FOREWORD

Through the gradual removal of tariff and non-tariff barriers to international trade of goods and services and the subsequent increase of international commercial competition, the process of economic globalisation has transformed the competitiveness of enterprises, of sectors or branches of activity, and of national productive systems, into one of the main –if not the most important of all– factors conditioning the economic and social development of nations.

In this context, productivity –an essential element determining the degree of competitiveness of enterprises, sectors and countries– acquires fundamental significance. Competitiveness is efficient use of all productive resources –labour, capital, land, raw materials, energy, information, etc.– and increases in productivity imply a more rational, rather than more intensive, use of such resources. Raising productivity basically means working better and not just harder.

Vocational education and training, either basic or ongoing, on-the job training, is a precondition to the successful introduction of technological innovations and new systems for organising work in firms and enterprises and branches of activity.

Not only training is required to attain higher productivity. Such prerequisites are epitomised in the concept of decent work, promoted by the ILO, which may be defined as productive work carried out with freedom, equity, safety and dignity, with due protection of the workers' rights, adequate remuneration and social protection.

Training, productivity and decent work are therefore closely intertwined notions that strongly influence and define one another. Training is a prerequisite for genuine increments in productivity, but it is also intimately related to each and every one of the dimensions usually attributed to decent work: employment of good quality and quantity, workers' rights, safety, representation and social dialogue.

As in decent work the rights of workers are respected, and as vocational training has been recognised as a human right and fundamental element of many universal and regional Declarations and other instruments, jobs that do not offer training opportunities can hardly be termed as decent work.

The role of training has been widely proved and documented regarding the employability of persons, both concerning their risk of losing a job through problems in adapting to technological innovations and/or restructured procedures, and their possibilities of accessing labour markets with increasingly higher qualification requirements. Regarding safety and health at work, it is quite obvious that it would be practically impossible to improve the prevention of occupational accidents and diseases without adequate training programmes in that area.

Finally, concerning the link between training and social dialogue, the dual nature of training –which is at the same time a right of workers and an economic instrument– has turned it into fertile ground for negotiation and dialogue. With ever greater frequency, collective labour agreements (at enterprise or sector level) include training as a central issue; bipartite or tripartite arrangements are institutionalised for planning, managing and monitoring training programmes and activities. All this not only has positive repercussions in the quality and relevance of the training itself, but also –as a spillover of the bargaining and the agreements reached– has on occasion led to an improvement of labour relations as a whole, through the practical dialogue involving the social partners.

All the above, the strong links between training, productivity and decent work, have far-reaching consequences for the action of vocational training institutions (VTIs). As their main goal is to contribute to the development of their respective countries' human resources, and thereby further their economic and social evolution, the issue of productivity must have an outstanding and explicit place on their vocational training plans and agenda. VTIs will in that manner attain their ultimate object, namely, improving men's and women's possibilities of accessing decent work.

PEKKA ARO
Director InFocus Programme on Skills,
Knowledge and Employability of the ILO

INTRODUCTION

The present publication reflects the main documents submitted to the *Tripartite Inter-American Seminar on Vocational Training, Productivity and Decent Work,* held at Rio de Janeiro on 16 and 17 May 2002, and it also contains other articles contributing from different angles to the topics of that important event.

The seminar was attended by tripartite delegations from Argentina, Barbados, Brazil, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Jamaica, Mexico, Peru and Trinidad & Tobago, as well as representatives of governments, employers' and workers' organizations from Bolivia, Spain, Honduras, Panama, Paraguay and Uruguay, with the main objective of establishing, analysing, exchanging and disseminating experiences regarding vocational training policies, organization and management at national, regional and international level.

This publication comprises three main subject areas, each one consisting of two articles. The first area deals with the theme of vocational training and decent work, the second one with the financing of vocational training, and the third one with occupational competencies.

It starts with an article by **Gerry Rodgers**, that considers the role that the decent work paradigm is destined to play in the global economy. It describes and analyses the principal dimensions of the concept and their interrelations. It underlines the need to develop a more equitable framework for globalization, preventing the social exclusion of an increasingly larger proportion of the world population which, unfortunately, is one of the characteristics of the current integration model of the world economy.

Secondly, a paper by **Fernando Casanova** discusses the transformation processes that have taken place in the field of vocational training in Latin America and the Caribbean in recent decades, and the way in which vocational training institutions have faced them. He pays special attention to the links between training and some aspects of the social and economic development of the countries concerned, such as productivity, competitiveness and the pursuit of decent work.

The following article, by **Jaime Ramírez Guerrero**, provides a bird's eye view of the funding of vocational training in the region. From a descriptive point of view,

the author enumerates the various financing arrangements and sources that exist nowadays in the region, and from an analytical point of view, he tries to identify the most significant trends in the manner in which countries of the region are mobilising public and private resources in these kinds of investments.

Regina Galhardi's contribution, supplementing the preceding one, focuses on a study of innovations in the ways vocational training is financed in the region. This author tells us that the financing of training activities ranks high on the agenda of public policies and is also an area in which a number of new arrangements are apparent, including a wide diversity of actors, employers' and workers' organizations among them.

Fernando Vargas' paper is divided into two parts. In the first one he provides an overview of the application of the principles and methodologies of training and certification based on occupational competencies in Latin America and the Caribbean. In the second one he discusses the veracity of four widely disseminated assertions on the subject at hand.

George Gamerdinger's article, for its part, identifies, describes and analyses the broad tendencies and emerging aspects that characterise the development of human resources and vocational training in the English and Dutch speaking Caribbean. Among the traits that are becoming distinctive of technical vocational education and training in that region, the author ascribes fundamental importance to the creation of national systems of training and standardisation of qualifications.

The publication ends with an account of the main lines of discussion and conclusions of the Tripartite Inter-American Seminar on Vocational Training, Productivity and Decent Work that, as pointed out earlier, constitutes the source of most of the papers included here.

With this book, Cinterfor/ILO endeavours to provide English-speaking readers with a state-of-the-art situation of vocational training in Latin America and the Caribbean, as well as an important documental source of a number of researchers that have scrutinised the links and interrelations between training, productivity and decent work.

DECENT WORK AS A GOAL FOR THE GLOBAL ECONOMY

Gerry Rodgers[1]

Perceptions of globalization

Globalization is a source of both fears and enthusiasms. The increasing integration of the global economy is seen as opportunity by many. Through new products, new technologies, new openings for wealth creation, and new ways of sharing knowledge and linking communities, there are many ways in which globalization widens choices and opens possibilities.

But despite the obvious benefits, opinion on globalization is sharply divided. The backlash against the present model of globalization, seen in street protests and responses by workers and other organized social groups, also has a growing political impact. The benefits of globalization reach too few people. There are too many losers, and too few instruments through which the winners compensate the losers. Vast numbers are simply excluded from a process of development to which access depends on skills, knowledge, capital, institutions and connections, all of which are unequally distributed. There are fears of a race to the bottom. Ultimately, this gulf between the possible and the realized poses a threat to the premise of open economies and open societies on which the present model of globalization is based.

People judge globalization on the basis of its perceived impact on the things which are important for them. More often than not, that means work and income. Work is where economic and social objectives come together in people's lives. Work is about production and income. But it is also about social integration and personal identity and dignity. Recent survey data (Environics, 2002) suggests people are more likely to have negative attitudes to globalization when asked about their work and their job, than when asked about the society and the economy in general.

[1] International Labour Organization, Geneva. Views expressed in this article are not necessarily shared by the ILO.

Media reports raise awareness of the adverse effects of global competition on industries and employment. Ten people lose their jobs and a hundred more feel insecure. A sense of less control, less voice, and less certainty develops. Dealing with these concerns is key for a wider participation in the benefits of globalization.

Many people are reflecting on these issues, and searching for alternatives. Some reject globalization altogether, and wish to return towards greater local autonomy. Others seek to reform the rules of the global economy so as to limit volatility and insecurity, and to route investment and social resources towards those who are excluded. Still others believe that the actors of the global economy must accept greater responsibility for the results of their actions.

The argument in the following pages is that a more satisfactory framework for globalization needs to be built around opportunities for work and income, work which can meet reasonable aspirations, in which rights are respected and security and participation assured. In the ILO that is called decent work. It is argued here that decent work offers a framework which can capture both the social and the economic goals of development.

Social policy in the global economy

Growing international economic integration takes many forms. Part of it can be seen in the expansion of trade, and the explosion of foreign direct investment. Some of it lies in the growth of global financial markets, unconstrained by national boundaries. An important dimension lies in the growth of cross-border production systems, where - beyond trade and investment - the process of production involves networks of producers and traders, which are increasingly managed at the global level. The mobility of labour is subject to many more restrictions than that of capital, but international migration is an increasingly prominent dimension of globalization as well.

There are many implications of this shift of production decisions and organization towards the global sphere. New economic mechanisms develop, as can be seen, for instance, in the increase in financial volatility, or in the growth in international subcontracting. The scope of independent national action is reduced, because the attainment of many national objectives depends on successful participation in the process of globalization, and that limits policy options; coordination is required. There is a shift in the balance of capability between different actors, because some can move readily to the global stage, while others are confined to the national level. In particular, there is a shift in capacity for action away from public, and towards private actors.

At the same time, one can observe a concentration of the benefits. The principal beneficiaries of the global economy are the industrialized countries, together with a rather small number of - mainly middle income - developing countries which have become major producers of manufactures or key primary products, and recipients of most of the flows of FDI towards the South. Many countries are effectively excluded from the benefits of globalization, because they lack the capital, the infrastructure and the capabilities required to enter increasingly competitive global markets. And the rules of the global trading system offer few entry routes. Others suffer from a precarious or highly volatile insertion in global capital markets, which leads to recurrent crises. Within countries too, the benefits of globalization often fail to spread.

A growing perception that the outcome of the global economic system is unfair recalls the history of social policy in the course of the twentieth century. As Polanyi so clearly argued in the 1940s (Polanyi, 1944), an integrated approach to social and economic goals was essential for the legitimacy and ultimately the survival of the market economy. The policy frameworks which were built in the industrialized countries combined regulation, both economic and social, with redistribution. Social legislation embedded basic human and worker rights in economic activities, alongside social security systems designed to protect incomes in the face of shocks and contingencies, and to provide income support for at least some of the poor. The tendency for market mechanisms to lead to a concentration of incomes and opportunities was met by a range of redistributive policies, from universal education to progressive income taxation. The critical importance of employment was widely recognized and reflected in macro-economic and other policies.

At the global level, such policy mechanisms are weak or absent. Timid first steps are being taken to replicate certain of these mechanisms at the regional level, in Europe and to some extent in Mercosur, but progress is limited. And in the global economy, while some economic and financial regulation exists, mainly with respect to trade, this is much less true of the redistributive and protective mechanisms which have been found necessary at the national level. There is essentially no global redistribution, nor policy coordination to promote employment. And social dialogue of the type which has underpinned social policy in many countries is also effectively absent at the global level.

One notable exception concerns international labour standards. These are not strictly global instruments, since they depend on national ratification, but they provide an agreed framework for social regulation. That is no doubt why with globalization there has arisen a great deal of interest in the role that labour standards (and other social and environmental standards) should play in the international economy. This is not a new debate - it was one of the reasons for the creation of the ILO more than 80 years ago. But it has come to the fore again in recent years,

in part because of efforts in some quarters to link labour standards to trade. The issue is controversial. Many developing countries strongly oppose any hint of linkage between trade and labour standards, which they consider a disguised form of protectionism.

But this is not just a question of a level playing field for international trade. Today it is part of a strengthening global movement concerned with the promotion and protection of a wide range of human rights under globalization, among which workers' rights form an important subset. The ILO's Declaration on Fundamental Principles and Rights at Work, which aims to make those principles and rights the foundation for the global economy, is a major instrument in this process. And beyond basic rights, there is a broader concern that globalization must also serve other key social goals such as employment, security and representation.

This calls for a policy framework in which labour and other social goals are an integral part of a strategy for both economic and social development. In this process, globalization is a force for growth and employment creation, but its stability depends on how well social goals are addressed, so these different elements are interconnected. They need to be integrated within a framework in which they are mutually reinforcing. Polanyi's argument in the 1940s is still valid today, translated to the new global stage.

The content of decent work

The notion of decent work is an attempt to capture, in everyday language, this integration of social and economic goals. It brings together employment, rights, security and representation in a package which makes sense as a whole. Promoting employment without considering the quality and content of those jobs is no recipe for progress. Promoting rights at work without worrying about whether or not there is work for those who want it is equally fruitless. Representation and social dialogue are needed to ensure that peoples' voices are expressed and heard.

The goal of decent work is best expressed through the eyes of people. It is about your job and future prospects; about your working conditions; about balancing work and family life, putting your kids through school or getting them out of child labour. It is about gender equality, equal recognition, and enabling women to make choices and take control of their lives. It is about having a voice in your workplace and your community. For many, it is the primary route out of poverty. For many more, it is about realizing personal aspirations in their daily existence and about solidarity with others. And everywhere, and for everybody, decent work is about securing human dignity. The expression of these goals will be different if you are an agricultural labourer in India or a high tech worker in Silicon Valley, but there is

a common underlying idea, that people have aspirations which cut across and bring together these different domains. In a recent World Bank publication, *Voices of the Poor* (Narayan et al, 2000), it is commented that "the poor view well-being holistically". Actually, that is not only true for the poor. People at all levels of living have broad and complex goals which they see as in an integrated way, in which work and income and security are almost always central elements. In his first report to the ILO Conference after taking office as Director General of ILO in 1999, Juan Somavia summed up this set of goals in the term "decent work".

In English, the word decent has quite a specific meaning. If you say, I have a decent job, a decent income, it is a positive expression - the job or income is good, it meets your expectations and those of your community, but it is not exaggerated - it falls within the reasonable aspirations of reasonable people. It's a word which does not always translate well - in other languages the concept is not exactly the same, and "decent" may be interpreted in a particular narrow sense as the opposite of "indecent", and given a moral connotation. But this is not the main usage in English - instead the word is used to capture the combination of sufficiency and desirability.

And the word "work" is used because it is wider than employment or a job. Work includes not only wage employment, but also self-employment and homeworking. It includes the wide range of activities in the informal economy. It also extends to domestic activities like cooking and cleaning which most people regard as work. In other words, decent work is in no way confined to, say, wage employment in large firms. It reflects a broader notion of participation in the economy and the community.

There are four main dimensions of decent work:

- work and employment itself;
- rights at work;
- security;
- and representation and dialogue.

I will first look at these individually, before looking at them together.

The first dimension concerns work itself. There are some 160 million people in the world today who are unemployed, according to ILO estimates. Another 500 million people are unable to earn enough to get their families over the most minimal poverty line of US$1 per person per day. Many more work long hours at low productivity, are in casual or precarious employment, or are excluded from the workforce without being counted as unemployed. The employment goal is best expressed as adequate opportunities for productive and meaningful work, in decent conditions - that means we have to take into account working time and work intensity, the need for a living income, the possibilities for personal development, the opportunities to

use one's capabilities. It includes formal and informal work, in the home, in the factory, in the street. It includes women and men - much work by women, especially in the home, is undervalued or invisible. Decent work may also mean not working too much or the possibility of retirement. Within the concept of decent work there is a broader notion of the place of work in life - so freedom from excessive work is an objective as well.

The second dimension concerns basic rights at work. These have been expressed in the ILO's core labour standards: freedom of association, freedom from discrimination, freedom from forced labour, freedom from child labour. These rights are widely flouted. For instance, ongoing research at the International Institute for Labour Studies suggests that close to two countries out of every five have serious or severe problems of freedom of association. Of course, which rights are considered to be basic has varied historically - these rights would not have received universal acceptance 100 years ago, when few women had the vote and colonial systems were built on principles of unequal treatment. But the unanimous acceptance of these rights in the 1995 Social Summit gives them global scope today. They are basic enabling rights, which means that they provide a base on which other rights and capabilities can be built. Many other vital rights are very desirable goals, but are dependent on the availability of resources within particular systems of production and distribution.

The third dimension concerns security. Much work is insecure, either because it is irregular or temporary, because income varies, because it is physically risky or generates vulnerability to disease, or in other ways. Security is a powerful need, and it can be achieved in a variety of ways - through formal social insurance systems which provide for contingencies such as illness, unemployment or old age; through informal mechanisms of solidarity and sharing; through investment in workplace safety; and through labour market institutions and policies which protect workers against fluctuations in employment - legislation or collective agreements to discourage layoffs, for instance, or training systems which offer routes back into the labour market. The effectiveness of these systems varies widely, and ILO estimates suggest that only a fraction of the worlds' workers have truly adequate social protection. Meanwhile, over 3,000 people die every day as a consequence of work-related accidents or disease.

And the fourth dimension concerns representation and dialogue. The ways in which people's voices can be heard are a crucial aspect of decent work. For workers, the classic route to representation and dialogue is through trade union organization, but if decent work is to include work beyond wage labour, it will often encompass other forms of organization, at the community level, for instance, or of the self-employed. The organization of employers is equally important. The institutional framework within which these voices are heard - the framework for collective bar-

gaining or for local level decision-making, for instance - determines to a large extent whether common goals can be identified and agreements reached. It is through social dialogue that widespread support for the other three dimensions of decent work may be built. But many groups of workers are either excluded from or under-represented in meaningful social dialogue, as a recent ILO report on this issue, *Your voice at work*, reports (ILO, 2000c).

Each of these four dimensions of decent work has its own characteristics, but they are closely interconnected. They contribute jointly to societal goals such as social integration, poverty eradication and personal fulfilment. Take social integration. It is clear that work contributes to integration, but only if it is performed under the right conditions - without discrimination, not forced, in an environment in which collective goals reflect the views of those concerned.

A critical aspect of this approach lies in the integration of rights into a framework which also includes other dimensions of economic and social policy. In recent years there has been an increased emphasis on rights as intrinsic to the development agenda. The 2000 *Human Development Report* stresses the interaction between human rights and human development. “Human development and human rights are close enough in motivation and concern to be compatible and congruous, and they are different enough in strategy and design to supplement each other fruitfully. A more integrated approach can thus bring significant rewards, and facilitate in practical ways the shared attempts to advance the dignity, well-being and freedom of individuals in general” (p.19). There is also a growing perception that the State is only one of the actors - development is something which people do, rather than something which is done for them, and rights have to be claimed and defended - leading to much more stress on organization, participation and representation. The World Bank’s 2000 *World Development Report* also goes some way down this road by identifying empowerment, along with opportunity and security, as a route to poverty reduction.

Perhaps the person who has contributed most to these ideas in recent years is Amartya Sen. In his book, *Development as Freedom*, he argues for a conception of development which essentially consists of the expanding of freedoms, which embrace political, social and economic goals. Development also involves the removal of unfreedoms such as poverty, lack of access to public infrastructure or the denial of civil rights. It consists essentially of the expansion of the capabilities of people to achieve goals that they value.

These freedoms, in Sen’s vision, have a threefold relationship with development: first, as goals in their own right (constitutive); secondly, because they contribute to the achievement of other valued goals such as security or social integration (in-

strumental); and thirdly, in the definition and building of consensus around social needs, values and priorities (constructive).

This interaction between freedoms and development is an important aspect of the rationale for decent work as a development goal. Decent work brings together different types of freedoms, using Sen's terminology - workers' rights, income security, employment opportunities. These are goals in their own right, but taken together they are more than the sum of the parts. In addition, progress in any one dimension of decent work may reinforce progress in other dimensions.

Let me take a couple of examples. The first concerns the impact of security on levels of employment. This is a complex relationship. It is sometimes said that too much security is bad for employment - that people with greater security of employment and income put less effort into their work and so are less productive, so that - indirectly - greater security reduces output and employment. But in reality the empirical evidence is mixed. High levels of security, for instance in some public sector enterprises, may make adjustment or innovation difficult, and so adversely affect economic performance. But countries such as Sweden which have maintained high levels of employment security, or countries such as the Netherlands which have maintained high levels of income security, have performed well in terms of employment too. There is no sign that legislation to increase employment security in Chile or in the Republic of Korea in the 1990s had adverse effects on employment. On the contrary, when the Asian financial crisis struck it could be seen that the mechanisms for security were too weak, so that the crisis had unnecessarily large effects on unemployment, incomes and poverty. In another aspect of security, safety at work, the evidence is still clearer. Greater levels of safety contribute enormously to productivity. Most enterprises invest too little in such forms of security, partly because they only capture a part of the benefits, which are shared with workers and with society at large.

A second example concerns the contribution of freedom of association and collective bargaining to economic performance, development and - indirectly - employment. It is often argued that this relationship is negative, because collective organization increases inequality by creating insiders and outsiders, because it impedes technological change, or because it drives wages above market clearing level. This view is frequent among neo-classical economists, and has influenced the policies of the World Bank, but it is also found in more structuralist writings, e.g. Singh and Zammit (2000).

However, a recent ILO paper reviewed the evidence on this issue systematically (ILO, 2000b), covering both macro-economic and enterprise level relationships. It concluded that "freedom of association and ... collective bargaining .. are not a barrier to economic performance". While there are many factors involved, dia-

logue and trust help to promote adherence to common goals by employers and workers, or ensure that the views of different actors are understood, or provide a stable social environment which is conducive to investment and innovation. Of course this is not always true, and adversarial relations are common. But the essential point is that under the right institutional arrangements in labour and product markets, there is a great deal of potential for synergy between the social and economic goals underlying decent work.

That is in fact a general consideration - the different dimensions of decent work are mutually reinforcing, but the institutional conditions have to be right. That is something decent work shares with other development goals. Institution-building is an essential part of a decent work strategy, as it is an essential part of development.

Decent work in different development situations

How can this concept be applied in the extremely varied levels and processes of development? Is there a uniform level of decent work, to which everyone can aspire, or does it vary in time and space? And if so, how do we decide what is decent?

There are two important points here. The first is that decent work has a floor, but no ceiling. The second is that above the floor, what is seen as decent embodies universal rights and principles, but reflects the values and possibilities of each society. In that sense it provides a moving target, a goal which evolves as the possibilities of societies also evolve, so the threshold advances with economic and social progress.

First, consider the floor. In a recent article in the Financial Times, Wolf (2000), there was an attack on the idea that core labour standards can benefit agricultural labourers in low income countries. The author argued that people in poverty just need income and employment; basic rights were not relevant. That attack was misplaced. Poverty is not just a question of income, but also of rights and capabilities. For example, in parts of India agricultural labourers are vulnerable to bonded labour; their rights to organization are widely contested; and women and girls are subject to widespread discrimination. Similar examples can be found in other countries. Where these denials can be overcome, living conditions are systematically improved. The social floor is as relevant in these situations as it is in the Fourth World of large cities of Europe and North America, where the problem may be the trafficking of migrants or the exclusion of the homeless.

What else belongs in the floor? An important value is universality - that decent work should be for everyone. All those who work have rights at work. This includes

the goal of gender equality (ILO, 2000a). Some would argue against universality on the grounds of infeasibility - that rights are meaningless without the means or the agents to enforce them, and for many workers in informal or domestic environments that unfortunately describes their situation. But Sen (2000) makes a powerful case in favour of universality, regardless of whether the institutions for enforcement are in place - only if it is always an explicit aim can it ultimately be achieved.

Others argue for the inclusion of a wider range of rights in a social floor - for instance rights such as the right to work, and the right to just and favourable remuneration, both of which are included in the Universal Declaration of Human Rights. The right to a safe workplace is something which most workers would consider a basic right. These are issues which can be debated. They go beyond enabling rights to goals which require economic resources. Clearly what constitutes just and favourable remuneration will depend on the possibilities of each society. A case can be made that a much wider social floor should be specified, and that all should have the responsibility to help ensure that it is respected; it is an idea with strong appeal. But there is no general international agreement on the level of such a floor, and such ideas do not yet have the strong global backing that exists for the enabling rights and principles embodied in the ILO's core standards.

Second, above the floor, the notion of decent work provides a framework for continuous progress on the basis of common principles. It is not a straitjacket - on the contrary, the goals depend on each society's values, priorities and possibilities, which may change over time. Not long ago, there was widespread agreement that night work for women should be prohibited - today, there is much less support for this idea, in Europe at least, as concepts of gender equality have changed. Many of the elements of decent work, such as levels of economic security or the quality of employment, are development goals for which targets can rise with economic possibilities. In this process the ILO's standards system provides powerful support to help lock in advances on all dimensions of decent work, offering benchmarks which can guide progress, and against which progress can be measured.

Let me give some examples. What might be the goals in terms of security at work in different circumstances? For agricultural labourers in a backward region of India, such as Bihar, living without reserves on casual daily employment, the priority may be protection against flood or drought, which dramatically affects the stability of income. Work is also often carried on in extremely unhealthy or unhygienic conditions, and accident rates are high. These workers are largely unorganized, and so cannot easily defend their interests. These conditions define priorities for policy, in terms of ensuring basic security and eliminating major risks.

In a middle income country, say Chile, the goals may be more specific and targeted. Export sectors - fishing, forestry, mining - face economic pressures in com-

petitive international markets which may make safety a secondary consideration in the enterprises concerned. It is necessary to develop codes of conduct and methods of production which counter this tendency. Small firms do not have the resources or are not subject to inspections, and so create less secure jobs than large firms. A substantial minority of the population achieves adequate levels of security, but exclusion and deprivation is all the greater among those who fall outside the mainstream policy net.

At high income levels, attention may shift to stress and similar disorders. (These are present at lower income levels, prominently so in Chile, but receive less priority). Policies may aim at reducing identifiable physical risks to insignificance, and the "principle of precaution" may come into play, in which protection is extended to areas where there may be risks but evidence on their magnitude is lacking. Most high income societies also suffer from gaps in social security coverage or have precarious segments in their labour markets which generate intense exclusions among disadvantaged groups - illegal migrants or the illiterate, for instance - and these too may be a major policy concern.

The content of a decent work agenda, then, will therefore vary across economic and developmental situations. These examples concern security, but examples can also be given for employment, rights or social dialogue. In each society, targets and benchmarks will be different, but the overall framework and its underlying principles will be similar. Taken together, they have the potential to offer a coherent development agenda.

Decent work and poverty

The link between achieving decent work and eliminating poverty is worth exploring further. The poverty threshold, like a decent work target, depends on the social and economic resources of societies, and so has a relative component. As a result the official poverty line in the United States is much higher than in India. The word "decent", too, involves some notion of the normal standards of society. A decent work deficit therefore has something common with concepts of deprivation or exclusion, both of which are concerned with social and economic situations which do not meet social standards. The work on relative and multiple deprivation by, for instance, Peter Townsend in London, looks at why some people fail to achieve the standards - in work, in levels of living, in access to public services, in education, etc - which correspond to the normal conditions of participation in the society concerned. Many of those deprivations can be expressed as decent work deficits.

The issue was summed up in an ILO review of action against poverty in 1995: "The ILO concern with social justice leads naturally to a stress on rights and standards:

rights, as the basis for participation by labour in society; standards, as a means to express those rights. With respect to poverty, the prevailing philosophy can be expressed as a right to inclusion, in the sense of participation, protection, access to decent jobs and decent incomes. But the fulfilment of this right depends on economic preconditions - and to meet these preconditions it is necessary to build up the capacities of labour and of the corresponding systems of production. Thus, the achievement of rights involves the development of both economic and social capability."

This provides a rich seam of thinking which has yet to be adequately explored. Most action against poverty is concerned with social minima, and the decent work agenda goes beyond this to set goals for society as a whole. The decent work agenda is therefore broader. But there is a strong link with poverty insofar as there is failure to achieve the basic goals of decent work.

One common reaction to the notion that decent work contributes to poverty reduction takes the form, "in the process of development the immediate need is work and income, let us worry about how decent it is later". This was essentially the position of the Financial Times article quoted above.

There are two points here. The first is whether the relative priority of different dimensions of decent work varies with the level of income or development. For instance, might employment be more important than security at low income levels, and security more important than employment at high income levels? The second is whether progress in one aspect of decent work may be at the cost of progress in another.

With respect to the first point, no doubt if you are starving, any work is better than none. But in reality, people have aspirations at all levels of living that are wider than that. People on the edge of starvation still demand dignity and respect. As Bruton and Fairris (1999) point out, safety, rights and other aspects of decent work are valued by workers as much at low incomes as at higher ones. No doubt the weight given to different dimensions of work will change as overall living standards rise. But it is a misconception to think that the qualitative aspects of decent work only kick in once a certain standard of living has been reached.

On the second aspect, in a purely theoretical sense, unless the different dimensions of decent work are perfect complements, there must at some level be a tradeoff between them. Improving conditions of work, for instance, has a cost. If that cost is not absorbed by higher productivity, there will be a negative effect on employment in a normal labour market. This is another strand of the argument that work should come first, and decent work later.

However, as we have just seen, there is evidence that progress in rights, in security, in conditions of work and in social dialogue will often have a positive impact on employment and productivity if the institutional conditions are right. Ultimately this is an empirical question, and it is one on which information is quite patchy - it is an important area for future research, because it conditions the setting of particular decent work targets, and determines policy priorities if they are to be achieved.

There is another powerful argument which is relevant here: path dependency. Unless the institutions and rules which generate decent work are built into low income environments, it becomes difficult to introduce them when incomes rise. That is the way child labour at the age of 10 or 12 becomes normal, undermining any hope for those children to develop capabilities for a better life. That is the way gender discrimination, or bonded labour gets embedded in production systems. It is only too easy for these inequalities and deprivations to become part of everyday perceptions and patterns of behaviour. And the result is to multiply the difficulties of achieving social objectives which are built around universality and equality.

Another common argument is that a focus on decent work is biased towards relatively well protected and higher income groups in the formal sector. This is a widespread criticism of formal labour standards, and of the action of trade unions and employer organizations. Singh and Zammit (2000), for instance, argue that “the texts of these conventions [ILO Conventions 87 and 98 on freedom of association and collective bargaining] reflect the needs and institutions of advanced countries at a particular moment in time”..... “human rights defined and interpreted in terms of these two core conventions are destined only for a small part of the working population, benefitting mainly those who are already relatively privileged”.

But this is a misreading. Freedom of association is as important in the informal economy as it is in the formal, although it may take different forms. It is a basic freedom, in Sen’s sense, one which also permits other freedoms to be attained. The real issue is how to extend these rights to all segments of the labour market, not to limit their application.

This can be seen in recent attempts by the ILO to engage with the PRSP (Poverty Reduction Strategy Papers) process in several countries. This process, managed by the Bretton Woods Institutions, is designed in such a way that national actors should define the strategy for poverty reduction. Yet without the participation of representatives of workers and employers in this process - and in the absence of ILO participation, that is typically the case - there is a tendency to ignore central issues such as employment generation and income security. It is by embedding the basic right to representation in the design of poverty reduction strategies that they can respond to the demands of people - for decent work.

It remains true that the majority of the poor are to be found in the informal economy, and the strategy to promote decent work in the informal environment faces many difficulties. In the absence of formal organization, and given the relative ineffectiveness of state intervention, the extension to the informal economy of the goal of decent work cannot depend on the mechanisms of State regulation which are applied elsewhere. Ways are needed to increase capabilities and strengthen voice, to generate and transfer resources and change incentives. This may involve new forms of action by existing actors, but also requires support to new actors and new institutions. Many trade unions have recognized the challenge and are trying to extend their capabilities to informal workers, while organizations which are active among informal sector workers, such as SEWA in India, have demonstrated that a great deal can be achieved.

This argument can also be applied to employment conditions, security and other dimensions of decent work. Informal work often reflects the deliberate avoidance of social standards, especially unregistered employment in formal enterprises. But even in the informal economy, better protected employment may well pay for itself through higher productivity. A careful and progressive choice of standards can also help reduce the incentives for avoidance of regulation. New instruments to provide security in informal environments, such as micro-insurance, may also be more effective than traditional policies. In other words, the goal of decent work can guide policy choices in the informal economy too.

Decent work as a strategy to reduce poverty goes beyond the informal economy. It recognizes the complexity of poverty, its multiple dimensions, and offers an integrated approach which can answer diverse needs. The returns to further policy development in this field are high.

Decent work as an objective of the international community at the global level

To sum up, the point about decent work is that it is a broad approach to work, employment and social progress. Tackling these issues requires a balanced and integrated approach to social and economic goals, involving the promotion of rights, employment, security and social dialogue, within a framework which supports investment and economic growth. That is not only a national policy agenda. Many of the factors which need to be tackled lie in the international and global economy - trade, capital flows, cross-border production systems. So promoting decent work also means changing the way the global economy works, so that its benefits reach more and more people. Decent work is not only a development objective at the national level, but also a guiding principle for the global economy.

