whom it can develop its thoughts and ideas.

The role of social partners in VET can be evaluated on the basis of their involvement in policymaking, development and governance of VET. Do social partners participate in prioritising and developing new initiatives at the policymaking level? Are they really *contributing* to policymaking or is their role in practice limited to formal participation? Such an evaluation should also take into consideration less formal ways of influencing. But also the contribution of social partners to the development of curricula and methods of training is a measure of their roles.

Most of the national employer organisations and trade unions are based on sectoral and regional affiliation. When involving labour market representatives in different activities, governments, training providers or donors including the ETF need to carefully identify which organisational level are the most representative and competent to take part. National level confederations can have policymaking competences, but sector federations are probably more suitable for the development of occupational standards. Organisations do not necessarily need to be big to be functional but in general they should represent a wider interest than an individual actor or enterprise.

Representation of small- and medium-sized enterprises, the informal economy and migrant workers is an issue. SME's are seldom members of employer or business associations. An active chamber of commerce can cover smaller enterprises, but it will never represent companies from the informal sector. Trade unions very rarely cover all sectors of the economy. In some countries they concentrate on the public sector or state enterprises. Teachers are often a well-unionised profession but employees of SMEs and the informal sector are typically not unionised. Neither are migrant workers. The state is often an important employer but the interest of the government as an employer is not always the same as the interest of government as a training provider or VET policymaker.

### **1. Involve social partners in projects**

Both employers, including chambers of commerce and industry, and trade unions can participate in most activities linked to VET. Activities can be designed and implemented in a way to support the capacity of participants who are new to the current topic.

Depending on the project, employer organisations and trade unions can be active participants or members of steering groups. They can also benefit from the results through dissemination. If properly implemented, this will raise their awareness, build capacity and give them as direct a role in policymaking as possible. Employer representation should cover both small and larger employers. Their involvement can also take place within existing structures of cooperation, such as VET or employment or sector councils.

Within social partner organisations, VET should be an issue for the whole organisation – not just for an individual active person. When social partners are involved in VET activities they

should be encouraged to develop internal working structures. These are tools for the discussions and dissemination of information. In the end they can support social partners in developing their own position papers or in integrating issues related to lifelong learning or human resources development into their programmes.

## **2. Address the social partners**

When working with employers and trade unions, VET should be put in the context of labour market and lifelong learning principles. VET issues of interest to social partners should be formulated in a way so they are understandable for people who are not education and training specialists. This demands the use of clear and jargon-free language.

Secondly, social partners can be involved in different activities ranging from national level negotiations or working groups to school boards or provision of training in enterprises.

## **3. Encourage public authorities to involve social partners**

National governments in partner countries need encouragement to enhance the role of social partners, employers and trade unions in VET governance and reform. There are lot of examples available in EU and other partner countries that can give inspiration to public authorities of how social partners can actively contribute to policy initiatives or legislation.

As shown in this document most of the ETF partner countries have created various structures of cooperation. These bodies are sometimes underutilised. Governments as well as social partners themselves should make use of, and encourage the use of, existing bodies. VET or lifelong learning can be brought onto the agendas of existing councils.

The role that social partners play should go beyond formal consultation. Governments can enhance the role of social partners by actively involving them in policymaking, development and reform and VET management.

## **4. Sharpen the terminology**

*Social partnership* is a very specific way of cooperation, which brings together both sides of industry. It can take place at a national or a regional level or in a sector context.

Social partnership is not the same as, but can be *complemented* with, more general *education and business cooperation*. The European Commission documents on education and business cooperation (EBC) mentions higher education institutions, employers and public authorities but it does not mention workers or trade unions. The word business can mean both individual enterprises and different associations or organisations through which enterprises are affiliated. Trade unions hardly represent these interests. The EBC is usually cooperation at institutional level.

More widely, *partnership* also includes other stakeholders representing, for example, civil society and administration. NGOs can widen the representation of citizens and society in education and training governance, especially in countries where the role of social partners is limited. When involving NGOs, municipalities or other actors, we should talk about *multilevel governance* or partnership.

The precondition for the involvement of social partners is their awareness of the importance of VET and human resources for the labour market and to expose them to good practice of social partner involvement in VET. This is the basis of capacity development that is needed to enforce their role in national or sectoral VET activities and debates.

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