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CHANGES IN THE ORGANIZATION AND MANAGEMENT OF VOCATIONAL TRAINING IN LATIN AMERICA AND THE CARIBBEAN

Fernando Casanova

1. Context of the changes

Already with one foot into the 21st Century, it is quite clear for all those who are interested in vocational training and work in it, that deep and fascinating changes are taking place in this field. Like many others, this is a world-wide phenomenon, although it assumes different patterns.

Latin America and the Caribbean, a region that has had its own particular "hallmark" for organising and managing vocational training, is no exception in this respect. One way in which vocational training in the region pays homage to its own past, is in the strong persistence of a tradition of highly original and distinctive development.

When trying to analyse –even succinctly, as in this paper– the changes occurring in any field of activity (like the organization and management of vocational training in the region), it is essential to look first at those things that have varied in the context within which that activity takes place.

Many other studies have concentrated previously on what might be called the "macro-context" of changes, that is to say, the repercussions that processes like the new forms of globalization of the economy, opening up of trade, economic readjustment, technological development, new models to channel countries into the economic mainstream, as well as historical and recent challenges regarding the distribution of wealth, integration, and social cohesion, have had in the field of vocational training.

This paper will not touch upon such aspects, which have already been thoroughly covered. We have chosen a more "modest" goal, that of vocational training itself,

dealing with aspects of it that have undergone transformations, with what is understood for vocational training, who are interested in it and take part in it –to a greater or lesser extent– , what types of links vocational training establishes with other social policy areas. We try to shed some light not only on what has changed in the organization and management of VT, but on why such changes have occurred.

Vocational training at the centre of national debates

It cannot be denied that Latin American societies gave great importance to vocational training policies throughout at least the second half of the last century. A sign of it is that, sooner or later, most countries of the region decided to create national vocational training institutions (VTIs), and endowed them with considerable and stable financing and management systems ensuring the efficient accomplishment of their mission: providing skilled and semi-skilled manpower, in the first place for their expanding industries, and later for commerce and services and the rural sector as well.

Perhaps owing to the priorities that had been assigned to vocational training, it was generally assumed that it was the exclusive province of specialised institutions. This happened despite the fact that in most cases care had been taken to involve diverse players in their management, like Ministries of Labour, entrepreneurial chambers and trade unions.

By contrast, one of the main characteristics of vocational training at present (and in the last ten years) is that it lies at the centre of national debates. Proof of it is the prominence it has acquired in various national agreements and pacts –generally tripartite but sometimes also bipartite– on productivity, wages, employment, working conditions or social equity. Another symptom of that centrality is the more frequent and concrete presence of vocational training in a number of collective labour agreements by branch or sector of activity, signed in different countries during the 1990s.

There are, however, other areas where this renewed interest in training by other actors than the specialised institutes themselves is also evident. Ministries of Labour in all countries of the region currently have specialised training units or services, and are increasingly concerned with the design of active labour market policies that –over and above their natural differences due to the specific situation of each country – always include training as a basic and strategic aspect. Both corporate and trade-union actors show a growing interest in influencing decisions on public training policies and controlling and managing funds for that purpose, either in the

VTIs themselves or in the new training bodies that have emerged in Labour Ministries at national, regional or local level.

Advent of the society of knowledge

The fact that vocational training have attained this position is to a great extent due to the advent of the so-called "society of knowledge". This term tries to synthesise one of the clearest and strongest trends of our times, namely, the growing importance of knowledge in the new forms of labour organization and management, as well as the new rules of global competition.

Knowledge has nowadays a similar importance to that formerly attributed to the land, capital goods, even technology. In the race to increase the value added to products and services, to achieve differentiation and compete efficiently in the new global context, only knowledge as expressed through the applied capabilities of workers in their respective organizational, productive and labour situations, seems to be a decisive incremental factor for attaining productivity, quality and competitiveness objectives.

Just as in the past ownership of the land and of the means of production were the mainstays of society, both economically, socially and politically, nowadays access to knowledge has become the divide separating full members of society from excluded minorities.

Consequently, in order to achieve the economic objectives of productivity and competitiveness, and to prevent social disintegration and exclusion, access to knowledge becomes crucial. Education in general and vocational training in particular gain special importance as privileged instruments for acquiring knowledge. Their potential contribution to economic, social and political objectives make them attractive for the different partners in the social scheme.

This explains to a great extent why a topic like vocational training, that was formerly circumscribed to specialized institutions, is now attracting other participants like Labour and Education Ministries, employers' and workers' organizations, etc.

Training and labour policies: vocational training as bargaining point and space for negotiation

It seems an almost natural conclusion that vocational training, as a potential contributor to various goals and an area of confluence of different interests, should have become both a bargaining point and a space for negotiation.

In Latin America and the Caribbean, the areas and experiences in which vocational training is an object of negotiation have gradually increased in number and diversity. It is so among States in regional integration processes, and within each State in matters of education, with a greater stress on productive and labour realities. It is a subject of bargaining for governments, employers and workers, and sometimes only for these last two players. Vocational training is negotiated at national level, but also in regional, sectoral and local areas.

Also in contexts where social dialogue and conciliation are difficult concerning aspects like employment, wages, labour laws and social security, vocational training has proved to be an area where agreement is comparatively easier, even starting form opposing views.

However, the fact that vocational training should have conquered a leading role in labour policies, and should be increasingly seen as a strategic space for negotiation is not just due to its importance in accessing and disseminating knowledge. Regarding this, two comments are in order:

- Firstly, the evidence that vocational training may significantly help in the attainment of various goals, representing differing interests. It can at the same time be an instrument for productive policy and social policy. It contributes as much to raising productivity, quality and competitiveness as to social integration and cohesion, to equal opportunities. Training not only prepares people for work but readies them for communal life and the full exercise of citizenship. When actors with different interest come together they will naturally tend to impose those interests, and to prioritise the principles and objectives they favour. Mechanisms for social dialogue and negotiation geared to vocational training appear then as the most adequate way for reconciling diverging interests and striking a balance ensuring appropriate use of it as a tool.

- Secondly, vocational training is not only a labour matter in its own right, but is also closely related to all other important aspects that are negotiated in the labour field. It is linked to employment, as one of the main channels for achieving the competencies currently required in the labour market. It is connected with wages because through its contributions to productivity and competitiveness (labour aspects as well) it boosts returns and entitles workers to a voice in their distribution. The links of vocational training with working conditions and environment, with safety and health at work, are as obvious as they are vital. This means to say that negotiation of vocational training goes far beyond training itself. It necessarily leads to other subjects and may even afford new views and strategies for the convergence of interests and efforts.

Training and scientific and technological development policies

The close relationship between vocational training and the world of production and work makes it necessary for training to keep conceptually and operationally abreast of scientific and technological changes taking place in that area.

The historical development of this process of technological adaptation has had its ups and downs in Latin American VTIs. Nevertheless, in the final analysis they all achieved a satisfactory degree of technological updating, particularly as compared with other spheres of regular education, in particular secondary schools. This does not mean that there is no backlog, but they are the only institutions where systematic and cumulative efforts have been made to co-ordinate vocational training with processes of innovation, development and transfer of technology.

Furthermore, the relationship between vocational training and technology has several sides to it. In the first place, due to the fact that training itself is a process of technological transfer to workers and trainees, and through them to firms and enterprises. This implies a challenge for all vocational institutions, policies or systems: the need for training contents and methods to be technologically up to date, to ensure their relevance to the concrete productive and occupational contexts of each country, sector or company.

The second important element is that training constitutes the foundation upon which scientific and technological development policies rest. It is indeed difficult to think of active labour market policies without a training component; no technological development policy is complete without the adequate training both of the persons directly concerned with devising innovations, but also those in charge of their operational implementation and adaptation to concrete work situations.

There is yet a third dimension in which the intertwining of training and technology is essential. Integral training is only possible when fully imbedded in processes of innovation, development and transfer of technology. This has been taken up by several VTIs of the region which, as they continue to expand their training offer, endeavour to complement it with technological services to productive sectors and enterprises. This approach has a number of advantages:

- It promotes the already mentioned technological updating of training institutions and centres;
- It offers productive sectors and companies a wide range of services meeting their overall needs – not just their demand for skilled labour – and endows training services with greater relevance;
- It facilitates learning of the skills and competencies in greatest demand by novel approaches of labour and production management, wherein workers are no

longer mere performers of prescribed tasks, but individuals capable of understanding technological changes and relating to them, grasping and handling innovations and getting involved in processes of constant improvement.

Training and educational policies: lifelong education

Nowadays both the regular education system and the various training schemes are facing a new context that poses them vast challenges. The greatest of them is probably to adapt and update curricular contents and certifications to the new occupational profiles that have emerged as a result of transformations in the realm of production and the new realities of employment.

Undoubtedly, the situation affects regular education more than training, that has traditionally been closer to productive and labour developments. This is one of the reasons for the gradual coming together to the two systems, as well as for some of the most innovative initiatives in the region to standardise the training and education offer in line with current occupational competency profiles.

In any case, there is nowadays wide consensus in political and social spheres, in the sense that the education and training offer has to be sufficiently flexible to meet diverse and changeable qualification demands. The initial store of knowledge acquired in early youth is no longer expected to be sufficient for life, as the rapid evolution of the world requires constant updating of knowledge, and the basic education of the young tends to prolong itself. Education and training are in effect undergoing mutations. The possibilities of learning outside the schoolroom offered by society are constantly multiplied, and the idea of specialisation in the traditional sense is being replaced in many modern sectors by evolving competencies and adaptability.

It is a basically qualitative change. If it was formerly sufficient to impart certain technical knowledge and manual skills for individuals to go into a job that was awaiting them, it is now necessary to teach a whole range of competencies that were not emphasised before: initiative, creativeness, a capacity for undertaking, relational and co-operative skills. These must be also accompanied by some new technical skills that are relatively less specific than in the past: languages, computer literacy, logical thinking, a capacity to interpret and analyse various codes, etc.

It is then a priority to give people the means to manage their own educational and occupational career: find a first job, look for a new one, start a personal undertaking, retrain through courses and in general keep up a constant education, either employed or unemployed, at home or in the workplace.

2. Links between training, productivity and decent work

The contribution of training to productivity and competitiveness

The productivity-competitiveness twosome is repeatedly quoted as a key element in efforts to build up successful economic and social development schemes in countries of Latin America and the Caribbean.

Productivity is generally defined as the relationship between the output of a production or services system and the resources used to obtain it. It can also be described as the correlation between results and the time taken to obtain them: the shorter the time consumed in achieving the desired objective, the more productive the system will be.

Although some strategies based on favouring labour intensiveness are not infrequently used, they generally result in meagre productivity increments. The essence of productivity lies in working more intelligently, not just more intensively.

Despite the fact that there are different approaches and types of programmes to improve productivity, there is basic agreement that it is not possible to introduce or utilise any new technique or modern plan for the purpose unless well-trained personnel is available at all levels.

It is quite clear, on the other hand, that any productivity improvement will depend on several factors, and not only on the training of workers. Aspects such as technological innovation and production and labour management schemes are no doubt fundamental in that respect. Although improvements (or deteriorations) in productivity can be measured and compared, it is not so easy to establish the specific contribution of each factor in obtaining some results. Nevertheless, from whichever angle we look at it, and even in the impossibility of quantifying effects, training plays a significant and absolutely indispensable role in any genuine strategy to raise productivity.

The term **competitiveness**, for its part, in its most literal sense refers to the capacity to compete or contend in the economy that an enterprise, a sector or a country may have. Although this meaning has been true in all ages, it acquires special significance in the current context of economic globalization, when processes of trade opening more evidently show the strengths and weaknesses of economic agents.

There are however, different views as to which are the most adequate strategies and, above all, what combination of measures may be most effective. On the one hand, there are examples of strategies based mainly on measures to abate pro-

duction costs, such as decisions on exchange-rate policies, tax exemptions or reduction of labour costs (wages, severance indemnities, etc.). On the other hand the need is stressed to make efforts (that do not necessarily contradict the preceding) aiming at a strategic perspective that has been called “systemic competitiveness”.

One of the main differences between these two approaches to competitiveness lies in the varying time-scope of their policy propositions. The first method is generally adopted in order to obtain more or less immediate results in the face of unfavourable conditions. By contrast, the systemic competitiveness approach aims at the long term. It does not depend on a limited number of relatively simple measures, but on a complex range of policies that, acting jointly, would result in a globally more competitive position for the whole economy. Some of the most typical instruments suggested by this approach are investment policies for the development of public and private infrastructures, the integration of sectors and productive chains, investment in human capital (education and training), etc.

It is within this second approach that vocational training has a clearer and more important role. It is here taken for granted that investments aimed at upgrading people’s qualifications are of themselves measures to improve competitiveness, and also reinforce the effectiveness of other complementary policies.

The current regional diversity that exists regarding ways of organising training supply shows, among other things, different forms of going after the objectives of higher productivity and competitiveness. This involves aspects such as the coverage of training systems, the quality of the training dispensed and its consonance with the needs and demands of the labour market and society in general.

All the above raises a number of questions that the various training institutional models endeavour to answer in their different ways.

Regarding coverage: Should wider coverage be sought after, endowing official training bodies with greater resources? Or should training markets or networks be developed to make more efficient use of the many training resources that already exist?

As for the quality of training: Can it be effectively controlled and ensured within the framework of specific institutions and their training centres? Or should mechanisms to ensure quality be devised reaching all the public and private training supply in the country?

In connection with updating and adaptation to demand: Are training bodies in a position to implement effective strategies in that direction? Or should decisions on

specific training be left to firms and enterprises for better adaptation? How is training demand to be defined?

Decent work requires decent training

Decent work has been described as a concept under development, all embracing and with a profound ethical content. The ILO –organization that has been strongly promoting the notion– describes it as fulfilling at least five essential conditions:

- productiveness and safety
- compliance with labour rights
- providing adequate income
- providing social protection
- ensuring social dialogue, union freedom, collective bargaining and participation

A supplementary aspect to the currently prevailing concern with the shortage of employment may be here underlined, namely the need for an effort also to improve the quality of work. The concept of decent work has constituted an important turning point by introducing and emphasising the ethical content of labour. It has thus complemented the quantitative analysis of work with its qualitative dimension.

Generating more job opportunities and endowing them with the characteristics of decent work is no doubt a challenge calling for the use of various instruments. In all reason we believe not only that training is one of those instruments, but a particularly powerful one.

In the first place if, among other things, decent work guarantees respect for labour rights, it must undoubtedly comply with the workers' essential entitlement to vocational training. As already underscored by Cinterfor/ILO in previous documents, the right to vocational training is not only recognised by comparative legislation, national Constitutions and international agreements, but is also one of the essential or fundamental human rights. Nowadays it is beyond discussion that "education and training are a right of all persons", as established by paragraph 8 of the Resolution Concerning Human Resources Training and Development adopted by the 88th Meeting (2000) of the International Labour Conference.

Also considered a fundamental right are equal opportunities regarding work and income, in connection with which the positive (or negative) effects of openings and access to education and vocational training have been proven. In that respect, the link that exists between qualification and income levels is well known. Also well known is the existence of unequal income structures that are due, among other things, to imbalanced access to knowledge. We may consequently infer that adequate training improves workers' possibilities of making satisfactory earnings,

and that equality of access to training favourably influences their access to satisfactorily remunerated jobs.

The goal of productive work, as already mentioned in the preceding paragraph, necessarily depends on vocational training contributing to it both with its contents, methodological approaches and organizational forms. It is also clear that productivity improvements cannot be achieved risking the lives and health of workers; safety and health at work can only be effectively attained through vocational training.

The prominence of training among instruments tending to offer greater labour and social protection is nowadays widely recognised, inasmuch as labour markets are increasingly afflicted by uncertainty and lack of stability. There is evidence, on the one hand, that higher qualification levels improve workers' chances of finding a job, keeping it or finding a new one, in other words, of reaching stability in the labour market. However, in restrictive contexts like the current one, in which new jobs are scarce and quality employment even scarcer, the sole contribution of training might at best modify the "queuing order", or ensure fairer waiting lists for jobs, but would not provide an overall solution to the problem.

This sort of situation seems to require an effort to rethink not only vocational training but also the economic and social policy areas to which it is related. It is quite obvious that a merely reactive training strategy in the face of current problems can at best only be remedial, compensating or "relieving" the most distressing effects of the inadequate functioning of the economy and the labour markets. In order to attain its highest effectiveness, vocational training must necessarily be conceived in strategic terms going beyond the narrow limits of short-term expectations.

As mentioned earlier, institutional models of organising vocational training had several virtues in the past, among others that of being in tune with certain economic and social development strategies. Such strategies –apart from the limitations they subsequently encountered- were also characterised by setting themselves long-term targets, according to which they made their policy arrangements, vocational training plans included.

Therefore, it is not only essential to conceive vocational training in strategic terms; all other policy lines must behave likewise, in accordance with long-term political, economic and social goals making up authentic "country projects". The difficulties of such a task are obvious, specially in view of the narrow margins for autonomous behaviour national states and governments enjoy. But the task cannot be tackled without consensual projects developed as veritable state policies.

The achievement of more stable labour situations depends –as do other aspects– on more foreseeable future scenarios. Investments in training –as in other areas– require a visible horizon and a certain amount of certainty. This affects firms and enterprises, workers and all economic and social actors involved.

Within that framework, social dialogue appears to be the best possible path both for building that strategic view at national level, in the different areas of public policy and in business enterprises through collective bargaining. In that respect vocational training has a great deal to contribute on the basis of its past and present experiences in social dialogue and participation, and as a "learning observatory" to extend social dialogue to other areas.

In summary, vocational training has a significant role in the achievement of decent work for all. In the first place, because no decent work is possible without complying with that fundamental right, and secondly, because vocational training is essential to accomplish the dimensions that characterise decent work. However, all this will only be possible insofar as institutional forms of organizing vocational training may bring about conditions that make decent training available to all.

3. Vocational training institutions face the challenge of change

It seems almost natural that an organizational model of training like that of the national VTIs, that started to emerge in the 1940s in the region and continued well into the 1970s should have had both hits and errors, virtues and defects, achievements and shortcomings. But we can now look back on chronological events spreading over some six decades. Our critical view is further enriched from two angles: the emergence in the late 70s and early 80s of new organizational approaches in vocational training, and the subsequent implementation of projects and policies along those new lines. To be noted specially, is the capacity for self questioning and transformation of the original VTIs themselves.

Latin American vocational training institutions were not only capable of adapting and changing in the past. The fact that they continue to do so in the present is evidenced by a number of aspects that we analyse below.

New schemes of institutional organization

One of the most recurrent criticisms levelled at the national VTI model is its size and "heavy" structure. The fact is mentioned in this connection that some of these institutions were used as instruments for the promotion of public employment, that they adopted excessively complex organizational structures with the consequent

bureaucratic overload and centralised management. Sometimes the excessive weight of administrative personnel in their total payroll was pinpointed, slowness in decision making and implementation were noted, or too many political appointees on their boards of directors, in a long list of faults. Some of these criticisms were not only valid when they were first made but continue to be so, and have sometimes led to the demise of an institution in its original guise, or its rebirth under direct private management.

Does the above mean to say that VTIs did not take note of such censure, or react to these pleas? Quite the contrary: there are numerous examples that illustrate conclusively the deep transformation processes launched by national vocational training institutions. Many of them are eloquent proof that they can reformulate themselves and meet current challenges. Such successful institutional reforms involved their organizational and administrative structures at national / state / provincial / departmental level, their operational units (centres), their planning (strategies and programmes), their technical / pedagogic management (methodologies, techniques, teaching materials), and their personnel training and development (technicians, instructors, directors).

One initial effort by the national training bodies of several countries has been, precisely, the revamping of their organizational structure. From a multiplicity of hierarchical levels they passed over to more “supple” or “horizontal” structures, doing away with a number of departments and intermediate sections. A bureaucratic organizational approach was gradually replaced by arrangements based on separate processes: attention of the user, development and technological services, administration and finance, training services, etc. This was complemented with modern management methods, like equipment for the constant improvement of services, efforts for the partial or total certification of the institution by ISO Standards (several VTIs have obtained ISO certificates).

The second line of action has been to alter the centralist philosophy of most of these institutions, a trait they shared with other public departments and services. Reforms were then implemented to de-concentrate and decentralise management. In this way regional and local units or services are given more competencies, attributions and resources; they are thus in a position to look after their respective demands more efficiently, and especially in a more relevant manner. Likewise, adopting a sectoral rather than geographic or political-administrative view, several VTIs have reconverted their multi-sectoral training centres into specialised ones aimed at particular areas or productive chains. In this way, they have met demands more closely, kept technologically updated and diversified their services.

The third tendency or line of transformation, that we shall discuss in more detail in the following paragraphs, has been the forging of alliances, co-operation agreements and complementation with other organizations and agencies.

A new institutional mission or the search of new roads to achieve it?

The answer to this question would show that both things have taken place: institutions have redefined their mission and have also been trying out new ways to achieve it.

In the past these training bodies normally considered that their purpose was to qualify individual workers for the labour market. They played a double role: facilitating the access of workers to employment and meeting the demands of employers for skilled or semi-skilled manpower.

Although those objectives still subsist nowadays, training institutions tend to adopt another mission: meeting the needs both of the population and the productive sector in a timely and efficient manner, taking into account on the one hand the objectives of social integration and improving workers' employability and working conditions, ensuring equal opportunities in the access to labour and training, and on the other hand raising the productivity of enterprises, productive sectors and national economies. This means that whilst individual workers continue to be a priority object of attention, other equally important targets have emerged: firms and enterprises, seen both as productive organizations and employment generators; productive sectors and chains; enterprise incubators; industrial and technological parks, etc., are all new clients for the VTIs that have been reformulating their task.

But as pointed out earlier, vocational training institutions have been exploring new ways of carrying out their all encompassing mission. As in other areas, a change of strategies has been preceded by a conceptual modification. To put it briefly, the public policy of individual training and its self-contained logic have been set aside, in favour of a view of training as a higher and crucial component not only of productive and technological policies, but also of social ones.

The already mentioned training approach focusing on productive sectors and chains, the diversification of services (specially in the technological area), the establishment of co-operation agreements and alliances with universities and technological institutes, even the setting up of training centres in technological and industrial parks, are some of the strategies with which VTIs are trying to make an effective contribution to productive and technological development policies.

Coordination and co-operation with Ministries of Labour in the framework of new active labour market policies, the use of flexible, non-schoolroom teaching modes and strategies like public workshops or mobile courses, alliances with social and non-governmental organizations and the search for contacts with regular education systems, are all part of the effort of vocational training bodies to become fully integrated into the national social policies implemented by governments.

Continuity of their already traditional openness to social dialogue, reinforced now by new activities at local and sectoral level, not only turn these institutions into adequate tools for accomplishing a renewed mission, but validate them as meeting ground for various diverging interests that must necessarily come together to approach large national issues that await solution.

Joint management

Special mention must be made of the reformulation of their role in the national scenario of vocational training by some VTIs of the region. One of the characteristics of the national model of training institution was not only that they predominated in the overall training offer, but also that they covered all stages of the process: detection of training needs and demands; design, planning, management and implementation of training actions.

This concentration of functions, added to their quasi monopoly of the training supply, faced some of these bodies with growing problems and criticism. They were questioned in particular because despite having large infrastructures, personnel and budgets their coverage was insufficient, as most of the active population was left out. Criticism also reached qualitative aspects of their services, such as how they could meet an increasingly heterogeneous demand from various productive sectors, traditional and modern sectors, social groups with differing requirements.

The basic question that training institutions of the region had to answer was: Was it possible to solve current problems and at the same time keep national leadership regarding vocational training policies?

Part of the response consisted of analysing which were exactly the fundamental purposes and functions of a vocational training institution. VTIs that made such studies came to the conclusion that there was a number of functions that represented the basic “guidelines” for training policies. In summary they were:

- Laying down minimum quality standards for courses offered and mechanisms to ensure that quality, e.g. accreditation services for training centres and activities.

- Carrying out a detailed analysis of training demand, i.e. taking into account not only the open demand of persons and enterprises but also potential needs (from a social, economic and productive point of view) that hardly take shape as demand.
- Implementing activities in relation to curricular design and development of teaching aids and materials.
- Training of trainers, technicians and managers of training centres.
- Searching for new forms of coordination between training processes and innovation and technological development.

Direct implementation of the training, instead of an essential aspect of institutional policy, is now seen as a function that need not be performed in an exclusive manner. Novel schemes have emerged whereby VTIs have started to share training delivery with other actors. Courses offered by the institutions continue, but other possibilities are added with resources provided by society and the market place. They may be joint activities, collaborating centres or projects and programmes implemented by other agencies or partners (companies, trade unions, private institutes, social and non-governmental organizations), to which the VTI lends technical assistance, or supplies instructors and teaching materials, among other alternatives.

In this way public vocational training policies can widen their scope and look after sectors and groups with special needs. Vocational training institutions validate their role insofar as they strengthen certain strategic aspects that other entities or actors can hardly assume with a similar degree of capacity and experience.

4. Ministries of Labour in the centre of the scene

A new role for the State

A tendency has consolidated in the region during the last decade for Ministries of Labour to play a leading role in the scene of public vocational training policies. There is a whole range of experiences in this respect. Although Labour Ministries have specialised training units or services in all countries, their predominance varies.

We might say that in general terms action by Labour Ministries has endeavoured to assign a new role to the State in training markets and policies. It has been in a way a reaction to criticisms of the traditional forms of State intervention, when all components of public training policy were concentrated in specialised institutions.

This new role implies giving up or withdrawing from certain tasks or functions, but also incorporating and developing new ones. In this approach the State abandons direct implementation of training actions, that is taken over by market forces and society in general through various players and organizations.

However, as indicated previously, the State takes on new functions.

Firstly, it manages public funds for financing vocational training policies, either from external sources, the national budget or contributions by employers and/or workers.

Secondly, it implements a number of actions aimed at developing and strengthening both the supply and demand of training, by means of tax incentives, public tenders for the execution of projects and programmes, and training schemes for the actors and agencies that will deliver the training services.

Thirdly, it takes corrective action to make up for shortcomings or biases of the training market, in particular regarding the attention of vulnerable sectors that run the risk of social exclusion.

Fourthly, it specially promotes social dialogue on vocational training and provides spaces for the management of public training policies and the funds to support them.

Looking for partners to attain wider coverage

One of the basic assumptions of training models promoted by Ministries of Labour is that the market and society in general have a multiplicity of available resources which, if the State persists in a monopolistic approach (for example, through national VTIs) will be inevitably wasted.

The challenge of attaining wider coverage, reaching a significant proportion of the active population then brings up the question of how to mobilise the resources available in firms and enterprises, training institutes, technological centres, trade unions and non-governmental organizations, among others.

In this strategy the State tries to tap those resources in a concerted manner, for which it basically uses three lines of action:

- Deploying the already mentioned measures to encourage the supply and demand of training, so that the various actors and organizations may begin to see

the rendering or use of training services as an opportunity in terms of investment and returns (in the various meanings that both may have).
- Establishing a general framework to ensure a minimum consistency of overall actions – a set of "rules of the game" that may be a national training plan, or a statute or law governing procedures for the utilisation of training funds or incentives, and the delivery of training services.
- Sharing out political decision-making and giving its social partners access to control mechanisms, especially employers' organizations and trade unions, ensuring their co-responsibility in the implementation and results of public training policies.

Setting up "training networks"

The notion of "network" is perhaps the one best suited to describe the new vocational training scenario that Labour Ministries are trying to set. Reference is also made to a "training market", but even if we accept this as valid we must admit that it would be a market highly dependent on the State through incentives, subsidies and public programmes. It would be more legitimate to use the concept of network, a sort of economic and social fabric held together by "nodes" with different resources and capabilities, and coordinated through a common logic.

Such a policy network would have a main node performing management and policy guidance functions. It would normally be identified with the Labour Ministries themselves, through their specialised unit, with a tripartite organization made up by governments, employers and workers, or with both things simultaneously. Although a large proportion of decisions are adopted by that type of body, many of them are decentralised to regional, local, sectoral or enterprise levels.

There are in consequence different locations for decision-making, and different ways of delivering training services. Responsibilities such as the training of trainers, curricular design, the production of teaching materials and others can either be spread out widely or concentrated in one node (enterprise, chamber, trade union, etc.). Complementation is sometimes sought through alliances and co-operation agreements.

Some outstanding issues

The models here enumerated, connected with Labour Ministries, have had a number of beneficial consequences for vocational training in the region. This has been due to the progress they brought about with their policies, and the way in which they have shown up the shortcomings of traditional models of organising and man-

aging vocational training, encouraging the processes of transformation and adaptation in quite a few national VTIs.

There are, however, some aspects that despite the progress made remain unsolved and imply risks.

The first of them is an excessive fragmentation of the training scene. Although the mobilization of more available resources and capabilities is a positive element, as well as the loosening of the centralized control of the past, the adoption of excessively slack rules may lead to a multiplication of lines of action difficult to assess as to their quality and internal consistency in the network, or to a point where multiplication may become overlapping and lack of coordination.

The second one is the nature and origin of the funds that finance public training policies in some countries. In some cases they come from the contributions of employers and workers in the formal sector of the economy, as a levies on the companies' payrolls. The relative loss of weight of that sector vis-à-vis the non-structured or informal sector, combined with the difficulties afflicting the economies of the region and causing a decline in revenues, undermines the stability of those funds, which are often used not only in active policies that include vocational training plans, but also to finance unemployment insurance. Once again, when the funds are most needed, they become scarce.

The third aspect is the political stability of policy models of this kind. As opposed to the model of national training bodies, that were nearly always created by special laws establishing clear-cut and stable management and financing mechanisms, these new policies tend to depend on the thinking of a given administration. Joint management arrangements and social dialogue can help to turn certain lines of action into State policies, but this is still to be confirmed in the countries where the model has reached its greatest development.

The fourth and last issue is how efficient these models can be, (devised as they were as networks and with more diffuse control or direction than that of VTIs), to tackle duties and responsibilities that have historically required stable institutional environments with a capacity to store and accumulate knowledge. Once again in this connection we can mention aspects like the training of trainers, curricular design and development, production of teaching materials, the integration of training and technology, maintenance of quality standards, reading and interpretation of demand, etc.

5. Search of a synthesis of models for the organization and management of vocational training

The history of the organization and management of vocational training in Latin America and the Caribbean can well be seen as that of a region that for several decades opted for a certain paradigm: national vocational institutions (VTIs). As happens with all paradigms, particularly when they have been tried out and used for a considerably long time, this one started to show faults and shortcomings.

While no alternative paradigm appeared in the region to compete with it, the failings of the old one were glossed over. But a new model emerged and grew precisely as a result of the shortcomings of the old one, presenting itself as a substitute capable of solving all the problems the previous formula was unable to deal with.

In the initial stages of the clash, when implementation of the new approach was just beginning, the VTI paradigm was quickly losing ground. It was the comparison between a reality and a promise, and it is a well known fact that promises hold more illusion than hard realities.

But we are now at another crossroads. The new paradigm is no longer so new, and has had the opportunity to prove itself in action, revealing both its virtues and its initially not so apparent faults. And on the other hand, vocational training institutions have also rallied, so that the comparison has to be readjusted.

Not only have the terms of the debate changed; the debate itself seems to have entered a more seasoned stage. If at a given moment a clash was apparent, an excluding conflict where we had to choose one model or the other, now all efforts seem to be in the direction of a resolving synthesis, profiting by the accumulated learning of so many years of joint efforts.

Just as in certain periods the most frequently used term in training was “institution”, or “network” in others, nowadays the word in vogue is “system”, referring to everything that is about to be developed.

The idea of a vocational training system is more open than that of an institution. It is also sounder than that of a network or market, and offers greater possibilities of integration and accumulation of experience.

It implies a form of management or guidance that has been validated by society. The whereabouts and structure of the system’s guidance will depend on each country’s concrete situation, and its achievements will no doubt be the result of a necessary process of dialogue and negotiation.

It involves the notion –widely proclaimed both by Labour Ministries and the now reformed VTIs– that existing resources and capabilities in the economy and society have to be tapped and coordinated. It also presupposes that no single actor or institute can meet unaided the challenge of far-reaching and variegated training needs.

Although it may grant more leeway for decision-making and action through decentralized schemes, it still clearly assigns certain strategic functions to given bodies and organizations.

Finally, the challenge of a lifelong education makes it necessary not only to open the field to new actors but also to expand the historical boundaries of vocational training. The idea of a system –in more concrete terms of an ongoing education / training system– entails the merging together of elementary education (needed by all and everybody's right), with regular education, secondary technical schooling, higher education and vocational training. Rather than institutional apportionments, we would have subsystems consisting of training tools and clusters for given populations and sectors, adequately responding to the changing training needs of persons, companies and the economy at large.

It eventually aims at enabling all persons to build their own occupational and life career, making available to them a sufficiently versatile and flexible system guiding them in a learning itinerary through life. All this without the restraining barriers of institutions and with due recognition by society.

THE FINANCING OF VOCATIONAL TRAINING IN LATIN AMERICA AND THE CARIBBEAN

Jaime Ramírez Guerrero

Presentation

This paper is a panoramic, and therefore necessarily superficial examination of the subject of the financing of vocational training (VT) in the Latin American and Caribbean region. From the descriptive point of view, the intention is to give an account of the different sources and kinds of financing which exist today in the region, and from the analytic perspective it seeks to identify the most significant trends in the ways in which the countries of the region are mobilizing public and private resources for this kind of investment.

The approach is essentially descriptive and qualitative, since the methodological complexity involved, and limitations on information available, rule out any quantification. For this reason, and because of the superficiality mentioned above, there is no comparative analysis of the sources and mechanisms of financing.

There has been no attempt to make an exhaustive list of all the mechanisms or all the institutions in the different countries. Whether a specific institution is mentioned or not depends exclusively on its usefulness as an example, and does not imply any evaluation. The author wishes to apologize in advance for any mistakes in denomination, interpretation or precision that he may have made concerning any specific country or institution.

With these reservations, this paper is presented to the seminar in the hope that it may help to spark an interesting debate. I wish to express my thanks to Cinterfor/ILO for the honour of being asked to prepare it.

I. Frame of reference

The delimitation and analysis of this document's field of study calls for some prior remarks about recent developments in this subject in Latin America and the Caribbean.

1. Background and recent development of training for work in Latin America and the Caribbean

In the second half of the 20th century, the region met the demand for training the workforce of its productive sector with two large public training systems, a) the vocational training institutions (VTIs), with tripartite administration, and financing from Parafiscal contributions, and b) technical-vocational education (TVE) within the formal education system. These two systems co-existed in most of the countries in the region, with one or the other predominating in each particular case. They were basically sufficient to meet the demands of the national economies, whose dynamic of technological change was not very intense because they were protected from the competitive pressures of international trade.

Both systems offered the opportunity for initial vocational training to young populations which had relatively low levels of basic education (up until the seventies, approximately, the entry requirement for both systems was five or six years of primary schooling). In both systems the training objective was eminently terminal, that is to say, they both led to an occupational definition which, for most workers, would remain unchanged throughout their productive lives. There was little demand for continuous training, and the only opportunities for this were either the internal route, promotion within the company, which was mainly connected with informal training processes, or the external route, formal education with the aim of getting a university degree, which was seen more as a generic mechanism of social mobility than as an opportunity to grow professionally inside the company or in the occupational field in question. In cases of promotion resulting from access to higher levels of formal education, the occupational field rarely corresponded to subjects studied. It was more common to rise in the occupational structure by changing company and/or occupational area. Direct efforts on the part of the companies, in which they themselves would implement a structured process to train their workers, were somewhat secondary, and limited to just a few conglomerates or big public or private companies. Informal practices predominated, and on the whole they did not involve large investment.

However, at the end of the century, a number of factors came to bear on the socio-economic configuration of the region, causing profound changes in the panorama of vocational training. From the *demographic* point of view, the delayed effect of

the high rates of population growth that prevailed between the fifties and the eighties created an enormous host of young people, and this put a lot of pressure on the traditional education systems and on the labour market, especially in urban areas. From the *educational* point of view, although the traditional systems expanded their capacity considerably they were still unable to meet this demand completely, and besides, they split into very differentiated quality levels. These two phenomena led to a massive inflow of young people who had very little education, if any, onto the labour market. From the *economic* point of view, the successive crises of the import substitution model and industrial restructuring for the transition to a more internationalised economy, have generated chronically high unemployment rates and a corresponding informalization of employment. From the *technological* point of view, the universal phenomenon of accelerated change in the processes and forms of the organization of production was also manifest in the region, this affected employment, and led to increased mobility and increased precariousness. From the *political-institutional* point of view, three particularly significant phenomena accompanied the great social changes caused by the factors above. These were the deterioration or even rupture of traditional institutional frameworks of social policy, the move towards more decentralized forms of political-administrative organization, and structural change in the balance between the public and private sectors providing social services.

All of this led to a serious crisis in the traditional systems of the TVE and the VTIs. The concept of vocational education was practically abandoned in most of the countries, and replaced by middle level technical education and its variants, such as middle level diversified education, or multivalent, etc. These names, and the constant reforms and counter-reforms in this field, are an expression of the sharp debate about the role this level of education should play in the educational and work trajectories of the population. That is to say, about its role as the terminal objective with respect to the labour market and/or its time in the propedeutic advance towards higher education. In any case, in most countries middle level technical education is relatively marginal; it is usually considered to have lower social and educational status, it is offered to social sectors with lower income and cultural capital, its quality is seriously questionable, and it is usually oriented to training for traditional occupations whose relevance in modern labour markets is debateable.[1]

There is also general discussion about the VTIs, and the crisis that the original model underwent when it had difficulties in adapting to changes in the socio-economic environment. This crisis was characterized by factors like inflexibility to organizational change, a tendency to burocratism, loss of contact with the productive

[1] This without prejudice to recognition of the serious efforts which some countries have recently made in the definition and setting up of new middle level multivalent education.

sector, and loss of relevance when faced with the rapid changes taking place in the labour market.

What the VTIs offer by way of initial systematic training to produce skilled workers and middle level technicians runs into trouble when it comes to obtaining openings for work practice in firms. These are essential to its model of shared training, but unemployment rates among those who complete the process are relatively high. Not only do they find themselves in a market with low demand, but they also have to compete against people coming from general middle level education, and even against university graduates, whose real or supposed cultural capital is highly valued by employers.

The kinds of continuous training that VTI systems offer (generally called complementary or extension courses), were originally designed for adult workers who had not had systematic initial training, and who would now be able to gradually progress towards obtaining some occupational certification, or for trained workers who sought to move up the job scale by means of intermediate technological certification. But very often these systems were slowly losing their raison d'être because of the lack of transparent certification and selection systems, and a lack of remuneration in the labour market. There was also an excessive supply of new workers with better levels of formal education, and the wider the application of the system the more pronounced this problem became because there was no equivalent growth in demand, which was due to the well-known problems of stagnation in the productive sector. This situation meant that, for the purposes of analysis, the offer of the VTIs was often divided into "long courses" (those which led to systematic training to produce skilled workers or middle level technicians) and "short courses" oriented to more or less structured demand.

All this occurred in the context of the demographic and educational factors already mentioned, and the internationalization of the economy with its effects on technical change and management reorganization, and caused big changes in labour markets (which has been extensively analysed), in the role which education and training for work play in them, and in the diversification of the institutional bases of vocational training.

Some of the most significant trends in this field are; a) a growing appreciation of the middle and higher levels of formal education as requirements for labour insertion, and the corresponding devaluation of the traditional mechanisms of initial vocational training; b) a similar revaluation of post-secondary technological education, with the dilemma as to whether it should be a halfway house towards university education or a terminal phase oriented directly to work; c) generalized discussion inside educational systems about the necessity of increasing technological

input in basic and middle level education, and also about whether the differentiated lines of middle level technical education and general education should be kept separate, or should be integrated into one multivalent middle level education system; d) the pressure of company productivity and competitiveness levels, with its consequent effect on the rise in investment in continuing training by companies and workers; e) the explosion in the offer of work training, especially in the private sector, aimed at satisfying the needs of companies as well as those of workers, which brings about the emergence of a vigorous and still largely unregulated market of labour competencies; f) the proliferation of government programmes connected to the fight against poverty.

2. Current Panorama of work training in a broad sense

The earlier changes, which have accelerated since the nineties, have led to the creation of a much wider, more complex and more diversified offer of training for work, which we define as **the totality of educational processes directed at creating or developing competencies that enable people to join the world of work and perform efficiently in it.** Included in this are middle level technical education, whether multivalent or diversified (a concept which has almost completely replaced vocational education), non-university post-secondary technological education, the different kinds of services offered by the vocational training institutions (VTIs), the increasing contribution of informal training (both commercial and non-profit making), and the training which firms provide for their workers when systematic processes require it[2].

"Training for work" also alludes to the distinction between the concept of "training", which refers to general training processes which produce basic and collateral competencies that are mainly applicable in the world of work, and that of "training for work", by which we understand as training processes aimed at developing skills and specific occupational competencies both prior to or during employment, or in labour retraining. Another connotation is that training for work is an ongoing and cumulative process which continues throughout the productive life of the individual, nourished by basic training and by informal education.

Training for work is a broad concept, and it calls attention to a phenomenon which is very relevant to the objectives of our study, namely the rupture of the social differentiation which previously existed between general education and vocational training, although a lot of differentiated institutional compartments still exist. This compartmentalization no longer responds to any clear logic of the labour market, it

[2] To differentiate them from informal training, which arises spontaneously throughout production processes in every kind of company.

is usually just a manifestation of the atavistic interests of the bureaucratic structure of the State, specifically of the Ministries of Education and of Labour.

The fact is that, in the real social situation, this differentiation was never completely hermetic. Metaphorically speaking, the two worlds could be described as being separated by a more or less porous membrane through which some individuals managed to slip, but these transfers did not follow any systematic pattern of educational or professional development. The rupture in the differentiation between general education and vocational training has created large holes in the membrane, and consequently there are strong currents of movement going both ways, whose common denominator can be found in the concept of continuing education or training. This phenomenon, with all its importance and potential for enriching not only human capital but also the competitiveness of the productive sector, does pose methodological difficulties for analysts who tackle concrete subjects like the financing of vocational training. There is a dilemma between the wish to describe a phenomenon which is increasingly large and complex, and the pragmatic need to define a field of study with precision.

3. Operative delimitation of vocational training

It is clear that the wide and diversified services which we refer to as training for work constitute a very complex and dynamic whole, and to study them would require greater range and thoroughness than is possible in this paper. Therefore, for the purposes of the present analysis, we shall restrict the definition of vocational training (VT) to the following services provided within training for work:

a) Vocational training which is offered by the VTIs in those countries which have different variants of this type of institution.

b) **Middle level technical education, diversified or multivalent, in the cases of countries in the region who, by cultural tradition or by a decision in educational policy, have not created or have abandoned the VTI model, and have therefore let their educational systems take charge of initial worker training** oriented directly to the labour market, in ways expressly defined for this end.[3]

[3] Strictly speaking we should include non-university post-secondary technological education systems, given that the most advanced reforms in middle level technical education in formal systems tend to define this modality as the first level of technological education, and on the other hand because the modalities of post-secondary technological education are playing an expanding role in the initial training of the new workforce, above all in the most modern parts of the productive sector. But the social-institutional complexity of this subject is impossible to grasp within the scope of this document.

c) In-company training, by which we understand the training employers offer their workers, so long as it is a structured processes, that is to say planned and directed to the company's own objectives of productivity and competitiveness. This may be implemented by their own organization or through specialized outside contractors.

d) Non-formal training can also be divided into two well-differentiated types; that offered by public institutions in the context of social poverty relief policies, and that offered by private entities responding to the dynamic of the market, and oriented to satisfying the demands of individuals and companies. These are generally short courses.

Note that in all the countries of the region, the first two categories correspond to institutional systems while the last two are very open social processes, although they might be, and in some cases actually are, incorporated into institutional frameworks. This state of affairs obliges us to make some observations about the concept of a 'system'.

4. The concept of a system, and the paradigm of national vocational training systems

The concept of a system crops up frequently in the literature on technical education and vocational training. There is talk of "the educational system" when referring to an aggregation made up of all levels and all kinds of formal education, including the concepts of "system" and "sub-system" in technical education. The VTIs speak of their "system" when referring to their forms and mechanisms of service as a whole. In Brazil there is talk of the "S System", which includes all the institutions which have S as the first letter of their abbreviated name, and which have the same mechanisms of financing, or similar institutional structures (SENAI, SENAC, SENAR, SEBRAE[4], etc.).

In the same way, in recent years the concept of a national system of vocational training has gone the rounds in various countries in the region. In practice, this label is more of a paradigm, more of a wish than a reality, although there are countries like Chile where the Servicio Nacional de Capacitación y Empleo (National Training and Employment Service) is based on a law which serves to integrate and regulate a very extensive group of actors and activities. The English-speaking Caribbean countries are another example, they have different kinds of technical education and training for work systems which are being integrated through standardization and the certification of qualifications, and it could be said that they

[4] Bear in mind that strictly speaking the SEBRAE is not a VTI, although it might run training activities as part of its business development services.

have come very close to this ideal. But in general, what we find in the different countries is a collection of technical education and/or training for work systems which each has its own organization and administrative structure, and its own specific financing mechanisms.

Therefore, it is as well to clarify that when we speak of an 'institutional system' in this paper, we are referring to an organization which has four well-defined structural components: administrative bodies, funding mechanisms, technical support and quality control organs (norms for structuring and certifying occupations, of curricular development, of the training of trainers, etc.), and its actual training agents, whether they are specialized bodies, public or private, or the companies themselves, etc.

Perhaps the most significant difference between the contrasting institutional systems, from the point of view of funding, is their degree of openness. Put simply, closed systems are those in which the actors are precisely defined by virtue of their operative specialization (for example training bodies or technical support organisms) or their characteristic beneficiaries, or in which the normative structure is markedly compulsive. Then, on the other hand, there are open systems, which allow great freedom as to the participation of providers of the service in question, fluidity of access for the beneficiaries, and a very flexible normative framework. Obviously we are talking about "ideal types", and in reality we find a *continuum* in which each specific case will be nearer to one end or the other. The educational system, by its very nature, tends to be of the closed type, while the paradigm of the national systems of vocational training discussed above, tends to the open type.

5. The question of financing

An analysis of the financing of vocational training must consider the nature of a good which is both public and private at the same time, or which combines characteristics of both in different ways. In principle, public investment in this field carries with it outside elements which are sufficiently wide and which affect large population groups or the productive system in general. But it is also true that investment generates private benefits directly to the workers, by improving their employability and therefore their income, and to the companies by increasing their productivity. Therefore, it is universally recognized that employers and workers should contribute to the financing.

It is generally accepted that investment in vocational training constitutes a public good, and hence should be the responsibility of the State in cases where it generates competencies which contribute generically to the productivity of the work force and of the productive sector. It follows that the individual appropriation of its eco-

nomic returns is not direct or immediate, and that it comes more into the category of a private good the more directly it is linked to employment, to generating immediate returns which are appropriated by individuals and specific companies. It is also accepted that in the case of countries and populations that are relatively poor, public intervention also occurs and is justified by social equity.

But it is less usual to consider public investment in fomenting and developing institutional systems, especially in current development models, which are strongly inclined to the emergence of markets for vocational training. This subject will be discussed in greater depth below, and here it is enough to comment that the market does not function in an ideal way in any society, and even less so in developing countries, where various cultural, economic and institutional factors cause serious imperfections which distort the incentives for individual investment. The recognition of this situation serves to legitimate public investment aimed at creating institutional frameworks which would stimulate supply and promote demand (including by means of subsidies, for reasons of equity), and which would establish transparent regulatory mechanisms.

These kinds of considerations are linked to the question of systems. It is understandable that public institutions should tend to exhibit the characteristics of closed systems, while market models by their very nature have to be much more open, which paves the way for private investment. But, if we assume that it is in the public interest to strengthen and to regulate the two VT markets, this poses a difficult dilemma for public policy: should we ignore the markets and leave them to their own dynamic? Or should we incorporate free market providers into an institutional framework? In the latter case, how can we ensure that institutionalizing the market will not make it so closed that it strangles its own potential? And, on this last point, can existing institutional systems incorporate market mechanisms without themselves undergoing structural change?

Finally, in this examination of conceptual aspects of the financing of vocational training, two very relevant questions must be dealt with. The first has to do with the cost-effectiveness of public spending, and the second with the sources of state financing, which, in response to the universal dynamic of political-administrative decentralization, tends to involve different combinations of participation by central governments and regional or local governments, whose role is currently expanding. The two questions are closely connected. Insofar as the measurement of cost-effectiveness is not just a simple matter of financial analysis but rather has to do with identifying the most efficient mechanisms and providers of VT, it is essentially an indicator of responsibility, or, to be more precise, of accountability. On the other hand, one of the factors which weighs most in the appraisal of the decentralization of social services is precisely that the closer these providers are to the target population or to the social actors (businessmen and workers in the case of the VT), the

greater their potential to respond adequately to demand, and therefore the higher the level of accountability that they should have. It can be seen that these two points are central to the analysis of VT, both for systems that currently exist and when we consider the proposed paradigm.

II. Overview of the financing of VT in Latin America and the Caribbean

We have already commented that vocational training institutions in Latin America are undergoing deep changes, which are a natural response to the profound transformations taking place everywhere in the world of work and production. In some sectors it is clear that companies are playing a more active role as investors and/or direct providers of training for their workers. New providers of training for work have emerged, private companies, renovated in-company training organs, training institutions initiated by management, centres of technological development which integrate innovation and technology transfer services by means of training, the non-governmental organizations who render services to marginal populations, etc.

The state agents connected with training for work have diversified, they are no longer just the ministries of education and the VTIs, but also new agents like the ministries of labour, the secretaries of social welfare, solidarity or social compensation funds, local government, etc., which have become public sources of finance, taking advantage of and/or stimulating the emergence of "training markets" which involve numerous public and private providers.

All this has brought the need to reform training for work systems into the discussion of public education and employment policy. As a matter of fact, this discussion does not come down to the question of "internal" reform in traditional systems of the VTI or TVE type, but raises the question of what roles the public and private sectors should play in the field of training for work, both from the perspective of public economy when it differentiates between the functions of public good and private good, and from concern for social equity in the interests of guaranteeing access to equal training opportunities for the whole population.

Bearing these points in mind, we will now present a review characterising the various ways of financing vocational training which exist today in Latin America and the Caribbean.

1. Parafiscal contributions

This is the mechanism which gave rise to the so-called "Latin American model" of vocational training institutions, the VTIs. In this system, funds for the VTIs come

from levies or parafiscal contributions from companies. These taxes are levied specifically for vocational training, and they are almost always calculated as a percentage of the amount of the workers' payroll. Contributions are organized differently in different countries, but the system usually covers all firms with more than ten workers, and in some cases public companies and government bodies too. The amount of the levy varies from 0.5 to 2% of the payroll.

Its basic characteristics are, a) its own legal capacity and administrative autonomy, b) a tripartite administrative structure (government, employers and workers), c) it belongs to the public administration, except in the case of Brazil, where the administration of resources and of the corresponding VTIs (SENAI, SENAC, SENAT, SENAR) is run by the employers, through the Federation of Employers' Associations.

The model of financing through parafiscal levies for specific purposes is the subject of a number of conceptual arguments which have, or could have, profound implications in the theory of public finance and in the administration of resources. First, there is debate as to the public or private nature of these funds. Parafiscal contribution is a technique of public financing which obtains resources from a specific sector of society for the self-financing and self-management of determinate public functions or activities which benefit the sector itself. Therefore it involves a mixed model at the meeting point between public authority and civil society, the former contributing its power to levy taxes and supervise, and the latter its management abilities.

It is precisely in the management of resources derived from parafiscal contributions that there are marked differences between the different countries. The Brazilians, who originated the system, have always administered these resources through private bodies, delegated by the State and the employers' associations of the sector in question. In contrast, all the other countries have public bodies with tripartite administrative mechanisms managing the funds. This reflects a double perspective; there is the principle of participation in the management of resources by those who provide them, which derives from parafiscality in general, and also the principle of the concentration of social actors, which belongs to the tradition of the ILO, a body which played a fundamental role in the construction and diffusion of the model.

This differentiation between the single case of one nation, Brazil, with its private administration, and the galaxy of examples of public administration continued for a number of lusters (5-year periods), but these organizations still had close cooperative links, and a corporate feeling among them all came into being, especially through Cinterfor/ILO.

However, as time passed, under the impact of the socio-economic and political-administrative transformations which occurred in the region, and as a result of their own organizational dynamic, a process of differentiation between countries and institutions appeared in the public sector. The result of this, seen from the perspective of the relation to other ways of financing vocational training, is that today the following groups can be identified:[5]

- Cases in which the parafiscal contribution has continued as the administrating institution and retained its public character, and these are the majority. However, it is worth noting that in almost all cases there is a trend towards a revision of the role as administrator-executors, and an opening to the paradigm of "core" or "guiding" bodies in national systems of vocational training, although it is hard to judge (with the amount of information available for drawing up this paper) the amount of effective progress which each one of these has made in organizational restructuring, and to what degree it has opened up.

- Cases in which the systematic paradigm has already been incorporated into the law, making the VTIs in question the "guiding body" of the system. The INFOTEP in the Dominican Republic is a pioneer in contracting outside training services through "collaborative centres". In Costa Rica, the INA has a legal mandate to organize and coordinate a national system of vocational training, and this has also moved towards decentralization by recognizing the collaborative centres.

- The case of the SENA in Colombia. Besides being defined as the guiding body of a national vocational training system, it is allowed by law to use up to 20% of its resources to stimulate efforts at continuing training in companies, through the mechanism of contribution reimbursements to those who show they have made their own investment of a certain amount and with specific characteristics. In practice, this mechanism might come to typify a new category of financing, the refunding of taxes, which up until now has not appeared in the regional panorama.

- The case of Chile. Here parafiscal contributions were eliminated from the panorama of financing for vocational training. Its administrative institution, the INACAP, still exists, but now transformed into a non-profit private corporation which competes in the market like any other service provider. This case will be re-examined below as an example of another, radically different model of public financing for vocational training

- Cases in which the institution of parafiscal contribution was maintained, but the administering body was redefined by law. In one case, Bolivia, the administra-

[5] Strictly speaking, the following is not a typification. The various cases share diverse categories so they are not mutually exclusive.

tion of resources was handed over to a foundation from the business sector, the INFOCAL. In El Salvador a new institution was created, the INSAFORP, and, although it is public, the management and labour sectors dominate its governing body. In Peru the SENATI has remained a public body, but the business sector is predominant in its administration.

- Finally in this group we come to the case of Paraguay, where at the end of last year the Sistema Nacional de Formación Profesional (National Vocational Training System) was created by law. It has a public and tripartite guiding body which administers the resources of the parafiscal contribution, while the SNPP, the original VTI, has become a "privileged" executor which automatically receives 50% of the resources of the contribution.

- In the same category of financing VT through parafiscal contributions, but with its own characteristics which will be commented on below, there is the more recent case of Jamaica, where the administration of resources was assigned by law to a private foundation which has tripartite management but is controlled by employers' and workers' representatives, the Heart Trust Fund.

It can be seen that the model of public administration of parafiscal contributions for VT has had a varied evolution, and two broad trends are evident. First, the devolution of administrative power, which had been gradually accumulating in public bodies, to the private sector (employers and workers), and second, the opening up of the respective institutional systems, by which the VTIs are renouncing all or part of their functions of direct rendering of VT services, and orienting themselves more to the financing of other providers, public as well as private, and to the regulation of the system itself. It remains to be seen how far this strategy of opening up has brought significant results, measured, for example, by the proportion of resources which are transferred to third entities.

The intense dynamic of change that took place in public institutions on the model of financing through parafiscal contributions indicates that this change is showing symptoms of crisis, which the pertinent literature usually attributes to the rigidity of the public administration and to its tendency to be co-opted in shady political deals.

2. State budget allocations in the framework of educational systems

In line with the operational framework we are using in this paper, we include in this category technical education and vocational training systems in countries which, because of cultural tradition or a decision on public policy, entrust to their educational system initial worker training which is oriented to the labour market in ways

expressly defined for this end, and in some cases the rendering of informal vocational training services as well.

In this model, financing comes from the national budget, from the resources either of the central government or of the regional or local governments (in different combinations), and generally involves mechanisms for the transfer of resources and competencies from the central government to the regional or local level.

This group covers Argentina, Uruguay and Cuba, each of which has its own specific characteristics. The cases of Trinidad-Tobago, Barbados, Surinam and Haiti can also be included in this category.

- In the case of Uruguay, a Technical-Professional Education Council (Consejo de Educación Técnico Profesional) has been set up, and its executive agency is the Universidad del Trabajo, UTU (Uruguayan University of Work). On the one hand UTU operates the line of basic and secondary technical education with a multiple perspective oriented to the training of the new work force who are coming onto the labour market, and of the other diverse lines of technical training linked to social actors and productive sectors.

- In Argentina, the old CONET was dissolved, and its vocational training centres were handed over to the provincial governments and to the government of the Autonomous City of Buenos Aires. To replace the CONET, the National Institute of Technological Education, INET, was created. It is responsible for technical-vocational training policy on a national level, and has been developing different kinds of primary and secondary technical education. At the same time, the Consejo Nacional de Educación-Trabajo, CoNE-T (National Board of Education-Work) was set up as an advisory body of the Ministry of Education, and is composed of representatives of employers, union organizations and the Ministries of Labour and Economy.

- Seen from the point of view of financing, Cuba combines two special characteristics derived from the ideology inherent in its socio-political system, which strongly promotes the connection between study and work. On the one hand, that general education and technical training are heavily monopolized by the State, and on the other that the sub-systems of general, polytechnic and work education are intimately connected, as can be seen from the primary school curriculum, which includes 480 hours of “work education”. One of the central objectives of the education system is to train a productive working class, and as a result around 50% of those graduating from the ninth grade go into technical-vocational education, whose curriculum and execution are developed in close co-ordination between the educators and the public employer organizations.

- The countries of the English-speaking Caribbean (Jamaica, Barbados, Trinidad and Tobago, among others) have recently made big changes in their systems of technical education and vocational training, under policies co-ordinated by the CARICOM. This was an effort aimed at integrating their traditional systems of technical education, which for the most part are derived from the model of the United Kingdom, with new much more flexible modes of training for work, which are market oriented and enjoy the close participation of the productive sector. Their basic characteristic is that they rest on national systems of occupational norms and vocational qualifications which also follow the British model. This marks a fundamental difference from the focus of the other systems in the different Latin American countries, which are geared more to integration in services offered.

The pioneer entity in this movement, the HEART Trust of Jamaica, is one of the National Training Agencies, NTA, which has been created in a number of these countries. HEART is an institution which comes under the Ministry of Education, and its connections with the business and labour sectors are coordinated through the National Council of Technical and Vocational Education and Training, known as the NCTVET. The analogous institutions and arrangements in Barbados and Trinidad-Tobago are in the province of the Ministries of Labour.

However, it is as well to bear the general context of middle level education in the region in mind, given that this level of formal education is in practice an important source of workers for the labour market. Analysts of the education sector have two big reservations about it; a) the revision of its traditional role as a stage in the propedeutic process of moving towards higher education, which no longer makes sense in the light of its relatively low coverage, its high drop-out rate, and the fact that only a small fraction of students really go on to higher education; b) connected to the previous point, doubts about the traditional differentiation between “academic” and “technical-vocational” middle level education, which have advanced to a reconceptualisation of middle level education as a phase for exploring the interests and aptitudes of the students, and for orienting them towards the selection of an occupation (or future professional identity), instead of continuing to serve as a bridge or obligatory step for entry into higher education.

3. Allocation of the state budget in the framework of the Ministries of Labour

The Ministries of Labour in Latin America and the Caribbean are becoming increasing involved in the field of vocational training, not just in the definition of policy, but also in programmed action, which means the creation and development of institutions, directing bodies or services which deal specifically with vocational training in the framework of a resurgence of active policies in the labour market. The importance given to these policies can be seen from the large financial resources

assigned to the implementation of the various programs and projects. These resources come from a variety of sources, public funds for training established by law, extraordinary resources from the public treasury, unemployment funds, etc. Some examples of this are:

In Argentina, the General Employment Law (Ley General de Empleo) of 1991 gave the Ministry of Labour competence over training connected to employment policies, permitting this body to develop labour training programs and activities along two lines. The first of these is to attend the training needs of specific groups, for example young people with low incomes, and the second is to foster the institutional development of non-traditional training entities. The second line is an attempt to foment the association of different local social actors in the training area, which has given rise to experiments like “occupational workshops”. These are non-profit making institutions in private law, which the State helped to create and promote by co-financing their investment and operational costs. Another example is the “vocational training councils”. Both types are managed jointly by employers and unions.

The Mexican Ministry of Labour finances two especially significant programmes, a) the Program of Training Grants for Unemployed Workers (Programa de Becas para Capacitación de Trabajadores Desempleados), PROBECAT, which operates by contracting training courses with institutions that are usually public, and offers the beneficiary remuneration during the training period. It is aimed at retraining unemployed workers, who are trained in existing institutions or in companies which, in exchange for access to the programme’s resources, commit themselves to employ a certain proportion of the trainees who complete the course, and b) the Integral Quality and Modernisation (CIMO, Calidad Integral y Modernización), which aims at developing demand for training and counselling in small and medium-sized companies through mechanisms which mediate between the offer of services and the demands or needs of the productive sector, which in turn has to pay with their own resources a proportion (which increases over time) of the costs of these services.

To have an adequate idea of the importance of the financing effort which the Mexican Ministry of Labour is making on these two programs, we should keep in mind that they are part of the Modernization of Technical Education Project (Proyecto de Modernización de la Educación Técnica y la Capacitación, PMETYC), whose core strategy is the development of a national system of labour training, and which is the charge of CONOCER, a case which will be reviewed separately below.

Since 1992, the Ministry of Labour in Uruguay has, by law, had competence in the field of training for work policies and programmes, an area which previously belonged exclusively to the education sector. Its executive body for this is the Na-

tional Employment Bureau (Dirección Nacional de Empleo, DINAE). It is significant that the DINAE has not limited its activity in this field of work training to the promotion of specific projects, but has also acted through the creation of a National Training System (Sistema Nacional de Formación). In any case, its most important financial instrument is the Labour Reconversion Fund (Fondo de Reconversión Laboral), which receives contributions from firms and workers, and whose objective is to finance training programmes targeted on workers who have particular difficulties in entering the job market. Its administration comes under the National Employment Board (Junta Nacional de Empleo, JUNAE), a body with a tripartite structure made up of government, trade unions and employers' organizations.

The Labour Reconversion Fund is financed mainly by part of a tax which has a specific aim, so it is similar to a parafiscal contribution. It also includes a mechanism whereby companies which re-hire workers who have been re-trained with the Fund's resources have the right to reimbursement of their contributions to the Fund, which calls up (like in the case of the SENA mentioned above) the model of financial reimbursement, a model which up to now did not exist in the Latin America and Caribbean region.

Perhaps the most important example of this type, for the magnitude of its resources and for its range as a public employment policy, is that of Brazil, where certain fiscal taxes were created by constitutional norm. These are calculated on the gross turnover of public and private companies, and go to the federal budget for the social protection of the workers. The law which regulated these taxes in 1990 includes the allocation of these resources within public employment and incomes policy, and allocates them to the Worker Support Fund (Fondo de Amparo al Trabajador, FAT), which is administered by a body with a joint tripartite structure, the Deliberative Council (Consejo Deliberativo) of the FAT.

One of the programme lines of the FAT is investment in vocational training through the National Plan for Worker Training (Plan Nacional de Calificación del Trabajador, PLANFOR), and the medium term objective is to train 20% of the Economically Active Population (Población Económicamente Activa, PEA), every year. To reach this demanding goal, the PLANFOR strategy is to mobilize the National Professional Education Network (Red Nacional de Educación Profesional), and promote State Training Plans, PEQ.[6]

The PLANFOR is executed through the mechanism of "Sharing" with public or private training bodies, either individually and directly, or through national or pro-

[6] PEQ is Portuguese. It stands for "Planos Estaduais de Qualificação".

vincial bodies. Among other objectives, this has the effect of supporting investment.

4. Contribution incentives to companies

In this mode of financing, the companies recover their training costs after presenting their tax returns. In the Latin American and Caribbean region this only occurs in Chile, where this so-called "tax exemption" has a maximum limit equivalent to 1% of total salaries. Companies are free to provide training themselves or to contract services from a wide network of providers, called Executive Technical Organisms (Organismos Técnicos Ejecutores), which are regulated by the National Training and Employment Service (Servicio Nacional de Capacitación y Empleo, SENCE), a branch of which depends on the Ministry of Labour. Activities which are funded through tax exemption may be the training of current company employees, prior training before a possible work contract comes into force, or training given up to three months before a contract ends.[7]

The case of Chile is very significant in that it is an expression of a State policy decision in two senses: first, it renounces direct provision of labour training services, delegating this to the business sector and to the market in general, and second, it exercises its public power in this field through financing and regulation (which supposes the creation of a true institutional system whose core is the SENCE), having built up over time great number of private offers of training services whose provision is very demand driven. One especially important result of the strategy of contracting and financing training services according to market forces has been the creation of a database of costs which, along with the evaluative results of the various programmes, is a clear signal to providers and consumers of these kinds of services.

Throughout the approximately 25 years of experience with the tax exemption system, the Chilean State has been making adjustments to the model, so as to correct undesirable trends, like the initial concentration of the use of tax exemption in the big companies sector and at the top and middle levels of the occupational structure. National, sectorial and company co-ordination mechanisms have been set up, which are aimed at balancing participation of the labour sector with that of the management sector.

[7] Bear in mind that, besides the resources from tax exemption, the SENCE also administers other programmes that are financed by the Fondo Nacional de Capacitación, FONCAP (National Training Fund), whose resources come from the national budget and are allocated with social and economic policy priorities in mind, along with an analysis of performance and of cost-effectiveness.

5. Special programmes of social investment

Faced with the chronic poverty of a large part of the population of Latin America and the Caribbean, a great variety of emergency social investment programmes have come into being, above all in recent years. These are aimed at confronting the high unemployment rates caused by restructuring in the productive sector, and financial adjustment and rationalization on the part of the State, which affected the whole region. Some of these have *ad hoc* administrative entities called funds or networks of social investment, and others have been united to existing institutions, like the Presidencies of the Republics, social welfare, youth institutions, etc.

The basic characteristics of these kinds of programs are, a) their temporary nature[8], b) their high degree of targeting on especially vulnerable population sectors, c) their financing by bank credits from various sources, which reinforces the temporary nature mentioned above, and their strategic orientation to civil society, operational decentralization, opening to market forces, etc.

Their field of action is very diverse, but insofar as this study is concerned, specialized training programmes and the labour insertion of young people are directly relevant, as are the retraining of the unemployed, help for small businesses, and other forms of self-employment. Also relevant are activities which, from the perspective of gender or investment in human capital, are aimed at specific population sectors like women heads of households, and those which include elements of work training or help in the creation of small businesses. Many of these are carried forward by Ministries of Labour, and sometimes, when permanent institutional systems for vocational training are being developed from them, as in the cases of Mexico, Uruguay, Argentina, etc., the actual administration is handed over to these new bodies.

From the perspective of VT financing, the amounts of investment involved may be relatively important in their own time frame, but in the long term they are less significant as resources become exhausted, which often occurs when their international credit operation ends. However, it should be recognized that this temporary nature is inherent in the logic of social emergency, and they have often played a not unimportant role as a "laboratory" for new modes of financing. An example of this perspective is the case of the youth labour training programmes of the Young Chile (Chile Joven) type, which, when it spread to other countries associated with credits from the IDB (Inter-American Development Bank), has served as a vehicle

[8] It is this temporary nature, and their closer connection with public employment policies with stable institutional frameworks, which leads us to locate in a different category, that of public financing from ministries of labour, cases like the FAT/CODEFAT/PLANFOR in Brazil and the FRL/JUNAE in Uruguay, which share other characteristics of this kind of programme.

for market schemes for contracting services and, quite independently of other evaluations of the model in question, it broadens and stimulates the emergence of new offers, promotes the connection of trainers with firms, and increases public policy options.

6. Concourse of public financing in integrated multi-institutional systems

Some countries in the region have succeeded in advancing towards the creation of technical education and labour training systems which involve different sources of public and of private financing, a subject we will return to below. What is interesting about this development is that each country seems to be constructing its own model by taking advantage of its traditions and available infrastructure, but finding new integration strategies which restructure elements that were previously isolated, and bring synergy to joint action, which is significant from a perspective of the analysis of the cost-effectiveness of additional investment.

We will concentrate on two cases whose integration strategy is to standardize and certify labour competencies, Mexico and the English-speaking Caribbean countries, Jamaica, Barbados and Trinidad-Tobago.[9]

The Project for the Modernisation of Technical Education and Training (Proyecto de Modernización de la Educación Técnica y la Capacitación, PMETYC) in Mexico is part of a national policy aimed at overcoming the problems of fragmentation in training for work, which have a long history in that country. It consists of four components, a) the development of a system of standardization of work competencies, which is the strategic core of the model, and whose execution is the responsibility of the CONOCER, b) the transformation of the offer of training which is run by the Secretary of Education mainly through the National College of Vocational Technical Education (Colegio Nacional de Educación Profesional Técnica CONALEP); c) the stimulation of the demand for training and labour certification, executed through the Integral Quality and Modernization (Calidad Integral y Modernización, CIMO) programme, and Grants for Training for Employees (Becas de Capacitación para Desempleados, PROBECAT) programme reviewed above, and run by the Labour Secretary, and; d) information, evaluation and studies, whose aim is to establish an information system which would allow follow-up and evaluation of the impact of the project as a whole, and coordinate studies and research which would provide feedback. The information system is particularly relevant to the question of institutional synergy and financing, because it acts as the interface between the different institutions of the educational and labour sectors of the Project,

[9] Brazil and Chile are other national cases which could be included in this category, although they have different strategies.

allowing for the exchange of information on the offer of trained workers, the demand for jobs, and the offer of training based on labour competency.

The English-speaking Caribbean countries have developed co-ordinating agencies for technical education and vocatinal training. These are called National Training Agencies, (NTA), and their objective is to reduce the skill gap by promoting a universal educational infrastructure. The NTA all share a common organizational design and strategic logic, based on the United Kingdom model. Their key orientation is the standardization of labour competencies, and this is regulated by a "National Council for TVET", NCTVET, which has a tripartite structure.

7. Private financing of training. Investment is continuing training by companies and workers

This section deals with private investment by companies and workers, the former in improving their human resources through training in or for the job in question[10], and the latter as a strategy to increase their employability in an increasingly competitive labour market.

In the case of companies, we are talking about direct investment financed from their own resources. This is additional to what they pay in levies, taxes or parafiscal contributions, and to what they can expect to be reimbursed for later on. These investments may be made autonomously or as a contribution to associative schemes in which they are complemented by financing from public resources. In the case of workers we can include the direct cost paid by individuals or their families for private vocational training, whether this is initial or ongoing, and also the indirect costs of access to the public service in question, an expense which may be considerable for long courses of initial training.[11]

There is very little systematised empirical evidence on this subject, so analysis rests largely on fragmentary evidence and on the author's own impressions. But it is highly relevant if we consider it in the light of some of the points made in the frame of reference at the top of this paper.

Private investment in training on the part of companies:

[10] We are talking about training processes with a certain degree of structure, and leaving aside informal training which has always been associated with work.

[11] The concept of private expenses associated with access to public education has been dealt with in more depth by researchers in this area.

- This has to do with discussion of the double character of vocational training as a public good and as a private good, and it covers aspects such as the propensity of companies to invest in training that is specifically relevant to a particular work position. The worker, on the other hand, would be more interested in acquiring collateral competences which would tend to increase his mobility in the labour market.

- There is also the question of the structural heterogeneity of the economies in the region, which is reflected in the variety of positions that business takes when it comes to the implementation of technology and human resources strategy. Put simply, one is the situation of companies that, regardless of their size, find themselves in highly competitive chains of production or market segments, so they are obliged to invest in the training of their labour force, and another is the case of small and medium-sized industries of a more traditional kind, which can barely survive in the internal market and which depend absolutely on the public provision of training and above all on informal training in the workplace.

- Finally, this has to do with the propensity of companies to invest more in the continuing training of middle and high level staff, to the detriment of their operative levels, for which human resources strategy is usually based on selection criteria whose central requirement is general basic or middle level education, to be followed by informal training in the work place.

Private investment by workers has implications for the following questions, among others:

- In the first place, with equality of access it is evident that workers with more limited resources will have less purchasing capacity for these kinds of services, and that when they do seek training they run the risk of receiving services of inferior quality.
- Also relevant to this analysis is the problem of the relative weakness of trade union organizations in the region to tackle the subject of vocational training in political-institutional negotiating situations. They are even weaker when it comes to participating in the administration of bi- and tripartite bodies, and in what has to do with the technical aspects of concerting concrete training programmes. This weakness is partly a reflection of the difficulties which union movements have to face everywhere, difficulties which force them to concentrate their efforts on policy negotiations about salary claims and social benefits, matters whose results are felt immediately by the workers, and partly due to their lack of experience and knowledge in the management and direct implementation of vocational training. Except for very respectable cases in Brazil, Uruguay, Argentina and Mexico, programmes and institutions of vocational training belonging to union organizations practically do not exist.

These considerations open up a whole line of thought about the role of public financing and of its administrative and executive institutions as mechanisms to stimulate both types of private investment, the channelling of public resources to compensate for the lack of access of the most vulnerable sectors, the creation of transparent information systems to help service providers define products which will be relevant to the real demands of the work place and suitable for the conditions of the labour market, and the provision of informed decisions about the market.

To sum up, to reflect on the need to recognize, stimulate and intelligently regulate a market in labour competences, which would allow the development of a wide public and private, diversified, flexible and relevant offer, both to meet private demand and to act as executors of publicly financed programs.

III. Conclusions and recommendations

The account we have presented of the panorama of the financing of vocational training in Latin America and the Caribbean shows that the countries of the region have responded to the challenges set by the transformation in production and economic internationalization with a big effort to diversify their institutional systems and funding mechanisms.

Some characteristics of this new panorama of the financing of VT in the region are the following;

a) The diversification of public financing mechanisms. Besides the traditional systems of parafiscal contributions and the allocation of resources from the national budget through formal education systems, other methods like tax exemption and the remittance of contributions have emerged, which stimulate company investment in training. Besides this, ways of stimulating demand are beginning the take shape. These are currently still restricted to the field of management development services, but they are potentially applicable to that of worker training.

b) Agents of public financing are also diversifying. They are no longer just the Ministries of Education and the VTIs, but also Ministries of Labour, secretaries of social welfare, solidarity and social compensation funds, etc.

c) There are many publicly-financed programmes targeted to vulnerable sectors of the population, some of which are more integrated into public policy and stable institutional frameworks than others.

d) We can detect the existence of considerable private investment on the part of companies and workers, although this is severely segmented.

e) The emergence of a private offer which tends to be wide and diversified. This initially responded to private demand, but has now come to be recognized and mobilised by the sources of public financing.

f) As a result of the above, genuine markets in labour competencies are beginning to form, involving a lot of public and private service providers.

It is especially noteworthy that the diversity of mechanisms and sources of finance, which could easily fall into disorganized fragments, is in some countries gaining cohesion in integrated institutional systems in response to the local circumstances and dynamics, and the different traditions of each country. There are some common features: the renunciation of monopolies in the provision of services or on the part of any individual institutional system, the recognition and stimulus of a market of supply and demand, the retreat of the State into roles more centred on financing and regulation, and the search for synergic effects through the complementation of sources and service providers.

The scope of this study does not cover quantitative evaluation, so there are no conclusions about levels of investment, or if they are in relation to necessities. To estimate the extent of the resources involved, in the light of the marked diversity between financing mechanisms and between countries, presents exceptional methodological challenges which include the question of how necessity can be measured.

In any case, a pragmatic approach to the subject which is particularly appropriate to the characteristics of vocational training, is that a need exists when it is perceived as useful by its beneficiaries, in this case by businessmen (because of competitiveness) and by workers (because of employability). Any investment, public or private, which does not produce verifiable results on one of these fronts runs the risk of becoming a waste of resources.

With this in mind we can affirm that, before orienting public policy to widening or defending present levels of investment, there is an urgent need to direct efforts towards stimulating forms of organization, funding mechanisms and programmed practices which have proved most effective *vis a vis* the objectives of competitivity and employability of vocational training. And one does not have to be particularly clever to identify these lines of action, they are those which characterize the most successful cases, both globally and in the Latin America and Caribbean region. They are:

a) Stimulate processes which link together sources of financing and the provision of services, maintaining a high level of flexibility and diversity, but avoiding the extremes of fragmentation and monopoly.

b) Concentrate public funding on VT programmes which are oriented to initial training or to structural re-training of the work force, and promote, facilitate and demand greater participation from private investment in processes of continuing training, in-company training, etc.

c) Stimulate private demand for vocational training that is more directly linked to real production processes, that is to say in-company training.

d) Stimulate private service providers that are oriented to the market and closely connected to the business sector, so as to increase their relevance and improve their cost-effectiveness.

e) Stimulate effective and transparent mechanisms for regulating the quality and effectiveness of training markets, as well as those oriented to the standardization and certification of competences, self-administered by the sectors which benefit.

f) Stimulate rigorous evaluation studies on the impact and analysis of the cost-benefit of the different kinds of services offered, and make the resulting information available to management and workers who take decisions about investment in vocational training.

g) Promote the widening of the participation levels of the social actors, businessmen and workers, in the financial administration and programming of vocational training.

FINANCING TRAINING: INNOVATIVE APPROACHES IN LATIN AMERICA

Regina M. A. A. Galhardi

1. Introduction

Investment in human resources is seen as a critical factor in increasing economic performance and competitiveness as well as employment and social security, and in combating adverse social consequences of unemployment and social exclusion of certain groups of the population. Individuals are most employable when they have broad-based education and training and portable key skills, including teamwork, problem solving, information and communications technology (ICT), communication and language skills, and learning to learn skills. This combination of skills enables them to adapt to changes in the world of work. Initial training further develops employability by providing general core work skills, and the underpinning knowledge, and industry-based and professional competencies, which are portable and facilitate the transition into the world of work.

The persistent failure of government-provided training to produce the desired outcomes and respond to the needs of the market, and the failure of enterprises to ensure broad-based, equitable access to training opportunities are putting pressure on decision-makers to search for new training policies and governance structures. It has been increasingly recognised that the responsibility for HRD and training should be shared in partnerships between the State, enterprises, social partners and individual workers. The role of governments should be to determine the long-term objectives of HRD and to formulate policies, in collaboration with the social partners, that create the enabling environment for shared investment in, and provision of, training that is both effective and equitable. The social partners in many countries, particularly developing countries, need to improve their capacity to engage in meaningful dialogue on training. This need was widely recognised by the Committee of Human Resources, Training and Development (HRTD), during

* Training Policies and Programmes Skills Development Department International Labour Office

the General Conference of the ILO, meeting in its 88th Session, 2000, (para.19 of the Conclusions concerning HRT&D):

> *"The social partners should strengthen social dialogue on training, share responsibility in formulating education and training policies, and engage in partnerships with each other or with governments for investing in, planning and implementing training"*

The paper will describe some innovative modes of financing initial training, based mainly on the Latin American experience. Since the early 1990s, and especially in the last years, financing of vocational training (VT) has become a priority and a central part of the public policy agenda in the region. There has been a proliferation of different suppliers (public and private) due to the inability of the traditional vocational education and training (VET) system to respond efficiently and timely to the economic and labour market demands. Some pioneering financing strategies (tripartite, bipartite, national and sectoral arrangements) are emerging in the region, as they seem to match changes in the structure of employment and in the type of demand for vocational training. These have been the result of increasing participation of diverse social actors in dialogue around vocational training issues in the region.

The first section of this paper examines changes in governance and the new roles and responsibilities assumed by the government and social partners for investing in vocational training, with special concern on the Latin American situation. In the second section the so-called Latin American model of vocational training, characterized by a funding mechanism based on levies or parafiscal contributions, is addressed. The third section briefly describes some innovative funding initiatives in the region based on the state budget and/or private budget. Examples of successful partnerships between government and enterprises, between workers and employers, between workers and government, or between government and the social partners are analysed in this section. Experience of other countries on co-financing mechanisms that support individuals' learning and continuing education is described in the following section. The final section raises the main features of the innovative funding approaches experimented by the Latin American (LA) countries in the last years.

2. Towards new roles and responsibilities: Governance and partners in training

Policy-makers increasingly recognize that the responsibility for HRD and training should be shared in partnerships between the State, enterprises, the social partners and individual workers. This need has been widely recognized by several

international fora. The Cologne Charter of the Group of Eight leading industrialized nations (G8), in 1999, called for renewed commitment of all partners to lifelong learning whereby governments should invest in enhancing education and training at all levels; the private sector, in training existing and future employees; and individuals, in developing their own abilities and career. As expressed by the ILO constituents at the International Labour Conference, 2000, governments must always assume the primary responsibility for investing in basic education and initial training. Governments must also share the greatest responsibility for investments directed to combating social exclusion or discrimination by facilitating access to training opportunities for unemployed workers, women, and workers with disabilities and special needs. There is, therefore, an international consensus about guaranteeing universal access of all to, and increasing and optimising overall investment in, basic education, initial training and lifelong learning and training.

In LA, the democratisation of the region and the emergence and strengthening of organised civil society and its associated institutions has created a space for dialogue around public policies in general and vocational training in particular. Governments, through the Ministries of Labour (MOL), have placed vocational training as a central element of active labour market adjustment policies. Governments' financing of vocational training come under the umbrella of national action plans for employment. In this context, special secretariats or services to intervene actively in the formulation and implementation of employment and training policies were created. Significant measures towards unemployment alleviation, youth and other disadvantaged groups at high social risk have been taken since the early 1990s. In this way, a more dynamic structure for a public employment system, incorporating various representative sectors of society and featuring the financial resources available to support new and innovative initiatives in financing learning and training for work has been institutionalised in several countries (Box 1).

Individuals have increasingly been solicited to pay, wholly or partly, for developing their own skills. They have a major role in managing their own learning and investing in personal and career development. In this respect, government should also share responsibility in order to guarantee that access is not denied on financial grounds. With respect to the private sector, enterprises should share responsibility for, and invest more in, maintaining individuals' employability, especially with respect to workplace-based and continuing education, which can raise workers' employability and the competitiveness of enterprises. Enterprises have a critical role to play in work-specific initial training in order to make the transition from school to work easier. In several countries in the Latin American region, entrepreneurs have created their own training centres, as in the case of Brazil (Montes Claros), Peru (e.g. Maatsushita, EXSA, Entidades Financeras y Mineras) and Colombia (e,g. CENPAPEL).

Box 1
Examples of participation of Labour Ministry in VT

In Brazil, the National Secretariat of Training and Skill Development (SEFOR) of the Ministry of Labour and Employment has implemented the National Plan for Worker Qualification (PLANFOR) since 1995. The Plan is funded with resources from FAT – Worker Support Fund, which is managed by tripartite Deliberative Council (CODEFAT). Although designed as a public policy instrument, having the EAP as the target population, PLANFOR sets up priorities in terms of participation and access to the Fund's resources. The Plan has explicitly sought to promote equal access for excluded and vulnerable groups in society by establishing targets for trainee participation by gender, race, ethnic origin, income and level of education.

In Chile, the National Service of Training and Employment (SENCE) operates under the authority of the Ministry of Labour, manages and regulates enterprises' training programmes and apprenticeship contracts. Since 1997, it also operates the National Training Fund (FONCAP) that finances training actions for disadvantaged groups such as women and the unemployed.

In Uruguay, through a negotiation initiated by the MOL with all political and social partners, the National Employment Direction (DINAE) and the tripartite National Employment Board (JUNAE) were created in 1992. This was a decisive step towards intervening actively in the formulation and implementation of vocational training policies. JUNAE administrates resources from the Labour Retraining Fund, which was also created in 1992. The Law 16.320 of November 1996 empowers the Board to finance training actions for different population groups, in particular low-income young people.

Employers' organizations can have an important role to play by voicing enterprise concerns and in influencing training policy and governance, drawing attention to the need for long-term investment in continuous training and encouraging learning within enterprises. In Latin America, private sector employers' organizations and sectoral chambers have increasingly been involved in the management and planning of vocational training activities. In recent years, several employers' organizations have taken over the management of former public vocational training institutions, as in the case of SENATI (Peru) and INFOCAL (Bolivia) created in 1996 by the Confederation of Private Entrepreneurs of Bolivia (CEPB). In Brazil, this has been the case since the creation of the SENAI-SENAC system in 1942 and 1946 respectively.

Workers' organizations and workers' councils can do much to ensure that their members have access to broad-based and portable skills training that enhance their mobility. They can also give a voice to those who are not formally employed – the unemployed, the self-employed, informal sector workers – and promote a learning culture among workers. In Latin America, these roles have been performed through the participation of trade unions in the directive bodies of VTIs, direct management of their own training institutions, and in tripartite advisory bodies created by the MOL in several countries (Box 2). Moreover, there are numerous examples where trade unions have initiated their own programmes to stimulate social dialogue around worker training. In Argentina, some of the more active trade unions have begun participating in **bipartite dialogue** with employers to establish worker training programmes at the sectoral level (Box 3) and regional level (Box 4). In Brazil, the three main central unions[1] developed institutional mechanisms to provide conceptual information on training issues to their members and carry out training programmes both at the central level or through their branch affiliates.

Box 2
The participation of workers in the management of training

The two most representative examples in Latin America are the creation of the National Employment Board (JUNAE) in Uruguay and the Deliberative Council of the Worker Support Fund (CODEFAT), in Brazil. JUNAE is a tripartite body chaired by the Employment Director of the Ministry of Labour and Social Security of Uruguay, which manages and allocates resources from the Labour Retraining Fund. The Fund is constituted by contributions from employers, workers and the government for the training and retraining of persons with special difficulties to get a job, and laid off workers. The Board has various programmes directed to the unemployed, young people seeking for employment for the first time, and rural workers. The Fund also finances training programmes submitted by firms, or concerted in collective agreements. CODEFAT is a tripartite entity operating under the supervision of the MOL that, through the National Secretariat of Training and Skill Development Secretariat (SEFOR), manages the Worker Support Fund (FAT). The Fund is used to implement a number of training programmes within the broad framework of public employment policies.

[1] CUT (Trade Union Confederation), Força Sindical and CGT (General Workers Confederation)

Box 3
Collective Agreements by branch of activities in Argentina

In 1996, an agreement between workers and employers of the plastic industry was set up to regulate the access of workers to technical and cultural training. The agreement encourages employers to provide technical education and sets up concrete incentives that must be granted to workers, i.e. paid leave and bonus of 10% on the daily wages. Similar collective agreements were set up in the services sector through which the parties recognize the need to establish financial arrangements for developing joint activities in the areas of general education and vocational training. In the insurance sector, a collective agreement was negotiated in 1992. An "Occupational Training Committee" composed equally by workers and employers was set up to propose guidelines on further training and retraining of workers. In the real estate sector, the collective agreement no. 306 of 1998 recognizes the right of workers to wage increase as a result of participating in training activities.

Box 4
Training and Vocational Education Council of Rosario and its Region (CCFP)

At the regional level, the **Training and Vocational Education Council of Rosario and its Region (CCFP)** is an overwhelming example. It is a bipartite entity, made up of workers' and employers' organizations, to promote the improvement of the skill profile of all regional workers, both employed or occasionally unemployed. In the latter case, retraining is the goal. The Council was created in Argentina towards the end of 1997 with a view to reducing costs, improving the quality of training and promoting workers' access to training. The CCFP is governed by a board of 14 members, 7 of which are representatives of trade unions, the other 7 of employers' organizations. Through this initiative, workers and employers from different sectors or branches of activities, and a common region, define jointly training needs and decide on actions to be taken in this unique case in LA.

The roles of governments, enterprises and individuals are related to the mix of societal, business, competitiveness and individual objectives being pursued. Partnerships between government and enterprises, between government and the social partners, or between the social partners themselves can also assist in ensuring adequate investment. New alliances and forms of collaboration between different institutions and social actors are emerging in various countries around the Latin American region. These innovative approaches involve the State, enterprises,

trade unions and organizations of civil society in the task of exploring new avenues for the provision of "more and better" training.

3. The Latin American experience in funding VT

The so-called Latin American model of VT is based on the proliferation of national-level public institutions during the period 1940 - 1970. Brazil pioneered this system by establishing SENAI in 1942. This model was marked by the characteristics of the development model adopted by most of the countries in the region at that time, i.e. the import substitution industrialization strategy (ISI), which concentrate power in the hands of the government's bureaucratic elite. In most of the countries, a national-level public institution was created, with statutory authority to impose levy on firms or with a firm claim on budget resources. In addition, the technical secondary educational institutes integrated into the regular education system and a few unregulated private training centres complemented the existing training offer/ system.

Parafiscal contributions are the mechanism that originated the Latin American model of vocational training institutions, also called the "S" and "I" systems due to their similar acronyms.[2] In these systems, funds for vocational training come from levies on the payroll or parafiscal contributions from companies[3]. These taxes are levied specifically for vocational training, and they are almost always calculated as a percentage of the amount of the workers' payroll. In most cases, these levies have been assessed by public authorities in the form of compulsory taxes, or voluntary through industry groups as in the case of INFOCAL, Bolivia. Countries organize contributions differently, but the system usually covers all firms with more than ten workers and, in some cases, includes public companies and government bodies too. Sometimes workers also pay as in the case of the National Institute for Educational Cooperation (INCE) in Venezuela. The amount of the levy varies from 0.5 to 2 per cent of the payroll (Table 1).

[2] For lack of a better term we may call them the "S" and "I" systems (e.g. they are called SENAI, SENA, SENATI, SENAC, SENAR, SENAT and INA, INCE, INFOTEC, INATEC, INTECAP, INFOCAL, INSAFORP). (Annex 1)

[3] Argentina abolished the payroll tax in 1991 and replaced it by contributions from the central budget which have tended to diminish.

Table 1: Some funding characteristics of training institutions in LA

Country	VTI	Sources of Resources			Budget		
		Payroll tax (%)	Public budget	Others	Total Million US$ (year*)	Per capita (US$)	Total /EAP (US$)
Bolivia	INFOCAL	1.0 (voluntarily contributions by private enterprises)	No		2.0 (2002)		
Brazil	S System SENAI	2.5	Yes	services	1.615(2002) 423 (2000)	151,1	5,64
Colombia	SENA	0.5(state enterprises) 2.0(private enterprises)			330.0 (2002)		
Chile	SENCE	eliminated	FONCAP (National Training Fund) since 1998	Tax rebate up to 1% payroll and sliding scale for SFs	122.0 (2000)	161.6	12.6
Costa Rica	INA	2.0 (manufacturing > 5 workers) 0.5 (agriculture > 10 workers)	Yes 1% income tax		43.8 (1998)	469.7	31.8
Dominican Republic	INFOTEC	1.0 (private and public)	Yes	Yes	11.3 (1998)	109.7	3.2
Ecuador	SECAP	0.5 (private, public and mixed enterprises)	Yes				
El Salvador	INSAFORP	1.0 (private enterprises > 10 workers)			5.2 (1998)	376.7	2.3
Guatemala	INTECAP	1.0 (public and private)	Yes		9.5 (1998)	77.0	2.8
Honduras	INFOP	1.0 (private and public > 5 workers) 0.5 (state institutions)			6.4 (1998)	169.6	3.4
Mexico	CONALEP	n.a.	Yes				
Nicaragua	INATEC	2.0	Yes		8.5 (1998)	157.6	5.2
Panama	INAFORP	n.a.	(15% Educational Security Fund)	n.a.			
Paraguay	SNPP	1.0	Yes				
Peru	SENATI	0.75 (manufacturing enterprises with > 20 workers)	No	Courses/services	22.6 (2001) 62.8% services 37.2 % payroll tax	453.3	2.2

Country	VTI	Sources of Resources			Budget		
		Payroll tax (%)	Public budget	Others	Total Million US$ (year*)	Per capita (US$)	Total /EAP (US$)
Uruguay	DINAE/ JUNAE (1992)	n.a.	0.25% of the bipartite Labour Retraining Fund				
Venezuela	INCE	2.0 (private enterprises)	YES	Workers	157,0 (2002)		
Other examples							
France	OPCAs[2]	1.5% enterprises with > 10 employees 0.25% enterprises with < 10 employees up to 1% public authorities (10.553 million ECU)	Central & regional government (23.694 million ECU)	Enterprises Households	34.248 million ECU (1996) 1 ECU= 6.98 FF	n.a	
Spain	INEM FORCEM[3]	0.7% total payroll (0.6 % company + 0.1% employee)	General state budgets	European Structural Fund (ESF) Private	4.142 million ECU (1998) 1ECU = 167 ESP		

* Year data available

[2] OPCAs: Authorized Joint Collection Agencies

[3] FORCEM: Foundation for Continuing Training (created in 1993): a joint, non-profit making and private body with national scope

In short, the Latin American employers' compulsory contribution to vocational training is at the same rate as in other more advanced industrialized countries. Compulsory levies in enterprises are the key feature of the French funding system for initial and continuing vocational training. All enterprises in the private and public sectors contribute with a levy of 1.5 per cent on the wage bill of enterprises with 10 or more employees and 0.25 per cent on the wage bill of enterprises with less than 10 employees. These contributions are collected and administered by a special agency, i.e. the "Organismes Partaires Collecteurs Agrees" (OPCAs-Authorized Joint Collection Agencies) and supervised by (GNC- Groupe Nationale de Controle) the National Supervisory Group. In 1996, enterprises employing 10 or more employees made an average contribution of 3.26 per cent, i.e. 50 per cent more than the statutory obligation. The amount of training provided increases with the size of the enterprises: 1.7 per cent of the wage bill for enterprises with 10-19 employees

and 4.9 per cent for enterprises with 2000 or more employees (CEDEFOP, 1999).[4] In Spain, through the tripartite agreement on continuing vocational training (ANFC - Acuerdo Tripatito sobre Formación Continua) signed in 1992, training activities are partly funded by the training levy paid by companies and workers who contribute with 0.6 per cent and 0.1 per cent of the total payroll respectively. The training levy is paid to INEM (The National Employment Institute), which transfers part of the levy relevant to continuing training activities laid down in the ANFC to FORCEM (Foundation for Continuing Training). In 1995, 828,399 persons participated in CVT (CEDEFOP, 2000).

With respect to the availability of economic resources and the levels of investment training, the "S" system in Brazil[5] has the highest budget, i.e., about US$ 1.6 billion in 2002. SENAI's budget in 2001 corresponded to US$ 423 million (i.e. around 30 per cent of the whole system's budget). SENCE allocated US$ 122 million to carry out its training activities in 2000. In the Andean area, SENA from Colombia presents the highest budget, i.e. US$ 330 million, followed by INCE (Venezuela) with a current budget of US$ 157 million. Then, SENATI (Peru) comes with a total budget of US$ 22.6 million in 2001. INFOCAL from Bolivia reported a budget of US$ 2.0 million for 2002. It is interesting to notice that 63 per cent of the SENATI's budget was due to the selling of services. Just 37 per cent corresponded to the payroll tax. In contrast, SENA's budget is almost totally due to the payroll tax, actually 97 per cent[6].

Among the Central American countries INA, from Costa Rica has a budget that represents more than 50 per cent of the total budget of the sub-regional institutions, and is almost four times higher than the budget of INFOTEP (Dominican Republic) and five times that of INTECAP (Guatemala). In 1998, INA invested US$ 43.8 million in its activities. In terms of expenditure per capita, INA reported to have invested US$ 469.7 per participant in 1998 while INTECAP only US$ 77. However, Honduras and Nicaragua had invested around US$ 160.0 per trainee in the same year. Although INA has the highest total budget in Central America, the number of hours per trainee is just a little higher than that of INFOP (Honduras) and INFOTEP (Dominican Republic).[7] The highest budget reported by INA may

[4] Enterprises are eligible to a five-year tax deduction scheme (the training tax credit - crédit d'impôt formation) if they have increased their training expenditure over and above the statutory obligation year on year. This deduction is made from the taxation payable by enterprises, i.e. from earnings or corporation tax.

[5] "S" system includes the following institutions: SENAI, SENAC, SENAR, SENAT (MTE/SSPE/DEQP, 2002),

[6] National reports prepared for the "Inter-American Tripartite Seminar on Training, Productivity and Decent Work", Rio de Janeiro, 15-17 May 2002 (www.cinterfor.org.uy)

[7] Hours of training per trainee in 1998: INA (7.28); INTECAP (2.99), INFOP (6.96), INATEC (4.14), INAFORP (11.77), INFOTEP (6.25) (Rosal Garcia and Rodriguez Roman, 2001).

be, however, overestimated. As reported by Rosal Garcia and Rodriguez Roman (2001), a large part of the budget of this institution is directed to the purchase of equipment, materials and other facilities that do not appear in the institutions account as a separate cost category. This is a critical problem when attempting to compare expenditures in training among institutions. As informed by the Director of SENATI (Peru), 10.4 per cent (US$ 2.0 million) of the institution total budget was spent in the purchase of equipment and building work in 2001.

In terms of the EAP, there is a great variation in their expenditures. In Central America, apart from INA that reported a corresponding expenditure of US$ 31.8, the NVT institutions apply less than US$ 4 per inhabitant. This is very low, especially in comparison with other countries such as Chile, for instance, where SENCE spent US$ 12.6 in 2000. However, any attempt of assessing the performance of these institutions by comparing the above indicators would be very limited. These indicators cannot be considered in isolate and other parameters must be taken into consideration (e.g. participation rate) due to the institutional diversity in terms of size/budget, age and the socioeconomic context in which they operate. A few are very old like SENAI and SENAC in Brazil, created in the early 1940s, and others very young as INSAFORP (El Salvador), INATEC (Nicaragua) and INFOCAL (Bolivia) created in the 1990s.

Despite all budgetary diversity, there are some institutional similarities among them. Most institutions are subordinated under the Ministry of Labour, with a ruling body composed of public sector, private firms, and unions or workers' representatives. The exception is the case of Brazil, where the employers, through the National Federation of the Employers' Association of a specific sector, manage the resources and also run the corresponding VTIs (SENAI, SENAC, SENAT, SENAR). In other cases, they are private and non-profit institutions, managed directly by national or sectoral corporate chambers (e.g. INFOCAL, Bolivia) or by the entrepreneurs themselves who are also responsible for the design, development and evaluation of the training programmes (e.g. SENATI, Peru). In some cases, as in Mexico, the training system is dominated by a public vocational education institution (CONALEP) that owns and operates training facilities and programmes under the authority of the Secretary of Education. Though CONALEP's main source of resources is the public budget, it also sells training services to the private sector and the MOL. These autonomous or semi-autonomous VTIs are the crystallization of a policy of financing and allocating resources exclusively for training purposes. **They were used to both regulate the sector, and be the main producer of publicly financed vocational training.** In the context of the ISI strategy, these national-level public training institutions were able to meet the skills demand of the productive sector, whose technological dynamism was relatively low and protected from international competition.

During the 1980s and 1990s, far-reaching transformations have taken place in the structure of the economies and labour markets. Economic restructuring and trade liberalization have deeply affected enterprises in terms of both employment and human resources requirements, and speeded up the growth of a more modern and sophisticated services sector. New technologies and work organizations and practices have also contributed to the emergence of new occupations and non-standard forms of labour market insertion. Moreover, the growth of the informal sector in developing country in general and, in Latin America in particular, has also generated new challenges for the existing training institutions that were mostly oriented to provide initial training at work (apprenticeship) and training for employees to developed skills needed in manufacturing and traditional occupations. All these factors have questioned the capacity and relevance of traditional, centralized public training offers to respond to the new demands of the productive sector and the social needs of individuals.

Governments disturbed by the coercion of adjustment policies began to see training as a social policy instrument and, instead of being an operator of training to govern the training system by means of hierarchical or administrative controls, they became financial agents who establish clear rules for purchasing training, select the best bids and control the quality of the service offered (Moura Castro, 1997). Through programmes introduced by the Ministries of Labour and stimulated by certain incentives, i.e., public tenders and training services tax deductible, an overwhelming supply of providers both private and public started to grow.

Many VTIs have diversified their sources of revenue and adopted a decentralization strategy that is very much related to the upsurge of new providers of training, funding mechanisms and social partners participation in the local/sectoral management and funding of training programmes. INCE, for instance, has adopted a sectoral decentralization by constituting specialized training centers in areas such as metal work and clothes making. These centers are managed by the so-called “civil associations” which are composed of representatives of all partners of the specific sector. They are completely independent in programming their activities and using their financial resources and/or pursuing financial alliances with social partners at the sectoral level. INFOCAL has gone through a geographical decentralization that has facilitated a better response to the local needs. In Chile, tripartite Regional Training Councils were created to provide policy advise to the regional government. Also in the INA of Costa Rica, SENA of Colombia and INTECAP of Guatemala, among others, administrative and operational responsibilities have been handed down to their respective regional departments. In the case of Brazil as well, SENAI, SENAC and SENAR are following the same pattern. The high degree of autonomy enjoyed by their regional bodies vis-à-vis their National Directorates rests on local chambers of industry and commerce, which are responsible for managing and maintaining infrastructure and allocating resources of the re-

gional departments. Involving local entrepreneurs in managing the departments facilitates a range of cooperation and business initiatives with local authorities, trade unions and civil society organizations.

As part of the decentralization process, several institutions decided to diversify their operational mechanism as well. Instead of providing directly training through their own facilities, they decided to contract out the so-called "collaborator centers". This has been the case of INFOTEP and other Central American institutions (INFOP, INSAFORP). In order to reach this category, public or private providers undergo for a voluntary assessment process that certifies them for the offer of a certain training programme, provided that they meet the requirements indicated by the Technical or Sectoral Committees. Once evaluated, the institutions receive the accreditation by the national institution that authorizes them to provide the training concerned. INFOTEP managed to transfer 35 per cent of its training activities to the centers and aims at reassigning about 75 per cent in the next years.

A summary description of their institutional characteristics can be found in Table 2.

Table 2: Some Institutional Characteristics of VTIs in LA

Country	NTI (initials)	Supervision	GB Structure	Decentralized	Main Operation Network/training facilities	
					Owns/ operates	Contracting out/ outsourcing
Bolivia	INFOCAL	Confederation of Private Entrepreneurs of Bolivia (CEPB)		1 National & 9 Departmental Directories	Yes	Yes (public and private inst.) "Collaborator Centres"
Brazil	SENAI/ SENAC	National/ FederalBusiness Confederation		National Directories & State Departments	Yes	
Colombia	SENA	MOL	Tripartite	25 Regional administrative Units, 25 Units of Entrepreneurial Development and 25 Employment Information Centres	Yes 114 Training Centres	
Chile	SENCE	MOL	Tripartite	Regional Training Centres	No	Yes

Country	NTI (initials)	Supervision	GB Structure	Decentralized	Main Operation Network/training facilities	
					Owns/ operates	Contracting out/ outsourcing
Costa Rica	INA	MOL	Tripartite (Junta Directiva)	Regional Councils (created in 1994)	Yes 19 regional centers& 14 technological units	Yes (ONGs)
Dominican Republic	INFOTEP	Labour Committes Secretariat	Tripartite	Technical/Sectoral & Regional Training Centres	Yes ↓	Collaborator Centres & 35% private institutes (goal = 75%).
Ecuador	SECAP	MOL	Tripartite	Yes	Yes	
El Salvador	INSAFORP		Tripartite		No	Collaborator Centres (CC) & Enterprise Training Units (UCE)
Guatemala	INTECAP	MOL	Tripartite	Regional since 1999	Yes	Yes (experts, private centres
Honduras	INFOP		Tripartite	sectoral	Yes	Collaborator Centers (CC) (public or private)
Mexico	CONALEP	Public Education Secretariat		Yes	Yes	
Nicaragua	INATEC (1991) (merge of the TE Syst (MED) & VT syst. MOL)	MOL	Tripartite	Sectoral Technical Committees	Technical Education and Training Centers	Public and Private Centres, enterprises
Panama	INAFORP	MOL	Tripartite	Yes	Yes	
Paraguay	SNPP	MOL	Tripartite	Yes	Yes	
Peru	SENATI	Entrepreneurs private sector	Tripartite	Yes	Yes	
Uruguay	DINAE/ JUNAE	MOL	Tripartite	Yes	Yes	
Venezuela	INCE	MED		Sectoral (“Civil Associations”)		

4. Innovative funding mechanisms

A multitude of funding arrangements has emerged in the region to cope with the new scenario where economic incentives can be used to create markets for services in areas that have traditionally been produced by the public sector. Despite the existence of the traditional public funding through the existing vocational training and technical education systems, new financing schemes have emerged and new actors appeared on the scene. Tax incentives, such as disbursement schemes, whereby the tax is collected from all enterprises, then disbursed back to some firms that meet training criteria; and exemption schemes, whereby firms are able to reduce or eliminate their payroll and other taxes to the extent that they provide acceptable training, are some examples. Other financing strategies, especially in the framework of the Ministry of Labour (MOL) or, in some cases the Ministry of Education (MED), that explore the role of private or public providers to support initial and continuing training are raised. The allocations of particular state budget or funds targeting special groups of the population are additional public financing sources for vocational training. The involvement of social partners through tripartite or bipartite partnerships for funding training is another emerging trend in the region.

Although these experiences are embryonic in most cases, they show the changing role of the government and the public vocational institutions in the process of funding. The innovative mechanisms are related to changes in the traditional dual role of the training institutions as **producers** and **regulators** of training and/or the role of the government from **operator and provider** of training, to **buyer** of training as a **financial agent**.

4.1 Tax rebate

In Latin America, the most radical change is observed in the case of Chile. In this country, parafiscal contributions were eliminated from the panorama of financing for vocational training. The Chilean model shows a clear differentiation of regulation and provision of training. The National Service of Training and Employment (SENCE) regulates the training system under the supervision of the MOL. It is the Ministry that sets up the rules and creates competitive mechanisms to purchase training. One of the distinctive characteristics of SENCE is that it is a pure **regulator** that does not own or operate training facilities. Law No.19.518[8] of 1997 empowers SENCE to administer an income rebate program (*franquicia tributaria*) for

[8] This Law governs the so-called “Learning Contract” for young people less than 21 years, establishing a maximum period of two years, with a training or apprenticeship plan devised by enterprises or technical training bodies, with in-plant training and/or related teaching.

firms that directly provide or contract registered providers to develop training programmes for their workers. The tax rebate is up to a maximum of 1 per cent of the firm's payroll, with a floor that benefits smaller firms. Firms present their training programs to SENCE and, if approved according to quality and relevance criteria, receive the tax rebate. This operational model makes full use of the variety of training providers (public and private) available in the market, and allows firms to choose the content of their training programmes according to their needs. Smaller firms that do not count with a managerial structure to design training programmes can use intermediate technical assistance institutions[9] or "brokers" to intervene with training providers and elaborate the plans. These actions also take advantage of the tax rebate incentive.

Another important reform of the Law 19.518 is the regulation of an apprenticeship contract that uses income tax rebate to subsidize training of workers before starting an employment relation and for a period of three months after separation of the worker. Since many workers –especially new entrants and the unemployed– cannot benefit from enterprises' training initiatives, SENCE administers a scholarship programme under which courses are auctioned to training providers in return for some guarantees of trainee success in finding jobs for which they have been trained.

Since 1998, SENCE has been operating the National Fund of Skills Development (FONCAP - *Fondo Nacional de Capacitación),* whose resources came from the national budget and are allocated to finance training actions for disadvantaged groups such as women, SMEs, youth, and programmes of labour reinsertion and apprenticeship. In 2000, the total budget of SENCE was about US$ 122 million, 81 per cent of this amount corresponded to the tax rebate and applied to in-company training attended by 620.235 workers that corresponded to 11.53 per cent of the employed labour force. The remaining 19 per cent of the total budget operated by SENCE was directed to social programmes and disadvantaged groups (SENCE Anuario Estadístico, 2000).[10] The tax rebate scheme has become, therefore, the major mechanism of public training investment.

The contracting out training model was firstly experimented by the "*Chile Jóven*" Programme in 1994 and became, since then, a trademark of operation of the training system (Box 5). By 1999, several countries in the region were using this model in the designing of Youth Training Programmes to provide initial training for first time jobseekers. Projects like "*Proyecto Jóven"* in Argentina, the "*Subprograma de capacitación de jóvenes*" in Bolivia, "*Projóven*" in Peru and "*Projóven*" in Uruguay were targeted at this population. They usually offer short training periods (3-

[9] Technical assistance institutions (OTIRs) are non-profit organizations established for training and technology assistance by enterprises in specific sectors or regions.

[10] http://www.sence.cl/estudios/anuario2000/ft/cuadro2.htm

4 months) in various trades, supplemented by occupational guidance and internships providing initial work experience or pre-employment training. Moreover, this model characterized the **emergence of a system of tax incentives for VT in the region**.

Box 5
Chile Joven

In 1994, the Government of Chile, with IADB support, started a special purpose programme for disadvantageous youth called *Chile Jóven.* The programme was designed to address the problems of high unemployment and low labour market participation of youth. In this programme the Government sets up a fund, under the control of the MOL that finances the competitive contracting out of training services from public and private providers. The basic contract between the training fund and the provider establishes that the service provided will include classroom training, plus an apprenticeship in a firm where the trainees will develop practical expertise using the tools and equipment of an actual productive firm.
In 1995 a new rule was introduced in the programme by which the training provider would receive monetary compensation from the Government if the trainee obtained a job contract, instead of just an internship in a firm, at the end of the training period.

There is some information that Brazilian enterprises were also eligible for setting up exemption **agreements with SENAI** so that enterprises could deduct from their income tax bills twice the amount of their in-house and/or external training expenditures up to a maximum of 10 per cent of their taxable profits. It was found that just 1 per cent of the total number of taxpaying firms in Brazil took advantage of this incentive. Almost 70 per cent of them were medium and large companies that could cope with the complicated procedures for the preparation of training projects. Moreover, for many companies, the opportunity a tax rebate up to 10 per cent of their taxable profit was not an attractive venture. There were many flaws in the Income Tax Law whereby companies could evade taxes or reduce the real amount to be paid without using this incentive. Smaller companies whose amount of taxable profits was too small to benefit from income tax rebate were left out of such mechanism (Gasskov, 1994). This scheme was terminated in 1990 due to major economic reasons, i.e. budget deficit and inflation[11].

[11] In Venezuela, in some sectors and under specific conditions, employers are allowed to deliver training directly to their employees and deduct the costs of such training from the total amount they would otherwise have to pay to INCE.

In comparison with the Chilean scheme, the Brazilian tax rebate scheme has been less effective, owing to, among other things, the lack of information about the system, unclear requirements, and complicated procedures in applying for exemption. Besides, the income tax system in Brazil provided opportunities for the evasion of taxes without having to use the tax rebate. This mechanism did not constitute an incentive for companies to invest in training. It seemed that tax rebates were mainly used by those enterprises that already had ambitious training programmes (Ducci, 1991).

As illustrated by the case of Chile, tax rebate schemes can be used to subsidize a wide variety of training actions, including those for disadvantaged groups of the population. Chile's experience shows that both equity and efficiency objectives can be served through simple financing mechanisms. It also shows that a friendly regulatory environment for private provision of training is sometimes more important than public funding per se that, in its turn, is often more important than public provision. Another advantage of this mechanism is that it produces little or no interference in the training decisions of firms and workers. Chile's experience illustrates that privately provided VET can be forthcoming in low- and middle-income countries if public mechanisms are used to encourage private provision. However, the lack of a central, regulatory institution that can set standards and produce curricula and manuals of the basic courses geared towards basic and non-specific skills is a threat to the successful implementation of the model. In the absence of strong regulations based on objective criteria about the quality and relevance of training programmes, this incentive may just be a waste of resources if firms and workers develop opportunistic conducts, especially in a context where the income tax system does not work properly.

4.2 The refunding of taxes

In Colombia, the proposals for training submitted by the enterprises, workers or their respective organizations are evaluated by SENA through the National Directive Council (Consejo Directivo Nacional) and funded through a mechanism of payroll contribution reimbursements or "disbursement scheme". Once the proposal is approved, a contract is set up between SENA and the beneficiary. SENA assumes part of the costs of the programme which can amount up to 50 per cent of the total cost. This amount is disbursed back to the enterprise that has met the training criteria. The enterprises, whose programmes have been approved, are authorized to contract out to other public institutions or specialized institutes to provide the training required. They have a year to complete the training. In 2001, through the Programme of Continuing Training, 147 training contracts were signed with employers and 118,000 people from different enterprises, trade unions and enterprises' and workers' associations were trained. Seventy-nine contracts cor-

responded to enterprises from the service sector, 51 from manufacturing and 17 from the primary sector. During the period 1999-2001, SENA allocated resources of about US$ 20 million to co-funding 413 training contracts that provided training to 600,000 workers employed in 1,200 enterprises in the country.[12] Last year, a study conducted by the University of Los Andes in Bogotá assessed several cases of enterprises' alliances of training for work. According to this evaluation,[13] the mechanism of payroll contribution reimbursement is very attractive to employers once it offers the possibility of orienting the training offer provided by SENA and others towards the specific objectives and priorities of the employers' associations and enterprises involved. In addition, they said that this is a means of using at least 50 per cent of their contributions to their own benefit and competitiveness. The study concluded, among other issues, that the programme has contributed to an increase in the training supply, improving the response to their needs, by opening the training market to other institutions and educational centres and allowing firms to choose the best available offer. This mechanism is an example of a new category of financing, i.e. the refunding of taxes, which up to now had not appeared in the regional panorama.

4.3 State budget allocations in the framework of education systems

In this model, financing comes from the national budget, from resources either of the central government or regional or local governments (in different combinations), and generally involves mechanisms for the transfer of resources from the central to the regional or local level. This category includes the experience of two countries, e.g. Uruguay and Argentina, which entrust to their educational system initial worker training which is oriented to labour market needs. In the case of Uruguay, a Technical Professional Education Council (*Consejo de Educación Técnico Profesional*) was set up. The University of Work (*Universidad del Trabajo*), its executive agency, provides basic and secondary technical education to youth coming to the labour market, and technical training according to the demand of the productive sector and social partners.

In Argentina, the old institutional vocational training institution, CONET, was dissolved and disappeared from the budget. Its training centres were handed over to the provincial governments and to the government of the city of Buenos Aires.

[12] SENA Report prepared for the Inter-American Tripartite Seminar on Skills, Productivity and Decent Work, Rio de Janeiro, 15-17 May 2002, and published by CINTERFOR (www.cinterfor.org.uy).

[13] Facultad de Administración de la Universidad de los Andes: "Alianzas Empresariales de Formación para el Trabajo". Estudio financiado por la Fundación Antonio Restrepo Barco, Fundación Corona, Fundación FES y Consejo Gremial Nacional. Bogota, agosto de 2001.

Instead, a National Institute of Technological Education (INET) was created to define policy at the national level and implement primary and secondary technical education. Also created was an advisory body of the Ministry of Education, the National Board of Education and Work that is composed of employers' and workers' representatives, as well as by representatives of the Ministries of Labour and Economy.

4.4 State budget allocations in the framework of the MOL

The Ministries of Labour in Latin America are becoming increasingly involved in the field of vocational training, not just in the definition of policies but also in the management of actions through the creation and development of institutions, directing bodies and services that deal specifically with vocational training in the context of active labour market policies. The importance of this new role can be seen from the large financial resources assigned to the implementation of various programmes and projects. These resources came from various sources, public funds for training established by law, extraordinary resources from the central government, unemployment funds, etc. A very important Latin American example of this type of funding is that of the MOL in Brazil due to the magnitude of the resources and for its coverage as an active public employment policy. In 1995, the MOL with resources of the Worker Support Fund (FAT- Fundo de Amparo ao Trabalhador) implemented the National Plan for Worker Qualification (PLANFOR).[14] These resources are calculated on the gross turnover of public and private companies and constitute the federal budget for the social protection of workers. The Fund is managed via a tripartite body operating at the federal level, the CODEFAT, the Deliberative Council of the Worker Support Fund, constituted by representatives of trade unions, employers' associations and the Government[15]. In this context, PLANFOR was designed not only as a "broad" training programme but, mainly, as a public policy strategy for employment and income generation. In this sense, the Plan articulates mechanisms that use FAT's resources such as the unemployment funds, micro credit, etc. with the aim of increasing employability, stability and income of workers; raising enterprises' productivity and competitiveness, as well as reducing poverty and inequality. Its strategy is to articulate the existing VET capacity and infrastructure to provide vocational training to at least 20 per cent of the EAP every year.[16] In order to reach this goal, PLANFOR is implemented in a

[14] MTE/SPPE(/DEQP (2002): "Educação profissional no Brasil: informe nacional": paper prepared for the Inter-American Tripartite Seminar on Skills, Productivity and Decent Work, Rio de Janeiro, 15-17 May. Available at www.cinterfor.org.uy

[15] In 2001, the FAT's resources amounted to R$ 4,5 billion. From this, about R$ 500 million were allocated to PLANFOR

[16] It must be noted that Brazil has an EAP of 75 million persons over 16 years old. The objective of PLANFOR is, therefore, to improve the knowledge and skills of about 15 million persons each year.

decentralized way, through two major instruments: (i) the State Qualification Plans (PEQs), managed by the State Employment Secretariat and State and Municipal Employment Councils, also tripartite bodies as CODEFAT; and (ii) national and regional partnerships established between trade unions and employers' associations managed directly by the MOL and CODEFAT. By 2001, PLANFOR had trained 15.4 million workers (Table 3), with a total investment of R$ 2.3 billion (approx. US$ 1.1 billion) from FAT.

Table 3: PLANFOR: Persons attended and investment done (1995-2001)

Year	Trainees (thousand)		Investment (R$ million)	
	PEQs	Partnerships	PEQs	Partnerships
1995	153	n.a.	28.2	n.a
1996	1037	5	217.1	3.0
1997	1885	117	320.6	27.0
1998	2012	309	326.9	82.0
1999	2015	648	247.9	106.0
2000	2546	875	304.3	132.0
2001	2885	715	335.7	146.0
Total	**12532**	**2669**	**1780.7**	**496.0**

With the view of applying FAT's resources, PLANFOR, despite being designed as a public, universal policy, and having the EAP as the target population, establishes priorities for access and support. The unemployed, persons at risk of permanent or conjectural unemployment, self-employed, cooperative workers, small and micro, rural or urban entrepreneurs compose its priority target group. For this group, 90 per cent of the training offers and 86 per cent of FAT resources are reserved. For the others, the corresponding percentage is to be defined at the local and regional level.

The design of PLANFOR as a public policy instrument under the umbrella of a national action plan for employment assures the sustainability of the programme through several partnerships with other agencies and public programmes in the areas of education, health, social assistance and human rights. Through this initiative, a network of VET in Brazil starts to emerge. The traditional VET institutions and a diversified number of agencies and actors integrate this network as listed in Table 4. In 2000, PLANFOR financed two thousand different providers. About 40 per cent of the total providers corresponded to new actors in the area of VET, i.e.

trade unions, NGOs, universities and other institutions. They received almost two-thirds of PLANFOR's total budget. The traditional providers, like the institutions of the "S" system, while having the highest number of institutions, received just one third of the resources in addition to their own budget based on the payroll contribution. This is conducive to the PLANFOR policy of strengthening collaboration with this segment of the VET network and stimulating the training offer.

This programme represents the emergence of a new institutionality in the area of VET in the region where the Government, through the MOL's new role, and the social partners are addressing, in partnership, the economic and labour market demands. This case also illustrates clearly that public policies for labour market adjustment have moved beyond passive measures such as unemployment insurance, to create a more dynamic structure for a public employment system, incorporating various representative sectors of society and featuring the financial resources available to support new and innovative initiatives.

Table 4: PLANFOR 2000: profile of the executing agencies (%)

Type of provider	Number of providers	Number of participants	Investment
"S" system & other employers' associations	51	26	29
Trade unions, centrals, & workers' organizations	8	25	26
NGOs	22	22	22
Universities, institutes, foundations	7	14	13
Technical schools	6	9	8
Other	6	4	4
TOTAL	**100**	**100**	**100**
TOTAL (absolute)	**2146**	**3141**	**R$ 394 million**

Through the combination of PLANFOR's funding mechanisms and other public and private funds, 17 per cent of the EAP participate in training programmes directly funded by FAT (5 per cent) and other agencies and funds (12 per cent) used by the national network of existing training institutions in 2001 (Table 5). The objective for this year is to train about 7 per cent of the EAP with resources from FAT and 13 per cent with other funds to reach the goal of upskilling 20 per cent of the EAP by the end of 2002.

Table 5: Trainees funded by PLANFOR/FAT and the national network of VTIs (1995-2001)

Year	PLANFOR/FAT		Net. VTIs		Total	
	Trainees (million)	% EAP	Trainees (million)	% EAP	Trainees (million)	% EAP
1995	0.1	-	3.4	5	3.5	5
1996	1.2	2	3.9	5	5.1	7
1997	2.0	3	4.5	6	6.5	9
1998	2.3	3	5.0	7	7.3	10
1999	2.7	3	7.7	9	10.4	12
2000	3.4	4	8.1	10	11.5	14
2001	3.6	5	9.0	12	12.6	17

In Mexico, since the mid-1980s, the Secretary of Labour finances and regulates two training programmes; the Programme of Training Grants for Unemployed Workers (PROBECAT) and CIMO which subsidizes on-the-job-training with emphasis on small firms. Although their funding and regulation is carried out by the national government, most of the operation is done by the State's Labour Secretariats in coordination with the private sector and workers' organizations. PROBECAT operates by contracting training courses with institutions that are usually public, and offers the beneficiary remuneration during the training period. It is aimed at retraining unemployed workers. They are trained in the institutions or in companies that, in exchange for access to the programme's resources, commit themselves to employ a certain proportion of trainees who complete the course. In the case of CIMO, the State does not provide training and counseling to firms directly, but acts as an intermediary between the offer of services and enterprises' demands and specific needs.

4.5 State budget allocations through trade union activities

In the region, **the trade union** movement has moved beyond the agenda of improving wages and working conditions as it recognizes that changes in employment and labour market conditions require participation in decisions related to training, employment and income-generating policies. In Brazil, various trade union initiatives have emerged since 1997 financed by government funds or by the unions themselves. One noteworthy initiative, created by the *National Confederation of Metalworkers – CUT*, is a programme for training and retraining that integrates

basic literacy courses and certification with initiatives for labour market insertion, while stimulating plant-level dialogue with management around restructuring and training issues implemented since 1997.[17] The programme acts closely with the unemployed, creating alternatives to the formal/official training courses. It is conceived as a course that, instead of training exclusively for production work, trains workers with a base on the principles of citizenship, and associating the acquired experience on the job with technical and formal knowledge (CNM/CUT, 1998).

The programme is financed by the FAT. The courses are organized in "nuclei". Each nucleus is composed of two classes of 30 trainees and has facilities to use information and communication technologies. These courses are built around 14 modules totalling 700 hours' duration, distributed over 12 months, and combine learning about technical and general knowledge. In addition to these learning activities, the workshops or "Pedagogical Laboratories" promote the articulation between education and work, including studies on alternative activities to generate employment and income, sustainable development with the participation of local institutions and the community. Since its implementation in 1997, 3,180 unemployed from the metal mechanic sector have participated in these courses. The Ministry of Education (MEC) provides certification for these courses. According to Law No. 9394 of 20/12/1996, MEC recognizes the equivalence of the general education provided by the Programme INTEGRAR to the formal education system and authorizes the State Federal Technical Schools to issue the certificates.

The *General Workers Confederation (CGT)* has also developed and implemented its own programme of professional education and training for youth and unemployed, workers in those sectors that are at risk, and employed adults.

4.6 Bipartite funding of training by workers' and employer's organizations

Vocational training has been gaining ground, not only as a requirement to keep up levels of productivity and competitiveness, but also as an essential element for a new relationship between employers and workers. Schemes of bipartite management and funding shared between companies and trade unions, at sectoral and regional level, have been increasingly established in several countries. They give employers and workers initiative and control over training, without state interference. They also allow for joint fund management by workers and employers and include cost-sharing arrangements between enterprises.

[17] The INTEGRAR Programme illustrates the development of new methodologies of professional education based on the social dialogue and negotiated actions /issues related to training.

A case in point is the **Training Foundation for Employers and Workers of the Construction Industry** in Uruguay. This Foundation was created by an agreement subscribed to on 27 June 1997 by the workers' and employers' organizations of this sector. It is a parity body responsible for the management of vocational training, further training and occupational certification of construction workers at all levels. The aim of these activities is to improve competitiveness, job stability and labour relations among workers and employers. The Foundation carries out the evaluation and control of all activities it develops and funds.

In Argentina, the **Construction Workers' Union (UOCRA)** and the **Argentinean Chamber of Construction Industry (CAC)** set up the **Education and Training Foundation for Construction Workers**. The Foundation provides training and other activities to improve workers' education and their human and social development. These actions have to be approved by a bipartite committee and financed by the Research and Security Fund of the Construction Industry (FICS). This Fund was created in 1995 due to a reallocation of 3 per cent of the employers' contribution to the Unemployment Fund. Of this, 2 per cent is directed to the Fund and the remaining 1 per cent to the Statistical Institute of the Construction Industry (IERIC). The Foundation is the executing agency of the Fund. In the first quarter of 2001, $ 465,270 was invested in the training of 638 workers. Other financial resources come from international organizations, e.g. the IADB, and from the MOL or MED, and the enterprises themselves. It should be noted that from the total activities funded by the Foundation during the period 1994-2001, i.e. 2,788 courses (and 47,808 workers trained), only 19 per cent of them were funded by public resources either from the national, provincial or municipal government.[18]

5. Other possible innovative and co-financing mechanisms

Although these examples do not intend to provide a comprehensive picture of the diversity of training mechanisms being currently experimented in the region, they point out a number of public and private partnerships that can assist in ensuring "more and better" investment in training. They also illustrate the emergence of a new strategy that is becoming widespread in the region, i.e. the creation of training markets through incentives provided for contracting out training services. In this process, a multitude of training suppliers has appeared, both public and private, creating greater choice to users and individuals. However, in the LA region, contrary to what is happening in more industrialized countries, governments neither seem to be stimulating individuals to take responsibility for their own learning and share the costs, nor encouraging them to buy training services in the private mar-

[18] Paper presented by the Executive Director of UOCRA at the Inter-American Tripartite Seminar on Skills, Productivity and Decent Work, Rio de Janeiro, 15-17 May 2002 (www.cinterfor.org.uy)

ket. In the OECD member countries, there has been an increase in interest in examining **how to strengthen the role of individuals** in financing their own lifelong learning and training. In December 2000, during the International Conference on "Lifelong learning (LLL) as an Affordable Investment" hosted by the OECD and HRD, evidence on recent experience with public and private initiatives by which individuals could leverage their investment in LLL were presented. Several countries have been developing policies to introduce **learning account type mechanisms** such as: savings accounts, insurance schemes, voucher systems, etc. and have taken a variety of pilot activities. This is a mechanism under which the costs of learning investments by individuals (investment paid out of savings or loans) are co-financed by public authorities or employers. Some examples of co-financing individuals' learning activities are described in Box 6. It is clear that there is considerable variation in how different actors contribute to co-financing arrangements, how such schemes are administered, who participates in them, and what their effect is on learning behaviour.

Although this mechanism has been criticized because of some failures in its outcomes, especially in the UK case,[19] it is still considered an important alternative for co-finance lifelong learning and training activities. Learning accounts have the potential to provide the opportunity to combine the promotion of individual participation in learning and also act as a mechanism to manage co-financing of that learning, thereby enhancing its affordability and sustainability. Variants of this mechanism are being developed. Moreover, individual learning schemes or training mechanisms seem to be emerging as a common policy drive and financing instrument in the European countries (e.g. the cases of the Netherlands, the UK, the US).

Training loans are another possible instrument that could be used to stimulate learning beyond the formal years. Loans have an advantage over grants in the sense that they can be offered in partnership with private sector financial institutions and this public-private partnership reduces the cost to the public sector. However, as with the experience of the UK with the Career Development Loans (CDL), this scheme has not proved to be a means of financing the unemployed or the educationally disadvantaged on a significant scale. Higher socio-economic individuals were more highly represented in the successful applicant population than in the population as a whole. The UK experience with individual training loans suggests that these schemes need to be precisely targeted on individuals, who have not made training investment in the absence of subsidisation, to ensure that suppliers are indeed providing worthwhile training. Targeting those with low incomes, older persons, those with levels of formal education or those in certain

[19] Budget oversubscribed and issues of quality and misuse by small number of learning providers are some of the failures observed. In addition, the target group was not reached (Cheesman, 2002a).

sectors, should enable a higher level of subsidy to be delivered to the targeted group. In relation to programme design, emphasis should be given to monitoring and evaluation as an integral funding component (Verry, 2002). Once these prerequisites are met this may be a promising scheme for providing individuals opportunities for work-related training elsewhere.

Box 6
Examples of innovative co-financing mechanisms

· The U.K. Department for Education and Skills launched "Individual Learning Accounts" in September 2000 as a mechanism to assist individuals to overcome barriers to learning; a target of 1 million accounts was set. Under this programme, individual contributions of £ 25 were matched by state contributions of £ 150; employers were encouraged to contribute as well. The accounts were established to pay direct costs, such as course and exam fees, and learning material. The accounts were administered by the State. Following its launch in September 2000, the initiative proved very popular and quickly became oversubscribed. Accounts numbering 2.6 million were finally opened and the target of one million was achieved a year early. In November 2001, the strain on the budget, together with some serious miselling by a small number of learning providers, resulted in the system being closed down. A new account mechanism is currently being developed, building on the successful aspects of the original model.

· A Commission in Sweden proposed, in 2000, a National Individual Learning Account Framework (IKS- Individuellt Kompetenssparande) under which individuals and their employers could each contribute up to approximately 2000 EUROS annually. The state contributions would take the form of tax relief for training-related expenditure as well as means-tested contributions at the outset of the initiative. It was proposed that the accounts would be established to pay direct costs of learning, and to replace foregone earnings. The proposal of the Commission is currently under consideration by the Government; it intends to present a bill to the Swedish Riksdag (Parliament) in the spring of 2002.

· The Ministry of Education launched, in 2001, a series of eight pilot projects under which individuals, employers, and the State would contribute a combined total of about 730 EUROS to be used by an individual to pay for direct costs of learning. The pilots involve different contribution levels by the different parties. They feature different models for administration, with the accounts modeled by training institutions, a bank, and an employers' organization.

· Skandia Insurance Group in Sweden launched, as part of its insurance product line, a "competence assurance" scheme under which individuals can contribute up to 20 per cent of their salary into a learning fund, with the employer matching the contribution 1-1, up to a limit of one year's salary. In the prototype version that was established in Skandia itself, a second component was added under which the company match was raised to 3:1 in the case of employees with low levels of qualifications. The funds pay direct costs of learning, and replace foregone earnings for persons pursuing full-time studies. When individuals and employers mutually agree to learning activities, both pay equal shares.

· In Canada, a broader concept of "individual development accounts" is being pilot tested in a programme ***Learn $ave/$avoir en banque*** that is funded by the federal Government and managed and evaluated by two independent organizations. Under the project, individual savings are matched 3: 1, up to a maximum of 1,500 CAD. The money can be used for learning activities of an individual or his/her family, and to capitalise their own small business. The accounts will be administered as "restricted savings accounts".

· Still another variation on co-financing mechanisms is the HOPE Scholarship that the United States established in 1997 to reduce the cost of higher education to individuals and their families. Under the initiative, the federal Government grants a tax credit of up to US$ 1,500 for the first US$ 2,000 of educational expenses that are over and above those that are covered by other grants and scholarships. The provision covers only full-time studies undertaken in the first two years of tertiary education in an institution approved by the Government.

Source: Cheesman, K (2002b)

6. Conclusions

These innovative funding approaches illustrate the changing role and responsibilities played by the government, the VTIs and the social partners in this area. Although they are still embryonic in most cases or unique in others, these experiences show a new path of institutional alliances and forms of collaboration among a broader range of social partners around financing of vocational training.

In the Latin American region, governments are less and less engaged in managing the training system by means of hierarchical and administrative controls and in directly providing training. Instead, they are focusing their activities on policy-making, quality control and regulation. Governments' new role as financial agents who establish clear rules for purchasing training, select the best bids and control the quality of the service offered is becoming a widespread tendency in Latin America. Increasingly, funding has been separated from execution and the dual role of the traditional public institutions as regulators and providers of training has also changed. Who provides the services is not necessarily the same institution or agency responsible for paying for the service. As a result of this process, a multitude of training suppliers, both private and public, appeared to compete for contracts. The case of Chile is a clear illustration of this phenomenon. There, the government declined to provide directly training services, delegating this attribution to the business sector and the market in general. Instead, government exercises control by means of funds and incentives through an institutional agency created to regulate the provision of training.

The involvement of social actors in dialogue around training issues is a growing characteristic of the VET system in the region. This has clearly contributed to influence training outcomes and expenditures. In some sectors, it is clear that companies or their associations are playing a more active role as investors and/or direct providers for their workers. In others, it is the workers who are taking the lead in this process and setting up partnerships with the government or with employers or both in a tripartite arrangement. There are examples where trade unions, or jointly with sectoral business associations, have initiated their own programmes to stimulate social dialogue around worker training and/or established their own training programmes and funding mechanisms. Therefore, although public investment continues to be directed to the traditional VET structure, it has diversified and stimulated, at the same time, the supply and demand for such services. Subcontracting of training services was authorized; tax incentives to enterprises such as reimbursement of training expenses or exemption schemes for financing vocational training have been set up. Several alliances and partnerships have been set up between the public and private sector, between workers and employers in order to design and fund training programmes or activities for meeting the demand of a specific sector or locality. The creation of a permanent fund as a means to foster

investment in training and increase resources has also occurred. These funds, as in the case of Brazil and Uruguay, are administered by a tripartite body and used by the government to support employment and training initiatives, thus mobilizing extra resources towards this end. This may be a particularly effective approach for other countries to follow.

A related issue of concern is whether such initiatives that receive financing in order to create and begin training activities have the potential to eventually become self-sustained via other sources of financial support. The integration of vocational training under the umbrella of national actions plans for employment and labour market adjustment policies, as in the case of PLANFOR (Brazil), allows the articulation of training activities with other public programmes and agencies in the area of health, education, social assistance and human rights, etc. contributing therefore to their future sustainability. Moreover, this case also illustrates that increasing investment in training can be fostered by recognizing that investment in VET can be a shared responsibility of both the public and private sector.

In the LA region, contrary to what is happening in more industrialized countries, governments seem neither to be stimulating individuals to take responsibility for their own learning and share the costs, nor encouraging them to buy training services in the private market. Several countries have been developing policies to introduce **learning account type mechanisms** such as: savings accounts, insurance schemes, voucher systems, training loans, etc. and have taken a variety of pilot activities. This is a mechanism under which the costs of learning investments by individuals (investment paid out of savings or loans) are co-financed by public authorities or the private sector. The experience shows that learning accounts have the potential to provide the opportunity to combine the promotion of individual participation in learning and also act as a mechanism to manage co-financing of that learning, thereby enhancing its affordability and sustainability. These mechanisms, though not yet experimented within the region, may be considered as a means of promoting continuing training to especially targeted groups. As said before, governments should create a general economic environment and incentives conducive to encourage individuals and enterprises to invest individually or jointly in education and training.

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ANNEX 1

PAYROLL - TAX FINANCED INSTITUTIONS IN LATIN AMERICA

YEAR	ACRONYMS	NAME	COUNTRY
1942	SENAI	National Industrial Training Service	Brazil
1946	SENAC	National Commercial Training Service	Brazil
1957	SENA	National Training Service	Colombia
1959	INCE	National Institute for Educational Cooperation	Venezuela
1961	SENATI	National Service of Occupational Training Industry	Peru
1965	INA	National Training Institute	Costa Rica
1968	SECAP	Ecuadorean Occupational Training Service	Ecuador
1971	SNPP	National Service of Promotion of Vocational Training	Paraguay
1972	INTECAP	Technical Institute for Training and Productivity	Guatemala
1972	INFOP	National Vocational Training Institute	Honduras
1976	SENAR	National Rural Training Service	Brazil
1980	INFOTEP	National Institute for Labour Training	Dominican Republic
1988	INFOCAL	National Institute of Training Skill Development	Bolivia
1991	INATEC	National Technological Institute	Nicaragua
1993	INAFORP	National Vocational Training Institute	Panama
1993	SENAT	National Transport Training Service	Brazil
1993	INSAFORP	Salvadorian Vocational Training Institute	El Salvador

FOUR ASSERTIONS ABOUT CERTIFICATION - ALL OF THEM FALSE -

Fernando Vargas Zúñiga

There are innumerable interpretations, methodological approaches and discussions about the certification of occupational skills. Vocational training actors of the region are increasingly utilising the principles and methodologies of training and certification based on occupational competencies. Why is the topic receiving so much attention nowadays? How clear are the reasons that have led various public and private agents to implement certification systems?

The present paper has been drafted in an attempt to provide answers to the questions of the preceding paragraph. In its first part it briefly describes the different initiatives that are being developed in the region, trying to describe the "state of the art" in Latin America and the Caribbean in this respect. The second part tackles the central issue and analyses the four assertions usually made about certification that are the cause of frequent debate:

1. Certificates are given out only upon termination of some training activity, after all tests have been passed.
2. Certification procedures favour social exclusion.
3. In certification systems, training institutes have to be segregated from evaluating and certifying bodies.
4. Certification systems solve problems traditionally attributed to training institutions.

In our opinion all these allegations lack justification and are therefore to be considered false.

1. By way of introduction: a brief account of experiences in Latin America and the Caribbean

The interest in training and certification based on occupational competencies has been growing in Latin America and the Caribbean in recent years. As a matter of fact, even before the advent of the occupational competencies model, Cinterfor/ILO promoted a regional project on occupational certification aiming at the formal recognition of labour skills regardless of they way in which they had been acquired.

> As a result of a draft project prepared by Cinterfor/ILO in 1979[1] certification was defined as the "formal recognition of workers' occupational qualifications regardless of the way in which they have been acquired".

A good number of experiences are being currently carried out in the discussion, design and implementation of training and certification systems. Four groups can be distinguished:

- vocational training institutions
- governmental sector (Ministries of Labour and Education)
- private undertakings
- trade unions

As may be seen, these groups reflect not only to institutional levels but also to the intents and objectives pursued by certification procedures. Let us look at their main features.

The **Vocational Training Institutions** of Latin America and the Caribbean have specially strived for the modernisation of their programmes on the basis of a competencies or qualifications approach. This method has given them access to new forms of analysing work processes and identifying the knowledge, skills and abilities mobilised by workers. All this was an unparalleled opportunity for updating information about both training and the teaching strategies required to promote such "key" competencies as a capacity for teamwork, personal initiative, safety at work, etc.

More recently, and thanks to the experience of some training bodies, it has become evident that the competencies approach in training also provides a very good possibility for upgrading institutional management. In fact, this method has enabled numerous training agencies to reorganise their response and improve their processes of needs detection, curricular design and evaluation.

[1] Project DOCREF/SEMINAR 128/1. CINTERFOR/ILO 1979.

There is at present practically no single training institute from Mexico to Argentina that has not tried out some experience in training by occupational competencies, or made it extensive to its labour certification procedures. Their challenge is now to bring about changes allowing to incorporate the new demands for flexibility of programmes in such aspects as recruitment and graduation, and availability of training hours and contents.

In some countries of the region **Ministries of Labour and Education** have also promoted the creation of instruments for the public recognition of occupational skills and abilities in order to facilitate manpower supply and demand exchanges and give greater transparency to labour relations. The government sector has deliberately taken a leading role in regulating training and certification, which in many cases has been reflected in its active encouragement of discussions and national projects of training and certification systems.

The motivations of the public sector cover a wide range of options such as raising the quality and relevance of training, making industrial resources more competitive and heightening transparency under circumstances in which a proliferation of training offers and different types of certificates make it difficult to discern the actual qualifications imparted by training agents. They are also aimed at improving access to training and at recognising abilities acquired during a working lifetime.

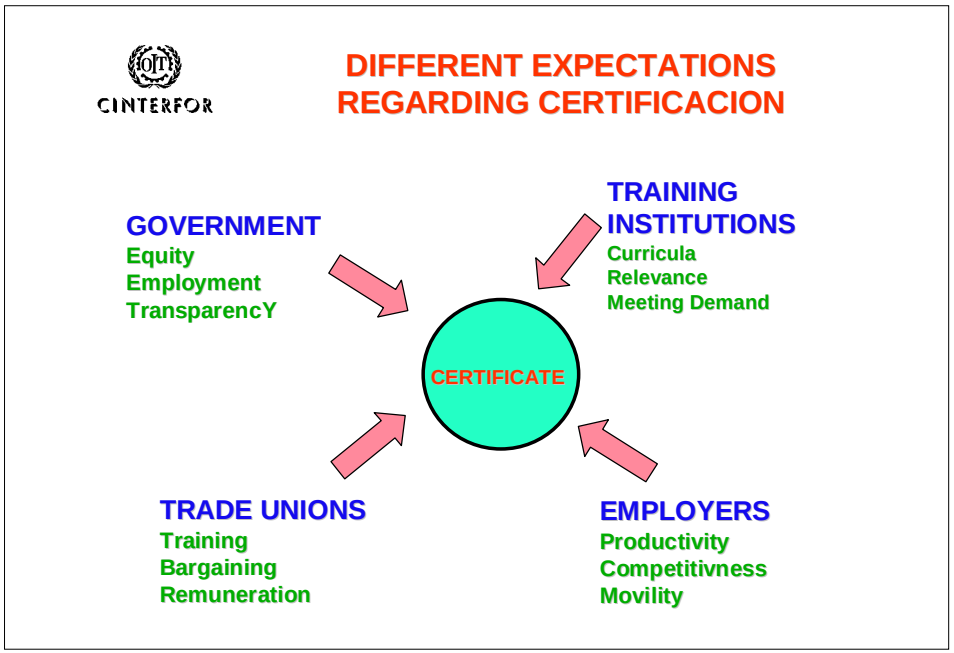
In such cases, the value of occupational training certificates stems from their reliability and from the fact that they represent real capabilities demonstrated by workers regardless of the manner in which they acquired them, and with a high labour significance that employers appreciate.

On the other hand, quite a number of **enterprises** or groups of companies carry out training activities and offer certification of occupational competencies, either to improve their competitiveness or to meet international standards usually associated with the safety of persons. In the first category are, for example, companies of various sectors that have developed occupational competency models to take full advantage of their human resources and have consequently defined job profiles along which workers can obtain certificates to improve their possibilities of occupational mobility; competency certificates are here associated with training programmes and job promotion. In the second case are sectors where certification enables workers to perform tasks such as precision welders or household and industrial gas fitters.

Training and certification of occupational competencies are subjects of growing interest for **trade unions.** In the new society of information and knowledge, certificates are an appropriate means for recognising the knowledge workers have and apply over and above their academic merits, giving practical experience its due.

They can also be an excellent instrument to guide training efforts. One of the great advantages of competency-based certification standards can be the effective participation of workers' representatives in the establishment of the skills profiles that will serve as basis for training, evaluation and certification. In this connection, there has been a growing tendency to include vocational training among issues for collective bargaining[2].

The following diagram shows the different interests that converge upon certification:



This wide range of interests calls for an institutionalised structure allowing for the performance of different roles, co-ordinated in such a manner as to meet criteria of quality, coverage and relevance. In general, it is here that the discussion about training and certification systems begins.

> A certification system is a formally established institutional arrangement wherein the cycle is carried out of identifying, standardising, shaping up and evaluating the qualifications of workers[3]

[2] For a description of the experiences of the various actors in this field, see www.cinterfor.org.uy/competencias/observatorio

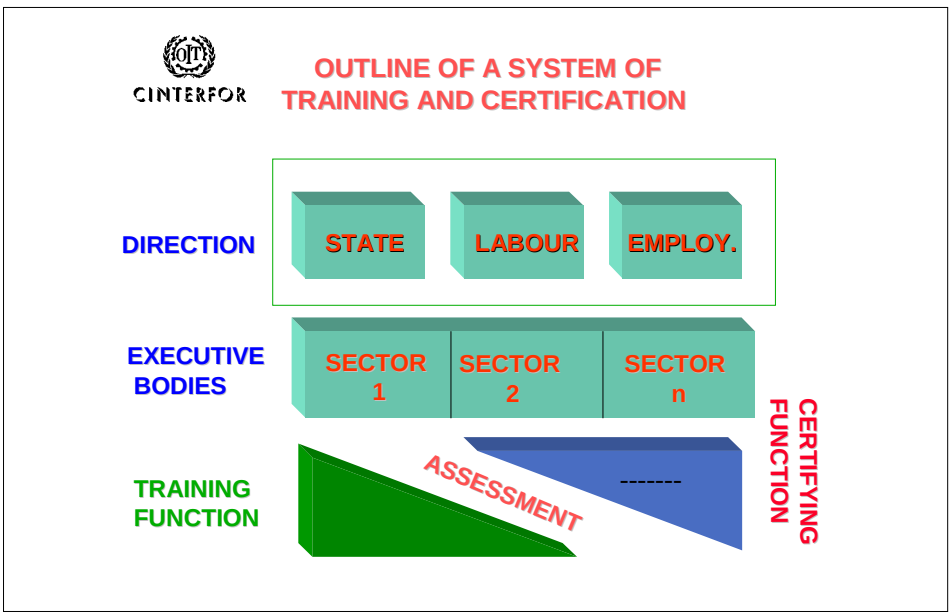
[3] Irigoin M., Vargas F. Competencia Laboral. Manual sobre conceptualización y aplicaciones a la educación en el sector salud. OPS/CINTERFOR/OIT. 2002.

Several experiences in the analysis and proposal of different forms of certification systems are under way in Latin America and the Caribbean. A certification system consists of four main stages: the identification of competencies, their standardisation, training and certification itself.

There are diverse methodological approaches and criteria to cover such stages, although several levels may be established as detailed in the following diagram.

A training and certification system comprises three levels: direction, executive and operational levels. The Direction level is usually a participative area in which workers, employers and the government sector set up the “rules of the game” that are usually sanctioned by legal norms. The Direction establishes the structure of the system and appoints those in charge of the functions of training, evaluating and certifying. Participation by the State is highly desirable because it provides an excellent opportunity to regulate aspects such as access, equity, quality and transparency.

At executive level, the organisation is nearly always sectoral and in most cases made up by the workers and employers of a specific occupational sector (for instance, forestry, automotive industry, leather and footwear manufacture, etc.). Methodologies are applied at this level for the identification of competencies and development of performance standards.



An essential function of the sectoral level is to check on the quality and relevance of the operational level implementing the training, evaluation and certification, which is fundamental to ensure that it meets the needs detected and that the certificates are reliable, i.e. that they effectively attest to what they purport to certify.

Training, evaluation and certification take place at the operational level. A substantive point of discussion is whether such functions should be carried out by different institutions or by the same organisation. That is precisely one of the assertions that we shall consider later in this document.

Training and certification experiences in the Latin American and Caribbean region include a diversity of actors as well as a wide range of institutional arrangements and pilot runs.

The social actors converge upon the need to improve the quality, extend the coverage and fine tune the relevance of training. Despite apparent similarities, each country has its own characteristics regarding institutions and traditions. There are many arguments around the operational design of certification schemes. We shall now proceed to take four contentions and analyse them in depth, assuming that they lack substantiation. Our main purpose is to provoke debate.

2. Four assertions about certification – all of them false

Many interesting discussions have taken place around the competencies approach in training and certification, and quite a few assertions have been made. We shall here analyse four of them to expose their lack of validity. Quite naturally, in no way do we consider that these lines bring the discussion to an end.

First assertion: Certificates are only issued at the end of a training activity, after students have overcome all tests.

For a long time certification was directly associated with credentials awarded upon the successful termination of a cycle of studies or the conclusion of an educational stage. Educational and training systems confer prestige upon a number of credentials which, in turn, endow their holders with a certain importance and social status. This was specially the case under the stable employment conditions that prevailed until the end of the 20th century.

We may recall that experience also used to be certified in the realm of labour. Barbagelata (1980)[4] cites cases in which labour law prescribed the employers' obligation, upon termination of the labour contract, to issue a certificate about the workers' posts and responsibilities. Such obligation still exist in many national legislations and in fact opens the door to another aspect of certification, i.e. the recognition of knowledge acquired through experience, or learning in the exercise of a job.

However, the changes that have taken place in recent decades in the characteristics of work and the organisation of production have resulted in a recognition of the increasing complexity of human labour and the rapid variability of contents of the various occupations.

The new forms of work are not characterised by a stable set of instructions and ancillary tasks. Quite the contrary, they incorporate new variability elements calling for initiative and autonomy on the part of workers. The need to convey quality performance at work defies traditional certification procedures and becomes a good indicator of workers' real capabilities.

Several research projects carried out in the '70s showed a poor relationship between the real abilities of workers and their respective educational credentials[5]. To this we could add the following aspects increasingly to be found in work situations:

- Less stability
- The advent of new "social" skills and an ability to relate to others as key elements for successful performance
- Greater need for higher educational levels, enabling workers to handle mathematics, read and interpret texts, apply basic sciences
- Rapid evolution of techniques and technologies, resulting in the quick obsolescence of skills and abilities

In the same way as new reasons were identified for successful performance at work (occupational competencies), the need of developing new forms of certifying a job well done became apparent. What kind of certificate could show not just the successful completion of an educational cycle but an individual's real capacity to perform at work?

[4] Barbagelata, Héctor Hugo. La institucionalización de la certificación ocupacional y la promoción de los trabajadores. CINTERFOR/OIT, 1980.

[5] McClelland, David. "Modificando la competencia más que la inteligencia", American Psychology Review, 1973.

Recognition of the training value of employment eventually led to the acceptance of a lifelong education perspective, i.e. that people learn and develop skills and qualifications as a result of their everyday experience. An open, transparent and public acknowledgment of such competencies may promote access to supplementary training programmes enabling workers to advance in their labour career and improve their mobility.

> Certification is seen both as a process and a result. A process that implies complying with standards and defining the criteria to evaluate them. A result insofar as it derives from evaluation procedures, whether they lead to qualification or not[6]

At present, certificates may stand for:

a) the termination of a training process
b) a person's (previously evaluated) capacity for the practice of certain occupations that imply risk for public security or health
c) possession of the competencies defined by a standard, regardless of where or when they were acquired

In the first instance the training programme must be updated with the competencies required by the world of work, and evaluation has to refer to that updated programme. A training programme based on competencies has to include all that a job requires in terms of competencies' profile.

In the second case there is usually a specialised body, closely related to the occupation in question, that defines the "quality of performance" in that sphere. Here certification enables individuals for the practice of the job. At the level of skilled work we may mention the occupations of precision welders for oil pipelines, paramedics, household gas fitters, where a diploma is essential to practice the trade.

The third bracket includes many new circumstances in which a competency standard is defined as well as instruments to evaluate whether candidates satisfactorily meet such a standard. Competencies acquired through practical experience are recognised. This is an all-inclusive concept that permits candidates to access programmes and join in the dynamics of a lifelong education.

Certification is not necessarily tied down to the completion of an educational or training process. It now relies on the demonstration of labour capabilities rather than attestation of hours of study or in-plant practice. Certificates are consequently

[6] Bouder, Annie and others. Certification and legibility of competencies. CEDEFOP, 2001.

getting away from the concept of “diplomas” in the sense that they do not strictly represent participation in an educational programme but define holders as competent workers in a given occupational area.

The growing interest in certification procedures shows how the different ways of acquiring competencies call for mechanisms to acknowledge know-how obtained outside formal teaching channels, and incorporate them into labour careers and lifelong education.

Along these lines, several modalities can make up an ongoing training process: it can begin with formal education, continuing with initial training (apprenticeship schemes, for example), certificates of on-the-job training, evaluation and the recognition of skills acquired at work, etc. The possibility of accepting and valuing such competencies is a major challenge for certification systems. In a broad perspective, the path offered by certification within the lifelong education philosophy helps people have access to better jobs.

> Certification is the public, formal and official recognition of the labour capacity shown by workers, on the basis of an evaluation of their competencies in relation to a standard and not necessarily subject to the completion of an educational process[7]

Certification can make explicit the store of knowledge and abilities workers have developed by learning at work; this type of training is highly effective as it has direct bearing on labour needs. In fact, the most competitive companies world wide are prominent their concern for the training of their workers, among other things.

These corporations have realised that their most valuable asset is the knowledge they possess and they promote it through their organisational practices, their readiness to learn and their recognition of what they have learned. How this great asset that is the “knowledge capital” is to be valued is still under discussion, as is the way to reflect it in financial statements, bringing it in line with “market values”. People and their capabilities account for a company’s whole store of knowledge, and training is one of the best ways of adding to that stockpile.

Certificates become credible testimonials, an indication of workers’ capabilities which insofar as they are clearly conveyed to employers may save them precious resources in their search for qualified manpower.

[7] Irigoin M., Vargas F. Competencias Laborales. Manual de conceptualización y aplicaciones en el sector salud. OPS. Cinterfor/OIT 2002.

Certification is increasingly seen as the outcome of a cycle that implies the definition of performance standards on the basis of occupational competency profiles. From those profiles training curricula are evolved and evaluation instruments for establishing whether candidates will eventually have access to certification.

> A number of new qualities are emerging for analysing work situations and evaluating individuals.
> Adaptability, flexibility and mobility have become key occupational values. The economy requires a new concept for this situation: competencies seem to be more important than qualifications.
> Taking the new competencies into account raises the problem of how they can be acquired or recognised, an area where traditional certification models seem to fall short.

Source: "Certification and legibility of competencies". Bouder, Coutrot et al. 2001.

Second assertion:
Certification procedures intensify social exclusion

It has been considered that access to certificates would differentiate holders from non-holders. Nevertheless, certification processes under way have proved in time that they in fact facilitate the access of a greater number of workers to better jobs, result in better organisation of the various training offers, improve their relevance and make it easier to identify areas where training can be more effective.

Certificates act as value signs for their holders and for society at large. There is plentiful evidence in Latin America that unemployment is higher among those with fewer years of certified education or who lack specific training (and consequently have no certificates)[8].

In their traditional concept certificates were a sign of "participation" in a programme. They are now evolving to testimonials of a "recognition" of capabilities. The more workers' capabilities are established, the better will their chances be of recognition and acceptance in the labour market.

Certificates have traditionally been good indicators both for employers and employees as to the possibilities of reaching a labour contract. Certificates themselves do not seem to be the problem, but their accessibility.

[8] In any event there is an effect whereby those with credentials have the edge on those devoid of them, even in equal conditions of experience and competition. It is the so-called "credential effect".

Links remain strong between diplomas, the institutions that issue them and the status of their holders. In that respect more opportunities should be offered to candidates for demonstrating their competencies. Certification mechanisms should be open and accessible so that rather than a screening barrier they may be seen as means for promotion.

Certification procedures normally cover only the formal economy. However, the extent of informality in the Latin American region and the fact that 40% of all new jobs are generated in the informal sector has given rise to discussions about the exclusion of informal workers from the benefits of certification.

Nevertheless, nothing prevents certification mechanisms from including lower educational level workers and employees engaging in unskilled activities. Quite the contrary, the informal sector is becoming increasingly integrated with formal enterprises through subcontracting, and its growing share in the countries' economies makes it necessary to upgrade its levels of competitiveness and quality. In several countries of the European Union, certification programmes favour the inclusion of low-skill workers as a method for incorporating them into training cycles.

Although it is true that not all the informal sector enjoys such opportunities, it is also the case that training with good programmes and giving more access to the advantages of competencies' evaluation does not contradict the principles of training-certification or the recognition of competencies.

The disconnectedness of informal sectors is not a problem that certification systems may aggravate. Quite the contrary: an effective, inclusive training programme for the informal sector can, in exchange for short-term palliatives, grant a much valued and explanatory testimonial about the individuals' labour capabilities. The State can play a fundamental role in this direction, by providing a framework for the ongoing education of these informal workers.

In such a context, a well valued and accepted occupational competency certificate is a good passport to get better jobs, improving the possibilities for decent work.

An even more effective way of divesting certification of the shortcoming of its supposedly sectoral duality is to have a look at the capabilities normally included in evaluated and certified contents, such as:

- Competencies deriving from basic knowledge (reading writing, arithmetic, chemistry, physics, etc).
- Technical competencies applied at work and implying the use of tools, equipment, participation in transformation processes, etc.

- Competencies of a social nature such as capacity for relating to others, engaging in teamwork, co-operation etc.

From this point of view, jobs in the informal economy do not fail to apply combinations of the three types of competencies above, and the success of any undertaking will to a great extent depend on their degree of development. The certification model thus becomes a good foundation for the promotion of decent jobs, and the use of better labour and technological practices in the small and medium companies that are typical of informality. It also makes it easier for workers to go over to employment in sectors with a more elaborate economic structure.

A point not to be overlooked are the different possibilities of accessing the system and moving about in it for workers with, for instance, complete basic education, as opposed to those with only two or three years of schooling. In such cases training and education systems should develop guidance mechanisms enabling participants to read the scheme's navigation codes and operate in it. This would also include the possibility of covering the costs of tests and certificates (if any) for those that cannot afford them.

> A recent study of the United Kingdom certification system recommended that certification standards and the certificates themselves should be considered "public property" insofar as possible. As such, the price paid for a certificate (some 10 pounds sterling) should be abolished, going over to a system based on direct government contributions[9]

The most sensitive aspect of access to certification is precisely its financial cost for candidates. An imperfectly designed financing scheme might favour some of them in the detriment of others. All possibilities are open in this connection to implement active employment policies and facilitate access to those unable to pay for certificates.

Third assertion: In certifications systems, institutions that train should be separate from those that evaluate and certify.

Routine application of the juridical maxim that "one cannot be judge and interested party at the same time" has little to do with the validity of certification and is far from being universally true.

Certification models have followed the evolution of educational practices, which in turn have derived from cultural values and heritage accumulated through the years. Each system expresses its beliefs in what a training model should attain. Transfer

[9] Report of the Independent review of the UK national occupational standards programme. QCA London. September 2001.

of such convictions from one country to another without adequate review may not always meet with success.

In fact there is no single optimal form of organising an institutional training model. What they all have in common is often a search for better quality, coverage and relevance. There are obviously different ways of attaining such ideals. In studying the institutionalisation adopted by various countries, that are often taken as inspiring prototypes, we should bear in mind that they are the result of culturally assimilated practices by their educational and training spheres.

It is also important not to lose sight of the fact that recent reorganisations and concerns about training systems stem from diagnostic studies that have usually revealed some of the following:

- A proliferation of low-quality, ill co-ordinated training offers with little bearing on national objectives.
- Lack of proportion between the training offer and the needs of the economy expressed by its demand for skilled workers.
- Low level or loss of competitiveness of the economy often as a consequence of low levels of training and poor productivity.
- Signs of exhaustion of training systems in use.

In a quick historical appraisal we find the first references to training and certification systems based on occupational capabilities at different dates in Europe. For example, in Germany training standards were set in 1937 for the dual mode; in France training references were established towards 1950; in Spain occupational laws were promulgated later, in the ‘70s, and finally, in England, national vocational standards were adopted in the ‘80s.

The introduction of occupational benchmarks into training programmes shifted the stress from academic contents towards performance at work. While traditional education courses dispensed mainly academic contents, vocational training programmes were based on a detailed description of the tasks and operations pertaining to a work post. At present, the new standards governing training programmes describe competent work as follows: a number of abilities and attitudes jointly mobilised to solve a particular situation in occupational performance.

Additionally, as a result of the growing number of both public and private training offers, the quality level of certificates differs, requiring, among other things, mechanisms to ensure a match between training and the needs of employers. Several countries have resorted to evolving standards – with the participation of workers and employers, often under active policy measures by the public authority – in an effort to raise and unify quality levels in occupational training.

Recent research in the European Union has shown the differences among the different national certification models[10] of Germany, Belgium, France and England. Although all these countries share the same goal of a training model capable of responding well to the demand of enterprises and harbouring the greatest possible number of youngsters and adults with training needs, the paths they have chosen are different. In the following table the most distinctive features of the various country cases are compared.

SOME FEATURES OF CERTIFICATION SYSTEMS IN COUNTRIES OF THE EUROPEAN UNION

FEATURE	GERMANY	FRANCE	SPAIN	ENGLAND
Main characteristics	Enterprise-centre alternating training (dual system) Enterprise responsible for training	Education and VT regulated by Ministry of Education. Recognition of previous adult learning. Various certification programmes in enterprises	Three training sub-systems: *Regulated training* in educational cycle; *Occupational training* for the unemployed; *Ongoing training* for workers	National framework of competency levels governed by a National Authority in educational and occupational aspects
Governing body	Federal VT Institute (BIBB)	Ministry of Education	National Qualifications Institute (INCUAL)	Qualifications and Curricular Authority (QCA)
Standards	National standards set by the BIBB	National benchmarks set by the Ministry of Education	Occupational profiles established by Royal Decree	Standards established under the leadership of corporate chambers
Strengths	Occupational practice. Enterprise-led training. Single national standards	Highly reliable governance (public and national in scope). Integrated education and VT	National benchmarks focalised on different customers. VT incorporated to educational system	Comprehensive, integrating national framework. Education and VT merged together.
Critical aspects	The efficiency of the dual system is questioned due to its narrow focus on a single practice	Employers are critical of diplomas, which they think have low applicability due to a prevalence of academic contents	Need for greater co-ordination among initial, ongoing and occupational training systems	Excess of qualifications and descriptions, in an effort to be too objective

[10] Bouder, Annie, et al. Certification and legibility of competencies. CEDEFOP 2001.

FEATURE	GERMANY	FRANCE	SPAIN	ENGLAND
Historical background	First regulations for industrial training, 1925. Dual training, 1964	First School of Arts and Crafts, 1803. Establishment of CAP, 1919	Technical Institutes established in 1925. First certificates issued in mid-70s. General Education Law passed in late 80s	Private training initiatives, 1878 (City and Guilds) Competency standards, late 80s

Sources: Author's table based on: QCA Report of the independent review of the UK national occupational standards programme 2001; CEDEFOP, Certification and legibility of competencies, 2001; Fretwell David, A framework of defining and assessing occupational and training standards in developing countries, 2001.

As indicated at the beginning of this paper, in Latin America there is a wide range of applications regarding certification. By way of example we submit the following table where only some experiences are included, comparing their intent and principal actors.

FEATURES OF SOME CERTIFICATION EXPERIENCES IN LATIN AMERICA

IDENTIFICATION	**Programme of Occupational Quality Certification in the Tourism Sector, Brazil**	**Pilot Programme of occupational competencies' certification, Chile Council for**	**Standardisation and Certification of Occupational Competencies, Mexico**	**Vocational Training Institutions[11] (Several countries)**
Leadership	Private sector: Hospitality Institute	Public and private sectors: National Training and Employment Service (SENCE) Fundación Chile	Public sector: Labour Secretariat	Public sector: INA, INTECAP, INSAFORP, INFOP, SENA, INFOTEP. Private sector: SENAI, SENAC
Coverage	Hotel trades and tourism	Tourism, Construction, Mining National level	National; Occupations according to demand	Sectoral, by areas of attention
Standards	Based on Institute's own functional analysis	Based on functional analysis	Based on functional analysis	Based on functional analysis and DACUM

[11] This column is not intended to include all cases; it only shows several countries where we all know that VTIs implement certification programmes based on competency profiles.

IDENTIFICATION	Programme of Occupational Quality Certification in the Tourism Sector, Brazil	Pilot Programme of occupational competencies' certification, Chile Council for	Standardisation and Certification of Occupational Competencies, Mexico	Vocational Training Institutions[11] (Several countries)
Critical aspects	Transferability. Greater trade union participation. Accessibility for the unemployed.	Great co-ordination efforts of public-private sectors	Wide offer of standards, low demand for certificates. Integration with VT	Becoming integrated with public employment and training policies
Strengths	High credibility among employers. Tripartite National Certification Council	Credibility deriving from actors involved. Lifelong educational approach	Credibility High transferability Private sector participation	Credibility Technical proficiency of VTIs Association with the VT process
Historical	Interest in competitiveness supported by international development banking. Start up: 1999	Interest in competitiveness and efficiency of training. Support provided by development banking and national resources. Start up: 2000	National competitiveness diagnosis. NAFTA perspective. Total support by Government and development banks. Start up: 1996	Interest in raising VT supply, quality and coverage. At the request of employers' sector. Start up: 1967

Source: Author's table based on institutional documentation of the experiences included and on his own personal concepts.

Let us now add a further consideration based on the old methodological rule that first things come first. In other words, the existence of a third party certification model presupposes the existence of a second party ruling, and in consequence there must also exist a first party model. First party certification is granted by the body or institution dispensing the training, which has the mechanisms to ensure the quality, transparency and validity of the diploma. Nearly all vocational training institutions in Latin America fall within that category: they carry out training, evaluation and certification functions.

Second stage certification models usually occur within the formal education system: end-of-course diplomas require the signature of some second party authority, normally the Ministry of Education. This means that the authority has quality verification mechanisms that it applies to issue the certificates in question.

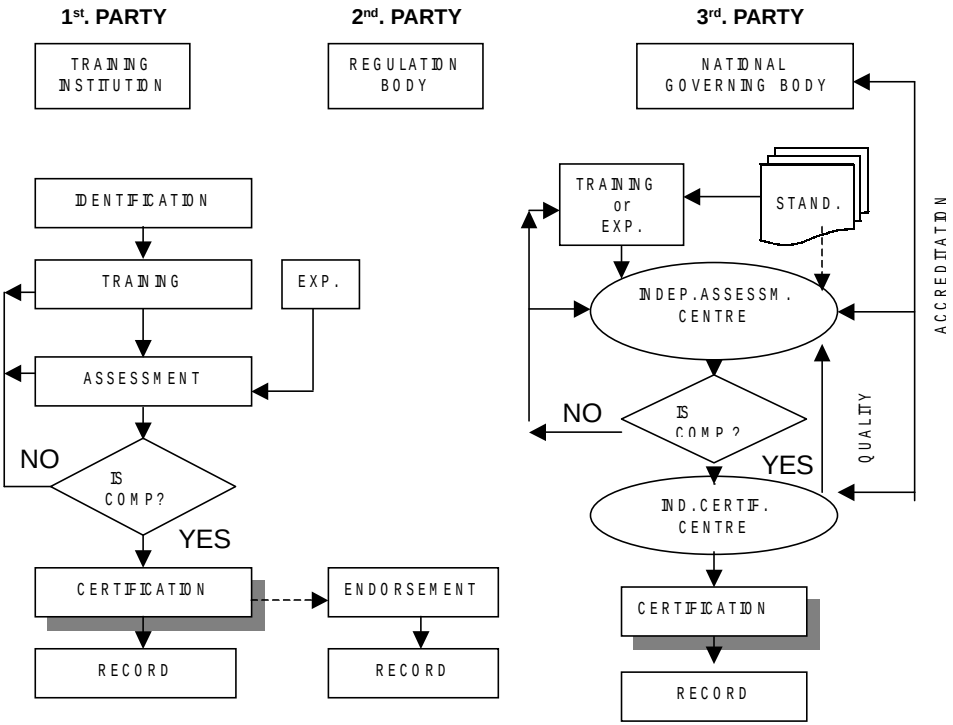
In third party models, by contrast, there is a clear-cut separation of functions, and especially of implementing bodies. On the one hand there are those that train, on

the other those that evaluate and finally the ones that certify. It all started in 18th century England when the State tried to regulate the country's training system and took a leading role in guilds and corporations, setting the rules of the game in which the latter retained their certifying prerogatives.

> In Great Britain it was not until the late 19th century, with the promulgation of the Technical Education Act of 1889, that organisations like the "City and Guilds of London Institute" were authorised to make agreements on technical education and the certification thereof, working together with local councils. Certification was left to the initiative of a wide range of examining boards – for which it was a business – but they tried to establish it for all occupations.

Source: CEDEFOP, certification and legibility of competencies, 2001.

FIRST, SECOND AND THIRD PARTY CERTIFICATION ARRANGEMENTS



Source: Author's diagram

Fourth assertion: Certification systems normally solve the problems that have been traditionally attributed to training institutions

It is often assumed that a certification system by itself improves quality and becomes a good remedy for problems attributed to training institutes.

This is not really the case, although the organizational fabric of training institutes (especially third party ones) has built-in verification mechanisms for quality assurance. The competency standards on which certification is based do not by themselves guarantee an improvement of the intrinsic quality of training.

By intrinsic quality of training we mean those attributes of the training process resulting form all inputs applied, such as teaching aids, proficiency of instructors and general educational environment.

An activity like training has a high educational and pedagogic content which is not to be confused with mere coaching for the performance of a particular skill.

When companies are not a good place to learn in, the competencies and abilities acquired by workers through experience decay and become minimal. A certification programme for workers that have not had training opportunities in their job is not likely to be very successful. Certification processes act as an excellent method for detecting training needs, channelling training efforts and promoting candidates' occupational careers.

> In the English-speaking Caribbean, National Training Agencies, operating within a standardised training and certification system, adhere to certain characteristics to implement their programmes in close co-ordination with manpower demand. For instance, they have tripartite consulting councils, they bring trade unions and employers together for the development of standards, prepare occupational analyses and curricular designs, implement programmes based on abilities to develop rather than on time of tuition, they apply competency evaluations and recommend candidates for certification to the National Council for Technical and Vocational Training .

Source: Gamerdinger, George. Calificaciones profesionales. Experiencias del Caribe. Cinterfor/OIT. Boletín 149. Montevideo 2000,

Certificates are excellent indicators of the results of a good training process, at institutions or on the job. These Latin American programmes call attention to the need to review and make up for shortcomings in elementary education, and define the standards that underlie good curricula, perhaps with more emphasis than usual on building up institutional structures for certification.

In a recent study of competency standards in England, many respondents referred to an excessive concern with detailed descriptions of how occupational aspects should be, without sufficient training backing. They also testified to the interest of workers in obtaining certificates[12].

In the design of certification systems, assumptions should be weighed against the realities that experience gradually unveils. We might suppose, for example, that all public and private agents would provide better training if standards were defined for application to all their programmes. Certification would in this manner encourage the improvement of training quality, it would promote fresh offers and facilitate the access of new participants.

Experience has shown, however, that quality improvement and the attraction of workers to certification are not automatic. Certification does not seem to provide a clear answer for all sectors and all occupations[13]. It tends to be more successful when it is guided by the initial interest of employers and workers, and it is closely connected with labour realities and the management of human resources. In the United States, for example, the strategy is to begin with a voluntary association scheme with the backing and commitment of interested representative firms. In the English-speaking Caribbean certification has been promoted with a regional or sectoral emphasis, through CARICOM or the Caribbean Hotel Association, for instance. In Mexico applications to solve corporate training and personnel management needs have been quite successful.

A training agency can hardly raise the quality of its teaching staff, generate and store applied knowledge (curricular design, teaching materials, evaluation techniques and new technologies), without a stable institutional structure organized for the production and accumulation of training- related know-how. The quality of training is unlikely to improve in an atomised environment of calls for bids and financing often dependent on external, sporadic support.

By contrast, when training and certification programmes have been adequately institutionalised, there is usually methodological support for areas such as teachers' training and the preparation of curricula. Training institutes can then bend their energies to the task of quality improvement[14].

[12] QCA. Report of the independent review of the UK national occupational standards programme. 2001.

[13] In the English system most certifications are concentrated at low and intermediate competency levels. In the Mexican case there is a high demand for them in information science occupations. In neither case is a high percentage of the standards offer used in certification processes.

[14] In many cases, when Training Institutes work together with private collaborating centres, they share curricula and jointly support teachers' training and methodologies as part of their relationship.

Certification systems should not lose sight of the process involved and lay too much emphasis on testimonials (the outcome thereof). A good examination is the result of a good training process, regardless of whether it has taken place in the enterprise or the training centre. Certificates are good indicators of results – their role matters as such, depending on reliability and validity. Good training practices, the updating of programmes, a proficient teaching staff, the frequent renewal of contents and the supply of good materials are always essential to attain the final objective of good performance and, consequently, a quality certificate.

Where is stress to be laid, then?

Developed countries have many years' experience in the design and use of training and education systems. They have managed to build up a stockpile of applied knowledge in the field, and when they set up certification systems they do not detract from institutional structures. On the contrary, they optimise them through quality mechanisms like certificates.

It is much easier to devise and introduce a certification system taking advantage of already existing institutional structures, modifying and perfecting them to build upon them, than to overthrow them and try to implant new forms that are foreign to educational tradition and culture.

If we have a sound training system, if curricula are prepared on the basis of job profiles jointly devised and standardised by employers and workers, if the actors involved take part in defining the level and characteristics of certificates and if – desirably – the State has created a stable framework for all this to function, we shall be nearer to a reliable, equitable and socially valued certificate, as the natural result of good training.

Blind application of the principles embodied in other models does not seem the best solution either. Certification systems are deeply rooted in the different countries' experiences, traditions and institutional evolution. It is therefore advisable to consider a process of analysis and **adaptation** of the best practices of a foreign model, rather than **adoption** of them.

A point of discussion frequently connected with the above is the matter of who trains, who evaluates and who certifies?

In that respect, experiences in Latin America are showing that the most important thing is not really who does things, but how they are done. In other words, a good evaluation process can perfectly well be carried out by the same institution or body that imparted the training. Reliability, impartiality and validity have to be guaran-

teed, but it is also necessary to have an appropriate teaching environment, adequate links with firms and enterprises, and knowledge of evaluation. In all such aspects training institutions and centres have great advantages.

> "A certifying body may provide training; if it does so it must clearly show how it manages the separation between evaluation and training to ensure confidentiality, objectiveness and impartiality"[15]

This argument needs to be introduced in the discussion about adoption or adaptation, as very often the logic of certification of goods and processes is automatically transferred to the area of attesting to and recognising the capacities of persons. Training institutions are very well equipped to implement training processes. The critical aspect is whether they can properly differentiate between regulatory and executive functions.

The role of the State in determining quality levels and paving the road for national training frameworks suggests the need to have a governing body to regulate ways and means of access, establishment of standards, equivalencies and other aspects of lifelong training scenarios. This governing body would be in charge of enforcing compliance with verification and quality levels by all executing agencies.

> The certification of abilities is an important tool in this process, as it solves an information problem by making the quality and quantity of workers' skills observable by their possible employers. Nevertheless, certification requires the firm institutional participation of enterprises, workers and trade unions in the design of accreditation contents and mechanisms.

Source: Vázquez, Gustavo. Capacitación fe la fuerza laboral en América Latina: ¿Qué debe hacerse?. Banco Interamericano de Desarrollo, 2001.

A prevailing factor in these considerations is the resolute participation of enterprises, workers and governments in the design and implementation of governing and executive activities. A comprehensive and effective integration of efforts has greater impact on quality than mere regulation and allocation of responsibilities.

There are three essential elements for a good certificate, whatever the institutional model adopted:

[15] Draft of ISO standard 17024 "General requirements for organisations operating systems for the certification of persons". Submitted to the approval of the Evaluation Committee, December 2000.

1. Good quality training, properly updated and based on job profiles has evolved with the participation of all actors concerned.
2. Agreement on the measures required to ensure the quality of certificates. This implies the way in which evaluation is effected, and participation of workers and employers in analysing the performance of certified workers.
3. An institutional design clearly indicating who carries out the functions of standardisation, evaluation and certification, without necessarily implying that they are to be in separate and different bodies, but stressing the independence of each one of those functions.

> In August 2003 the educational institutions of the Vocational Training Sector of the Netherlands shall become fully responsible for examinations in the courses they themselves impart. An external evaluation will supervise compliance with this task. A national centre of evaluating quality will be created for that purpose and national standards will be defined that all educational institutions shall have to observe in order to obtain a license[16].

A governing body for certification, for training, or for both things?

In general, all countries that have adopted standards as a basis for training and competency recognition processes have an explicit and regulated public policy for that purpose, some specialised agency in which the social actors take part and institutional arrangements with training, evaluation and certification bodies.

The motivations for setting up certification systems are closely related to national concerns with education (Ministries of Education) or employment (Ministries of Labour) and are part and parcel of public training and employment policies.

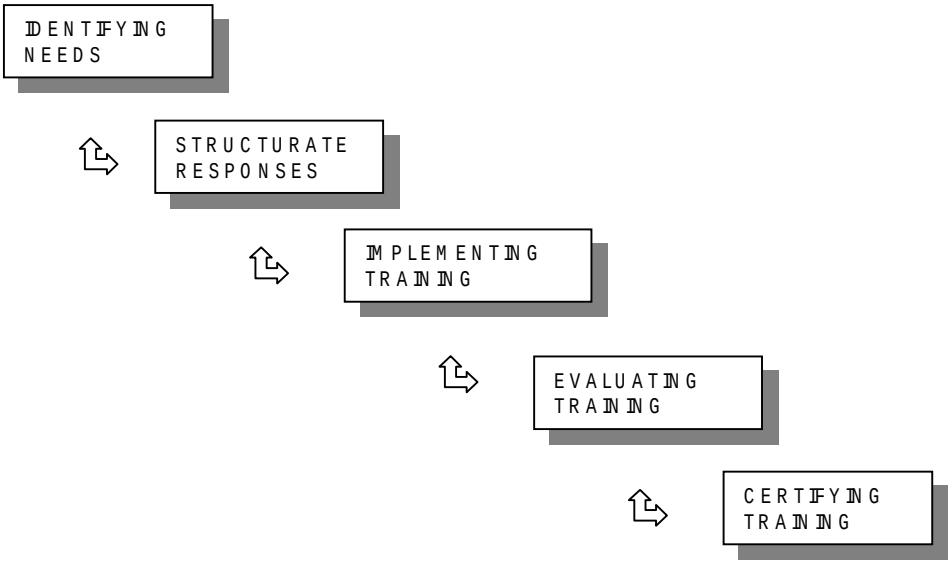
[16] CEDEFOP. Developments in the vocational training systems in Member States from September 2001 to February 2002. www.cedefop.eu.int

GOVERNING BODIES OF SOME TRAINING AND CERTIFICATION SYSTEMS AND CHARACTERISTICS OF THEM

FEATURE	MEXICO	UNITED STATES	GREAT BRITAIN	SPAIN
STATE AGENCY	Ministry of Labour	Office of Education and Labor	Department of Education and Labour	Ministry of Labour and Social Affairs
IDENTIFICATION	Council for the Standardisation and Certification of Competencies CONOCER	National Standards and Skills Bureau NSSB	National Qualifications and Curricula Authority QCA	National Vocational Training Council National Qualifications Institute INCUAL
BOARD OF DIRECTORS	Tripartite 6 members from Government 6 employers' representatives 6 workers' delegates	Led by the Labor Department 12 members appointed by the US President 12 members elected by the US Congress	A Directive Council of 10 members from the education sector. A Curricula and Evaluation Committee (12 members form the education sector). A Qualifications Committee (15 employers' and workers' representatives)	Chaired by: Min. of Education, Min. of Labour. 17 Members from Ministries of Economy Defence Industry Agriculture. 17 Members from autonomous communities. 19 Members from employers' organizations 19 Members from trade unions
COVERAGE	National	Sectoral National	National	National

In Latin America and the Caribbean various training institutions have led the way in establishing national certification systems or sectoral certification arrangements. As opposed to North America, or even to Europe, the region has an institutional structure usually based on tripartite participation at the level of boards of directors. In fact, the organisational chart of most institutions responds more or less to the following graphic description:

BASIC FUNCTIONS OF LATIN AMERICAN TRAINING INSTITUTIONS



These functions are performed with a high degree of social legitimisation resulting from the participation of all actors at directive level and in many cases also in the stages of identification of training needs, evaluation and certification. Very often planning departments deal with the detection of needs, other areas concentrate on the design of programmes utilising the institute's capacity to generate knowledge applied to training, teaching material and aids, evaluation material and space devoted to training.

Training centres have typically been the structures in charge of dispensing training in the region and many VTIs have developed their own institutional evaluation mechanisms, although there is room for improvement there. Separate departments have dealt with certification procedures, and employers and workers have been involved in evaluating the impact of training.

Institutional arrangements intrinsic in VTIs can comply with the quality criteria required for certification. Participation by interested actors must be ensured, that is to say, those whose views may matter in judging the efficiency and transparency of the certification services.

If VTIs refine the use of the institutional tools they already have, nothing prevents them from stamping a quality hallmark on the certifications they issue. The credibility and confidence they enjoy is an achievement resting upon knowledge accu-

mulated from experiences that in some countries reach as far as 60 years back. However, certificates enjoy prestige only when quality has been preserved; otherwise it will be necessary to find new arrangements to meet the demands of users.

A good training process, with the necessary materials and qualified instructors, updated curricula and adequate training spaces can serve as the basis for a transparent and reliable certification procedure. In the pursuit of that objective we may first and foremost consider what we can do to upgrade training, and to have good programmes and methods for recognising competencies acquired at work.

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TRENDS IN SKILL RECOGNITION AND CERTIFICATION: THE ROLE OF COMPETENCY - BASED TRAINING FRAMEWORKS FROM A CARIBBEAN PERSPECTIVE

George Gamerdinger

Honored guests, ladies and gentlemen and colleagues - Before sharing my thoughts on the topic at hand I wish to thank our host the Ministry of Labour and Employment of Brazil; SENAI; Mr. Muñoz, the ILO Director for the Americas; Mr. Weinberg, the Director of Cinterfor/ILO; and Mr. Aro, the Director the of ILO Skills Development Department in Geneva, for extending their kind invitation to participate in this week's meeting.

I have been asked this morning to describe some of the trends affecting skills recognition in the English and Dutch speaking Caribbean. You will also be hearing from Mr. Robert Gregory from the HEART Trust/NTA of Jamaica with specific information on a skills recognition system that is generally representative of the Caribbean. In addition you will receive country papers developed for this seminar from the representatives from Jamaica, Barbados and Trinidad & Tobago with specific details of their education and training delivery systems. Against this backdrop of information from specific countries, my presentation will identify some of the major trends and emerging issues that are shaping the development of the region's workforce.

Throughout my representation you will hear refer to the term TVET which stands for Technical and Vocational Education and Training (TVET)[1]. In addition, refer-

[1] It could be argued that the use of the term TVET no longer captures the knowledge and attitude components of vocational education. In the UK reference is now made to "Learning and Skills Councils" which take on the responsibilities of what in the Caribbean we call National Training Agencies and TVET Councils. The trends identified in this paper would suggest that the use of TVET will begin to wane as terms associated with vocational education and training still too often reflect a social perception that vocational training prepares people for low quality jobs - a perception that is no longer an absolute reality in the region. Learning and Skills Councils offer a new perspective in understanding the evolution of TVET.

ences to the word "region" reflect the English and Dutch Speaking Caribbean while the term "private sector" is used to describe employers, trade unions and other relevant community representatives.

To talk about trends, especially in 21 countries, is quite a challenge. However, there are some common emerging trends and issues that are defining training frameworks in the Caribbean[2]. While such trends provide indicators of direction they also offer opportunity for officials to use such data in future strategic planning. In the examination process that follows, attention will be given to the events related to TVET that have influenced four emerging trends since 1991 in the Caribbean[3]:

Trend 1. The increasing establishment of national TVET coordinating bodies.
Trend 2. The prevalence of sharing knowledge enriched TVET best practices.
Trend 3. The growth in TVET reform as a direct result of private sector acknowledgement of skill standards.
Trend 4. The growing acceptability of occupational skills as a career choice.

The region is feeling the challenges created through the decline of agricultural exports, especially in the sugar and banana industries, a struggling tourism sector, and the fact that competition for skill workers is becoming keener. Competition for a skilled workforce no longer comes only from the Caribbean but rather is a global pull that has caused the region to lose some of its best workers. As the region standardizes its training frameworks and national skill qualifications, its workforce will become even more susceptible to global competition. While the issue of workers leaving the region needs addressing it also demonstrates that the region is in the process of truly developing a valued world class workforce.

Issues like migration, a struggling tourism sector and declining agricultural outputs, have reinforced the need to revisit how best to develop the region's workforce and to strengthen the Caribbean's human resources[4]. An example of the importance of human resource development in the region is noted in Barbados and acknowledged by a quote from the Minister of Education (2000), The Honorable Mia Amor Mottley, "Curriculum 2000 encapsulates a vision for Barbados based on the premise that our people are critical for success in the new knowledge-based

[2] The identification and publication of current trends at regional levels seems to be overlooked in the work of international agencies. A coordinated approach by organization to correct this oversight would be useful in regional employment-related analysis.

[3] Trends reflected in the presentation are estimations or measurements of economic and social issues measured over time. They reflect the past and present and give indication for future applications. In describing a trend attention has also been given to identifying its causes and implications.

[4] Barbados' national strategy on human resources development is representative of the growing recognition of human resource development.

economy. As a small country our human capital development cannot be ignored, and it is through education that we are able to unlock the potential of all our people".

This statement is typical of the region's valuing of its human resources which has been applied in the establishment of coordinating TVET bodies, skill standards and competency-based frameworks. The trends and issues identified in this presentation offer a glimpse of how these forces are being used to broaden the efforts of TVET agencies even further.

For those not familiar with the Caribbean it should be noted that the nations in the region are heterogeneous. By that I mean they are unique while at the same time they share common challenges especially in regard to employment creation. Each country will quickly point out its unique cultural, social advantages and employment needs - issues which must be taken into account if national frameworks are to reflect a national context and drive employment policy. For this reason attention is given in this presentation to the importance of developing first national and then regional TVET frameworks.

1. Trend: The increasing establishment of national TVET coordinating bodies

The generally accepted view in the region is that national level apex agencies are critical in coordinating workforce creation.[5] As such the lack of such an agency at the national level hampers coordination and resource allocation.

National apex agencies:
Three national apex agencies exist within the CARICOM region. In Jamaica, the National Training Agency (NTA) as part of the Heart Trust was launched in 1991. The TVET council in Barbados was established in 1994 and the National Training Agency of Trinidad & Tobago in 1998. Indications are that Belize and St. Lucia will establish apex agencies by 2002-03[6]. The increase in the number of apex agencies being created since 1998 has happened in part to the positive recognition by the public and private sectors of the importance of apex agencies.

[5] In the Caribbean, national TVET agencies may be referred to as TVET Councils, or national training agencies (NTAs). While names may be different their roles are to oversee the national interests of TVET. In this paper the term "apex agencies" is used to reference national TVET agencies.

[6] An example of the valuing of apex agencies was indicated in a random survey of TVET instructors in Dominica in February 2002 (P. Payne-OECS/G. Gamerdinger –ILO). When asked how best to use funds to strengthen TVET, the overwhelming response was to use the funds to establish a national TVET apex agency.

Countries with apex agencies have made great strides in coordinating, monitoring and promoting occupational standards when compared to countries without any national TVET agency. The lack of a central coordinating unit tends to be a negative factor in regard to a country's TVET development.

In light of these positive effects about established apex agencies why have not more national apex agencies been developed? I do not believe this lack of development is indicative of a lack of interest by other countries but rather a lack of national level resources and the need for policy change that would promote the development of the agency. The strongest influence on the establishment of national agencies has been the grassroots support by the social partners to integrate themselves into the national TVET systems. We have heard this mentioned throughout our meeting. The lesson being stressed is that we need to promote this type of investment more urgently if successful training systems are to develop in the region.

Each of the national apex agencies mentioned share a commonality of mission, founded on tripartitism, and the sharing of competency-based skills and standards. However, there are differences. For example, the uniqueness of each can be found in ministerial affiliation, funding arrangements and the broadness of their scope of work as outlined by national policy[7].

- In Jamaica - the Heart Trust NTA, under the Ministry of Education, Youth and Culture, draws on a 3% payroll levy tax to fund training programs. The regulatory body is the National Council on Technical and Vocational Education and Training (NCTVET) and as such is responsible for the development of occupational standards and accreditation of national TVET programmes and institutions. It receives its technical support from the Heart Trust/NTA among others.

- In Barbados - The TVET Council operates under the Ministry of Labour and Social Security. The Council manages the employment and training fund, which provides among other things the financial assistance such as grants and loans for training and skills upgrading, and support to training programmes for retrenched workers and self employed persons.[8] The fund draws on a 1% levy tax drawn 0.5% from employees and 0.5% from employers.

- In Trinidad & Tobago the National Training Agency operates through the Ministry of Science, Technology and Tertiary Education. Through Industrial Training Organizations (ITOs), occupational standards are identified, and developed with

[7] For a full description of each of the apex agencies please reference the seminar's country papers and the ILO Caribbean Office web site on HRD publications www.ilocarib.org.tt.

[8] Technical and Vocational Education & Training Council Act, 1993-11. P.7.

technical support from the NTA. A proposal for a national training act is currently under review and will most probably include the establishment in some form of an employment and training fund.

A snapshot of the region finds that the majority of TVET portfolios are generally associated with ministries of education. It has been my experience that all ministries responsible for TVET activities in the Caribbean have expressed interest in establishing a national vocational qualification framework and are at some stage in making this a reality.

National TVET agencies as an enabling force in the development of public and private sector partnerships.

To talk in the year 2002 about technical and vocational education and training in the Caribbean in the context of the three national apex agencies is really to discuss human resources development (HRD). The fact is that national TVET agencies in the Caribbean are addressing policies and issues related to lifelong learning and the responsibility of the individual learner to engage in continuous education and training. In principle, defining TVET in the region as encompassing knowledge, skills and attitudes would be an accurate statement. A reflection of this is how TVET agencies are grappling with social issues pertaining to the fundamental rights at work, social protection and strengthening social dialogue.[9] In other words, TVET agencies are doing more than addressing training delivery in the narrow sense. The traditional model built around skills only is proving to be outdated in the region.

A major output in this process has been the identification and support for skill standards both at the national level and as part of a regional qualification framework. Overall, the benefits from social partnership are building private sector trust, which finds a good deal of its synergy through knowledge sharing, which is our second regional trend.

2. Trend: The prevalence of sharing knowledge enriched TVET best practices.

Knowledge sharing continues to be an enabling process to facilitate the development of TVET in the Caribbean. It has directly led to the establishment of the current three national apex-training agencies and in the preparatory activities for

[9] "Learning and training for work in the knowledge society" ILO-Geneva 2002.

the two proposed apex agencies in Belize and St. Lucia. Knowledge sharing and knowledge management is part of a trend that goes beyond passive information exchange. The impact has promoted a common regional framework for skill recognition. While I have been talking about the English and Dutch speaking Caribbean, I need also to mention the long exchange of good practices from Latin America, especially SENAI. Other examples include experiences gained from INFOTEP, the National Training Agency in the Dominican Republic and of course other TVET agencies and programmes from throughout the Americas, Asia and Africa.

We all recognize the fact that ideas that work well in one context may not work in another. Therefore, the importance of sharing lessons learned and following up among TVET agencies to see how the lessons have been applied and modified is critical in knowledge development. This follow-up process has been a critical element in the exchange of appropriate knowledge. In emerging economies this sharing of information and good practices is allowing nations with fewer resources to utilize good practices to maximize their human resources. A few examples to highlight my comments follow.

- The Heart Trust NTA is the longest established TVET agency among CARICOM members in the Caribbean region. This agency has served as an incubator for ideas and advisory support to the TVET Council in Barbados and the National Training agency in Trinidad & Tobago and also to other countries in the Caribbean. Special attention is given to their current support in the establishment of competency based training and a qualifications framework in St. Vincent and the Grenadines. This culture of knowledge sharing is typical in the region. The NTA in Trinidad & Tobago and the TVET Council in Barbados like the HEART TRUST/NTA are exchanging knowledge on a regular basis with countries initiating policy to help establish their national TVET agency. Specific countries making exceptional progress in this regard include St. Lucia, Guyana, Bahamas and Belize.

- The need to address costs and limited staff resources has promoted sharing in the development of competency-based training packages[10]. By having different training agencies in the Caribbean region take responsibility for specific curriculum packages and then sharing what each develops is a case in point. Such agreements not only cut costs but promote the exchange of knowledge between TVET agencies and the technical committees.

[10] The Heart Trust NTA in Jamaica and the National Training Agency in Trinidad & Tobago have taken the leadership role to date.

- My final example reflects the long established practice of articulation agreements between training agencies in the Caribbean and those in North America and Europe. The exchange of staff, curricula and knowledge has been strengthened by the rapid development of common occupational frameworks and recognized skill competencies.

The culture of knowledge exchange has long been established and recognized in the region. However, the process of knowledge management is still in its infancy and needs formal recognition and support if it is to be utilized more fully in managing TVET institutions.

Building on the growing credibility of apex agencies and the application of knowledge in quality employment education and training has helped create an environment for the establishment of skill standards which is identified as trend number 3.

3. Trend: The growth in TVET reform as a direct result of private sector acknowledgement of skill standards

Competency-based Curricula

The need for skill standards that are industry led and supported has long been acknowledged by private sector partners. It is only in the last decade that the movement to address these concerns has earnestly taken hold[11]. The increased efforts in the development and application of skill standards based on competency-based curricula, is being actively promoted both at the national and regional level. Special attention to the value of skill competencies is being demonstrated more strongly in countries with national apex agencies than in countries without such agencies. The latter, without curricula development capacity, have still been able to participate in the process through the purchasing of skill competencies from Jamaica, and Trinidad & Tobago for their own national adaptation.[12] The availability of such curriculum packages in the region will increase as Barbados enters the field of curricula development in the coming months.

[11] Terms that reflect this thinking in the wider Caribbean and the Americas include: “school to work transition; narrowing the skill gap.

[12] Officials from the following countries have indicated interested in purchasing Caribbean benchmarked curriculum packages based on competency-based skill standards. Guyana, Belize, Bahamas, St. Vincent and the Grenadines, St. Lucia, Dominica. The spread of competency-based curriculum is gaining interest outside of traditional TVET training institutions. In Guyana the “Open Doors Centre” is using the national competencies developed by the Heart Trust NTA in Jamaica for training persons with disabilities in vocational occupations. Interest has been expressed by the National Centre for Persons with Disabilities in Trinidad & Tobago in regard to using CBC curricula developed by the National Training Agency of Trinidad & Tobago.

National vocational qualification frameworks

Across the Caribbean, national vocational qualifications, where adopted, are based on standards set by industry in conjunction with the responsible TVET apex agency. All are based on skill competencies that learners must demonstrate in order to be recognized as having an established and formally recognized proficiency. Competencies include the linking of academic and technical skills as well as the human relation skills needed to be successful in the workplace. The phrase "knowledge, skills and attitudes" best describes the components of competency-based curricula and support training packages.

As national agencies focus on revamping the quality of vocational education, attention is given to infusing technical skills with practical work experience to establish national and eventually regionally-accepted standards, a process that is helping to establish a foundation for a Caribbean regional qualification framework[13]. The challenge however in mobilizing this exchange requires an administrative framework built first upon a national level framework. This seminar in many ways is promoting this work.

The central component in the growing recognition of national apex agencies has been the ability of such agencies to serve as a forum in bringing together government, trade unions, employers and other community players on issues pertaining to employment-related education and training. As these national apex agencies work with training providers and other public and private sector agencies such as training boards, community colleges, proprietary training agencies and others, they serve as catalysts for employment-related education and training. While the three national TVET agencies in the Caribbean are providing such an enabling environment for solutions to employment-driven concerns, it is evident that the individual effects of this process are only beginning to be acknowledged and promoted within the Americas and beyond.

The issues promoted in Trend 3 have also established standard setting as a regional issue. Like the European Union, CARICOM member states are seeking to develop a regional qualification framework. The current efforts toward a regional qualification framework reflect the positive acceptance of national level qualifications frameworks by private sector partners. Taking this acceptance process to the regional level is beginning to find success.

[13] As similar frameworks from around the world develop, EU for example, they may some day link together to form a common sets of qualifications and in turn generate a global standard framework. Any examination of current national level skill competencies from any country will most likely lead the examiner to elements drawn from the Americas, Asia, Europe and Africa. It could be argued that global standards are currently in development.

The promotion by the CARICOM Secretariat, with the support of the established TVET apex agencies is having an impact in moving the region to establish a Caribbean Qualification framework. The proposed action of making the Jamaican-based Caribbean Examination Council (CXC) as the regional qualifying body is under discussion.

The internal force operating within the Caribbean, which is having an impact on the regional qualification process, is the mandate to establish among CARICOM members a single market and economy. Protocol II which addresses the free migration of labour provides the mandate to establish a common skills standards or equivalency with implications for the training and certification of skilled workers. This recognition process is underway.

The impact of this protocol has promoted an urgency to create a qualification framework among TVET providers, an urgency that while mandated by senior political heads of state was not adequately implemented until TVET agencies encouraged companies, trade unions and community leaders to become national stakeholders in the work carried out by the national TVET centres. The support of the social partners has manifested itself through knowledgeable graduates and in turn is building private sector trust.

One of the results from the three trends described is the positive effect they have had on the social valuing of skilled occupations as a career choice, which is trend number 4.

4. Trend: The growing acceptability of occupational skills as a career choice.

Career counseling

The fact that the popularity of vocational education and training is gaining in positive social acceptance is based partly on the issues identified in the previously mentioned trends. An outcome of these trends is reflected by the growing interest in the public education system in regard to career education and development.[14] While we as TVET professionals may accept the value of occupations as a career

[14] Specific examples in 2001-02 include workshops for guidance officials and general education teachers on career information organized under the National Training Agency of Trinidad & Tobago. The Tobago Council carried out a similar workshop for community officials and the Heart Trust NTA in Jamaica has a long history of supporting career guidance activities. Currently under consideration by UNESCO is a joint ILO proposal to promote career guidance in general education in the Caribbean.

choice, there is still the traditional view in the minds of many youth and adults that vocational education is preparation for jobs that are still mainly labour intensive and that offer medium to low pay incentives. The entry of three national apex agencies into the area of career guidance and information systems offers an opportunity to tell the TVET story to youth making first time career choices. Drawing on knowledge exchange methods, including the greater use of information technology and working more closely with education officials provides options for a generation of new workers as they prepare to make career choices[15].

In Conclusion:

While we have been focusing on the importance of skill recognition and frameworks, it is important to remember that they are only tools that must be updated and promoted. Each does not exist in isolation just as the four trends we have examined all inter-link with each other. If the social partnerships that establish these frameworks weaken or if the sharing of good practices diminishes, then skill frameworks as well as TVET systems will quickly lose their credibility.

Some reflections on possible issues to consider based on the trends identified include:

1. Greater involvement of apex agencies in the work of the ILO's social partners. One of our immediate challenges for professional organizations should be to promote the greater infusion of apex agencies into the mainstream of employment discussions. A first step in this process might include the greater involvement of TVET representation in meetings chaired by employers and trade unions as well as the involvement of employers and trade union representation in national TVET agencies activities. This partnership on a long-term permanent basis would certainly be beneficial to all parties.

2. Apex agencies as catalysts for social dialogue and decent work issues. One of the clear successes of national apex agencies has been their ability to bring together public and private sector partners to address employment-related skill issues in a practical way. The potential to expand on this partnership in areas related to social dialogue needs exploration.[16] Models in the region that should

[15] The ILO Caribbean Office in collaboration with the US Department of Labour is undertaking in 2002 a major strengthening of labour market information systems in the region. A component of the project will be the revision of the national occupational classification directories in Jamaica, Barbados and Trinidad & Tobago, materials that will be helpful in a career guidance information system.

[16] The National Council on Technical and Vocational Education and Training (NCTVET) in Jamaica and the Industrial Training Councils in Trinidad & Tobago are examples of successful public and private sector partnerships addressing skill recognition and national TVET frameworks.

be explored as good practice examples in promoting partnerships include the National Council on Technical and Vocational Education and Training (NCTVET) in Jamaica or the work of Industrial Training Councils in Trinidad & Tobago.[17]

3. The establishment of national TVET coordinating bodies and the projected range of responsibilities indicated during our discussion point to the need for new types of management systems for apex agencies. For example at the regional level a coordinating mechanism is needed to bring human, financial and technological resources together to promote knowledge exchange both at the regional and international level.

   Much of this knowledge management role that apex agencies will have to handle could be enhanced by regional level supports. As apex agencies become responsible for gathering and disseminating labour market information and documenting and promoting skill recognition frameworks, their need for organizational support will also increase. Inputs by CARICOM and international agencies like the ILO in this area should be considered in future regional planning initiatives.

4. Trend number 3 highlighted issues related to the value of knowledge exchange. Accelerating this process through the greater use of information technology both nationally and international is an area for not only apex agencies but international organizations like the ILO and UNESCO to address in their joint efforts on vocational and technical education and training. Career guidance and information systems are poised to have a positive impact in the Caribbean in light of the trends described.

In closing I am reminded that the most effective way to build on the forecasts identified by the study of trends requires that national apex agencies be responsive to the public and broader private sector. The experiences of apex agencies in the Caribbean demonstrate that the process is moving in the right direction. Whether we are successful or not will be a topic for our next ILO seminar. I look forward to continuing our discussions.

[17] (NCTVET) operating in conjunction with the Heart Trust NTA in Jamaica while Industrial Training Organizations (ITO) are affiliated with the National Training Agency in Trinidad & Tobago.

FINAL REPORT

Inter-American Tripartite Seminar on Training, Productivity and Decent Work

Background

A dialogue about the various central concerns of the realm of labour has always been a main area of work for the ILO. This event was devoted to dialogue and discussion, on this occasion about occupational training in the region.

There were several reasons that justify an event of this nature.

- The transformations that have occurred in the financing of vocational training, as well as in the roles and responsibilities of various actors in the design, management and application of training programmes.
- The emergence of new alliances and forms of collaboration among institutions and socials agents in the region.
- Participation of trade unions in the development of vocational training and in the implementation of employment, income generation and education policies, as well as private initiatives in the design, management and application of vocational training.
- Participation of labour and education ministries and local communities in training.
- Renewed importance of tripartite management in training, and advent of new funding arrangements and mechanisms.
- Recognition of competency based qualification standards and creation of national certifications systems.

The Seminar afforded an opportunity to share ideas, experiences and facts to build up a new recommendation on the training of human resources, and to pave the road for the discussions that will take place in the next International Labour Conference in 2003.

It was also a good setting for bringing together the experiences of governments and social actors, researchers and professionals, for the exchange of national and

international views on promoting the development of knowledge and abilities in order to achieve higher levels of performance and offer men and women better opportunities of decent work.

Objectives

Exchanging and disseminating national, regional and international experiences about reforms in training policies that may promote greater investment in learning, the recognition of competencies and development of training frameworks in a context of improved productivity and decent work.

A concern with the new forms of institutional organization of training, the growth of investments in that field and the development of clear-cut mechanisms for recognising competencies led to work on three main subject areas: i) innovation policies and reforms promoting the development of knowledge and skills in the labour force; ii) national and regional systems for the recognition and certification of abilities and qualification frameworks; and iii) policies and mechanisms promoting greater investments in knowledge and skills, training in enterprises and the respective roles of different actors in the process.

Seminar structure

The Seminar included technical sessions on each one of the subject areas. The topics for each session were planned by ILO officials and experts who prepared documents and presentations. The tripartite representatives then gathered in working groups for in-depth discussions of them, and submitted their conclusions to the plenary.

The working groups were organised into three sub-regions. The first one, English-speaking Caribbean, was made up by Jamaica, Barbados and Trinidad & Tobago and was later joined by Canada. The second one, South America, included Argentina, Brazil, Chile, Colombia, Paraguay, Peru and Uruguay. The third one, Central America, gathered El Salvador, Guatemala, Honduras together with Panama and Mexico.

The social actors represented in each group prepared presentations on the basis of a number of questions that had been distributed to them as debate guidelines. A member elected by each group submitted their respective conclusions and recommendations.

This methodology optimised participation by all the social agents attending the event.

Participants

The meeting was attended by high government officials and representatives of employers' and workers' organizations, all of them with responsibilities in the management of training institutes, ministerial departments, and employers' and workers' organizations involved in the development of human resources.

There was a total of 61 representatives from 18 different countries of the region, and more than 20 local and international observers.

REVIEW OF THE MAIN IDEAS UNDER DISCUSSION

Session 1: Innovative policies and reforms in the management of vocational training for the development of worker's competencies

Several experiences by the countries in Latin America and the Caribbean were presented as examples of adapting the policies, forms of organization and management of vocational training to the rapidly changing economic and social situation in the region.

Based on such experiences it was found that, unlike previous years, there is no single model of vocational training organization and management in the region. While national or sector institutions are still fundamental agents in several countries, new management schemes have emerged basically as a result of a more active and direct action by the Labour Ministries.

In some countries the national institution model, tripartite or managed by employer organizations, funded with specific taxes on company payrolls, continues to be the prevailing institutional arrangement. In other countries, the management of policies in this field is basically the responsibility of the Labour Ministry which, in some cases, relies on participation of social partners in management. Lastly, there are also countries where both organization models coexist, albeit with different rationales.

Nevertheless, the transformation of training does not end there. In general, the region is found to have at least two more trends: the increase in supply of private training; and greater participation of employers' and workers' organizations in this field.

Beyond the diversity of organizational arrangements and management schemes for vocational training, the actors involved in every country are dealing with a series of common challenges:

- To overcome the historic constraint of a significant proportion of the population not having achieved an acceptable minimum level of basic learning which hinders the development of general and specific competencies.
- To achieve further and better coordination between vocational training, and all other forms of learning, in order to provide people with lifelong learning/training opportunities.
- To update and adapt vocational training systems and policies to the changes in the labour market, society and new technologies.
- To enhance the contribution of vocational training to productive and labour market policies, as well as to all policies that promote social integration and cohesion.

With respect to the first objective, it was noted that it is necessary to increase public investment in basic learning, and to adjust methodologies and intervention strategies.

Coordination between the systems of vocational training and general education is increasingly viewed as an urgent need. There are several examples of mechanisms which improve coordination and facilitate linkages between different systems of learning and training.

Different alternatives are being tested to reform and update vocational training systems. One alternative is to focus on productive sectors, supply chains and social groups requiring special qualifications. Another is the diversification of institutional actions towards developing several technological services. The participation of the social partners in management and social dialogue on training is increasingly instrumental in policies and institutions which reflect the requirements of a changing social and economic order.

Moreover, the contribution of vocational training to active labour market and income generation policies can be strengthened by having social dialogue at national, local and sector levels.

Session 2: Investment in vocational training: the role of the social players

The national experiences and cases throughout the seminar reveal diversification in the forms of funding vocational training compared to past practices.

Although the traditional forms such as quasi-fiscal taxation and budgetary allocations continue, new alternatives have emerged. These include tax exemption systems, public funds collected from contributions by companies and employees and managed by tripartite entities. Other combinations include strategic alliances between various actors and agencies, which not only provide economic resources

but also infrastructure and teaching materials. International cooperation also plays a leading role in several cases.

It was agreed that it is necessary to increase both public and private investments in vocational training. However, it was also mentioned that this effort should be accompanied by efficient, effective and transparent management of existing resources and funds.

Social dialogue was considered to be a useful tool for developing new schemes of funding and promoting investment in vocational training. Its role was also considered important in making training fund management transparent.

It was concluded that a combination of schemes and devices is necessary for addressing the needs of both the modern and traditional sectors, and the needs of employees in the formal and informal sectors, the unemployed and those in vulnerable conditions.

The concentration of public funding in vocational training programmes on initial training or re-training, and promotion of private investment in continuous and in-house training was demonstrated as a possible strategy.

Similarly, the incentive to set up effective and transparent mechanisms for regulating quality and effectiveness of training policies, as well as undertaking impact and cost-benefit analyses of the various alternatives, was considered an important recommendation.

Session 3: Trends in recognition and certification of labour competencies: the role of training systems

It was noted both in the plenary sessions and working groups that competency certification was an important policy mechanism for addressing the skill recognition needs of both employers and employees.

Nevertheless, it is found that there are several approaches to the design of certification systems. They have in common the concern for better quality and achieving an effective involvement of employers and employees as guaranties of such quality.

The members of the plenary stressed the importance of certification as an element affecting the quality of the training process, in both training institutions and the workplace.

There was major interest expressed in developing pilot approaches in specific critical sectors, important for generating employment and where certification contributed to improved performance and more relevant training.

The countries have endeavoured to identify successful experiences at an international level. Detailed study of such experiences permits them to progress in defining and structuring their own certification models.

The participants emphasized the need for such models to respect principles such as equity, access, reliability and legitimacy, in order to develop transparent certification and quality control systems. Emphasis was given to the important role of the government in regulating certification systems rather than intervening in their execution.

Discussions also addressed the widespread possibilities for certification systems to include the informal economy and groups more prone to unemployment and social exclusion, and facilitating their integration in the framework of decent jobs.

It is of the utmost importance for certification systems to have funding mechanisms, if they are to eliminate many barriers to access and to enable the inclusion of large groups of workers in such processes.

CONTRIBUTIONS OF THE SUB-REGIONAL WORKING GROUPS

TECHNICAL SESSION 1: *Innovative policies and management reforms to promote the development of workers' knowledge and skills*

Sub-topic 1: Literacy, basic learning and training for everyone: Which learning and training policies should governments and members adopt to develop individual employability and basic labour competencies?

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The group found that the three questions were multifaceted. Before addressing the questions, the group confirmed that

> "every *citizen should be ensured equal access to, and completion of, a secondary education that will provide the literacy, numeracy, computer, core work, and other skills that individuals need for living and* working in the knowledge society"

On the particular questions, the following answers were suggested:

- Education and training policies should be developed in equal partnership between government, employers, trade unions, training providers and other stakeholders.

- The social partners and the government should develop and maintain industry-led competency standards that are benchmarked nationally and internationally. Sector councils can facilitate this process.

- Government should lead policy reforms of post-secondary education and training in order to make lifelong learning and training effective and all-inclusive.

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- Lifelong or occupational learning does not exist. What does exist is learning as a lifelong process.

- It is necessary to eradicate illiteracy and ensure a basic education for everyone at the proper age. Therefore, it is not to be regarded as passive free learning but rather that it is necessary to have strategies for active free learning. All countries should strive for quality and pertinence in the eleven years of basic learning for everyone.

- Theoretically, basic and cross skills should be assured from basic learning, while specific skills are the responsibility of vocational training. Nevertheless, reality shows that vocational training has many people in its population – young and old alike - who do not dominate such basic and general competencies. Currently, then, the vocational training systems and institutions must contribute to achieve such learning goals.

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- All learning must be directed towards the world of work.
- People do not have the basic competencies for vocational training. Every worker must know how to read and write, communicate, dominate basic mathematics and handle new technologies.
- Integration of learning subsystems.
- Vocational training institutions should be those which orient learning programmes for work.
- Basic learning should be adapted towards a technical career.

- Vocational training students must have basic fourth grade education.
- Basic learning based on skills with a regional model for horizontal country-to-country mobilisation.
- Learning re-engineering.
- Lifelong learning to achieve individual and collective wellbeing.
- Learning at the different levels must have alternative options in vocational training according to the potential of each region.
- Learning must be lifelong and developed through labour competencies.
- Why learning? on what basis? what does the country need? to solve what? to determine the requirements.
- We must train non-mechanical individuals in order to reduce illiteracy, globalise culture-based learning, for lifelong learning and practice, to have full learning using as few technical tools as possible.
- Lifelong and vocational learning to combat occupational illiteracy.
- To have minimum standards.
- Each graduate must teach one citizen how to read and write.
- Public and private institutions must contribute towards literacy.
- Mechanisms for the government to concentrate its resources in basic learning.
- Academic education must have technical options.
- Youth guidance programmes.
- To promote technical learning stressing its vocational importance.
- To consider the rural zones and provide minimum labour guidance.
- To formulate regional learning policies.
- In order to integrate learning systems for horizontal and regional mobility, this integration must be based on competencies in written, oral and corporal communication; basic mathematical knowledge, and one which offers opportunity for technical side options.

Sub-topic 2: Training policies and reforms of the training systems: How can the learning and apprenticeship programmes respond better to the fast economic changes and in social requirements?

BARBADOS, CANADA, JAMAICA, TRINIDAD & TOBAGO GROUP

- Social partnership in education and training will ensure that policies and programmes are flexible and coherent, and that they are relevant to market and social needs.

- There should be a formalized process, whereby training stakeholders review, monitor, and ensure the relevance and effectiveness of the output of public and private training providers.

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- The fundamental pillars of vocational training are quality, pertinence, flexibility and integrality. Moreover, it must be directed by the concepts of social integration and attention to diversity.
- In striving for further pertinence of training actions, a number of institutions represented have made great progress based on focusing attention on productive sectors and chains.
- Socio-productive realities are extremely heterogeneous, even within the same country. Vocational training, in addition to attending the more dynamic and modern sectors of the economy, must bear in mind the unstructured traditional sectors and the more vulnerable social groups. It is necessary to understand each reality and make the necessary methodological and curricular reformulations.
- In contexts of slow economic growth, vocational training policies should be integrated with policies to ensure minimum subsistence income. Without it, it may be hard for vocational training to contribute against social exclusion.
- It is necessary to address public vocational training policies to the people. Further coordination is therefore necessary from the different State organizations and institutions to achieve a single integrated vocational training policy. On this matter, endeavours are being made in Argentina by the Ministry of Education, Science and Technology and the Ministry of Labour, Employment and Social Security to sign an agreement to set up an inter-ministerial area, which would become the “sole lookout” for training topics. The purpose of learning and training for everyone is to develop training institutional networks that match their experiences, knowledge and resources.
- The matching of training policies with economic and social change also requires, two complementary strategies: first, the development of vocational and qualification observatories; second, preparing flexible and modularised training routes based on identifying vocational profiles.

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- Further involvement in the productive system in the vocational training policies.
- To integrate the productive sector through twofold training.
- Concerning the technological and economic changes, the institutions must dictate policies towards organizational and technological upgrades and to include quality assurance systems to efficiently meet customer requirements: employers, employees and EAP.
- Human resources training must be based on labour competencies.
- To develop a national dialogue to set up different policies on various topics.

- The boards of directors of vocational training institutions must be tripartite and the ideas of the productive players prevail (employees and employers).

Sub-topic 3: Social dialogue on training: How can the social dialogue strengthen the "essence of learning and training" and the priority that society gives to competencie development?

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- Social dialogue provides an opportunity to develop an integrated national development and training plan that addresses the needs and concerns all stakeholders.

- Social dialogue facilitates the establishment and use of a National Training Agency as a vehicle to promote skills development.

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- Participation of social players in training management reports major benefits to the relevant institutions and policies. Employers shall foresee and ensure that the requirements in the productive sector are met. Participation of employees shall ensure that the requirements of individuals are met. Experiences in this context are to be found in Argentina (Management Councils of tripartite management centres), in Brazil (Deliberative Council of Employee Support Fund, state and local employment committees), in Uruguay in the sphere of the Labour Ministry (National Employment Board) and in the Vocational Technical Training Council (School Advisory Councils), and in all training institutions in South America that consider the participation of these players.

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- Pleasant working environment to achieve a keener competitive edge.
- To integrate vocational training actions with other sectors to achieve student productivity.
- Social dialogue tools with private companies for change in vocational training.
- Regional agendas shall be drawn upon vocational training to upgrade institutions and obtain new technologies.
- Various examples on participation:

- In El Salvador the largest car sales company has developed training by opening up apprenticeships for young people using the dual system, and has recently increased its participation such a programme.
- In Guatemala INTECAP was upgraded in its organizational, technical and quality assurance aspects. This permitted it to quickly improve the quality and pertinence of its supply. With the participation of the productive sector competence standards were defined and participated in preparing competencie programmes and certification, as well as beginning the ISO 9000 certification process.
- In Honduras, INFOP is working jointly with other institutions to set up a process ranging from capacity building to product marketing (UDECO). Each institution together with the community contributes and plays a role in the process.
- In the Dominican Republic all sectors involved participate in a national Advisory Committee, the purpose of which is to achieve a national vocational training policy. Sector technical committees exist to detect requirements and supervise the quality of the graduates. Dual training is very successful and has graduated 4000 apprentices in the past five years.

- A negative factor is the change in senior executives in vocational training institutions – lack of continuity in training policies and the institutions must be outside party politics.

TECHNICAL SESSION 2: *Training funding: the role of the social players*

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Question 1. What are the most effective strategies to promote more investment in training by government and the social partners, based on successful experiences?

1.1. Successful experiences include: Jamaica's levy (3%) on employers wage bill. The employer shares 20-25% of the training costs with the employee for training provided above the entry level standard of the worker. In Canada's Quebec province –i.e. not elsewhere in Canada– employers must spend 1% of their payroll on training their workers. If they do not spend 1%, they contribute the amount to a central fund. In Canada, trust funds have proven effective in raising resources for apprenticeship and trades training, especially when workers have no permanent relationship with the employer, e.g. in the construction industry. Other sources of investment in Canada include: regular unemployment insurance which provides apprentices wage replacement funds while they undergo training away from the

work place; some Canadian employers also provide training to meet business requirements. In Barbados, a levy of 1% (½% employer, ½% employee) is imposed up to a maximum of B$3100 per month. All education up to and including tertiary level is free. Government provides a training subsidy to trade unions and employers' organizations. In Trinidad and Tobago, foreign investors contribute to specific training funds in the energy sector; The government provides matching funds (Dollar for Dollar Programme)

1.2 General strategies to promote and encourage investment in training include: development of national competency standards; apprenticeship programmes; dedicated training funds; tax rebates; grants; and revolving loan schemes.

Question 2. What should be the role of government, workers' and employers' organizations in investing in training? What policies or practices promote a greater involvement of all social partners?

2.1. *Government* assumes responsibility for legislation, and for creating an "enabling" environment that encourages investment by all parties in training. Government should also provide financial contributions for training. *Employers' organizations* should contribute financially and provide employees paid training leave to participate in training activities. *Workers' organizations* should negotiate collective agreements that provide for training.

2.2. Policies and practices that promote social partners' participation include: advocating the national socio-economic benefits of more investment in training; providing individuals incentives to invest in their own and their children's future; and establishing dedicated trust funds that are managed by a tripartite board. All stakeholders should be involved in developing a national training policy. The system should be managed on a tripartite basis.

Question 3. What policies and measures can be developed to ensure that investments in training address concerns relating to equity, quality and cost-effectiveness?

3.1. Equity: Special programmes and initiatives should be targeted at disadvantaged and marginalised groups of people in order to ensure them equal access to training. Quality of training should be promoted by developing industry-led standards and certification. Cost-effectiveness can be promoted by developing job-based training; co-operative training programmes; apprenticeship programmes; and by aligning training to labour market needs.

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- In contrast to past years when there were basically only two funding schemes: quasi-fiscal contributions for training institutions and budget assignments; today there are, in addition to the earlier schemes, multiple forms of funding. For example: tax exemption, strategic alliances between players, international cooperation agreements, among others.
- The purpose of these different schemes is to meet training requirements of different groups and sectors. Some more effectively point to employees in the formal sector, others to informal workers or unemployed, others to vulnerable groups, etc.
- Although the increase in training investment is a goal in itself, resources should be managed from a systemic focus and through the participation of social players.
- The training from a systemic view helps level characteristics and contents of the courses and thereby guarantees equally valid certifications on a national scale.
- The topic of funding is not only based on the increase in economic resources but also basically on the enhancement of the existing knowledge, infrastructure and economic resources.
- Management must be competent, efficient and transparent, so that the social dialogue becomes a fundamental resource.
- Social dialogue is also a strategic tool both to define new methods of funding and to encourage a training culture.
- Training should be understood as the whole process relating to identifying needs, defining supply, curricular design, development of teaching resources and impact assessments after the actual training.
- Training is a workers' right, for this reason different ways are being considered for them to maintain this right and not solely for a more competitive economy.

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- To recognize the nature of investment which has funds for training.
- Collection mechanisms must be as effective as possible and give top quality and cover the beneficiaries.
- Payroll contributions should bring benefits for the country.
- The tripartite organization should benefit training.
- To support national and regional cooperation projects.
- To achieve further involvement of companies, as in the case of Dominican Republic and El Salvador which invested in on the job training (Dual System).
- To adopt selling strategies of specialised services.

- To encourage beneficiaries of training to participate in the costs.
- The institutions should be run and managed on a tripartite basis.
- The funds raised are handled in specialised institutions on a tripartite basis.
- To implement and/or reinforce social impact/cost-benefit assessment programmes, in which participation is tripartite.
- To guarantee that the Executive Boards of the vocational training institutions set up a strategic plan in which mechanisms are ensured for resources to be used with social justice and administrative efficiency.
- To urge governments to invest resource in vocational training.
- Independent and systematic assessments.

TECHNICAL SESSION 3: *Recognition and certification of labour competencies: the role of training systems*

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- *Difficulties*

- Culture of acceptance of traditional academic qualifications.
- Lack of system to identify non-certified skills (prior learning).
- Lack of resources (technical and financial).
- National and Regional coordination and promulgation of qualification systems
- Lack of proper nexus between academic education and vocational training systems.
- Inability of some of the social partners to fully participate in the process (particularly in reference to small and medium sized enterprises.

- *Recognition*

- Public awareness and acceptance of the need for recognition of skills gained informally.
- Benchmarking against national and international standards.
- Evaluation and documentation of skills gained informally (by accreditation bodies).
- Link to additional compensation.
- Articulation and equivalency with formal system.

- *Role of Social Partners*

- Cooperation in identifying issues and in developing and implementing systems.
- Active participation and resource allocation (including financial).

- Take responsibility for dissemination of information to stakeholders.
- Expand to include all communities of interest (NGOs etc.).

- *How International Agencies Can Help*

- By responding to requests from individual countries.
- By identifying benchmarks and best practices.
- By identifying funding.
- By sharing training and knowledge.
- By conducting research and surveys.
- By creating framework for international portability and recognition.

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- Certification is inevitable. Sooner or later, the workers and employers themselves will ask for certification.
- There are two meanings to 'competencies'. On the one hand, qualifications to proceed with further studies, and on the other, skills for the performance of an occupation or a given job.
- Difficulties in establishing which abilities are to be certified.
- Conflicts that the issue arises among teachers and trainers as a group.
- Resistance of trade unions to the issue of competencies, for fear of loss of power or occupational identity.
- Difficulty of the social actors to decide their level of participation in the subject. Need for the State to act as facilitator of agreements among private agents, without monopolising the issue or shedding its responsibility for guaranteeing equity to the system.
- Costs of certification processes. It is out of the question that workers should bear them in Latin American economic realities. If employers assume the responsibility, they will no doubt do so in proportion to the impact certification may have on their productivity.
- Potentially double exclusion arises from the above: workers cannot afford certification costs, and employers will only pay for them selectively.
- The setting of standards poses another difficulty. Standards should be established according to realistic criteria and not by norms of excellence.
- Certification systems should be flexible, with a safety net for workers unable to reach the standards required.
- There is not much social dialogue on the issue.
- It has low social visibility.
- As there is a forward shift of training requirements, the certifications issue may serve to legitimise that excessive demand for qualifications.

- Regarding international organizations, their collaboration with Latin American countries in building systems for the certification of competencies or accreditation of abilities, is basically a matter of financing and transfer of knowledge. Supporting the actors that have to take part in this issue and promoting their bargaining ability.
- It will also be very useful to us if, apart from letting us know about their successes, our friends should tell us about their difficulties and bad experiences. Our impoverished countries cannot afford to finance any more failures.

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Which are the greatest difficulties faced by countries?

- An empirical approach to vocational training.
- Lack of national regulations in vocational training.
- Negligence of human capital in recognising qualifications acquired through practical work experience.
- Prevalence of the academic approach in formal systems (diplomas).
- Proliferation of isolated training programmes.
- Lack of information about the advantages of vocational training.
- Low educational level of societies of the region, that fail to recognise the importance of vocational training.
- Resistance of the population to accept training.
- Lack of a positive mental attitude concerning new forms of training.
- Education for practical work tends to be seen as second rate, despite the fact that it often leads to higher incomes.
- Difficulties in labour relations. This affects motivation to get training (construction industry). No social security is provided in this sector or others.
- Shortcomings of formal education. Lack of integration and coordination in educational system.

Greater recognition of informally acquired skills and competencies.

- Development of systems that include standardisation and certification.
- Devising information programmes about the advantages of certification.
- Informal education systems are not contributing to vocational training.
- Employers should rely on certification systems, which promote the mobility of workers.

What is the role of the social partners in improving certification?

- Getting participants involved along the whole training process, up to and including certification.
- Disseminating the advantages of certification.

In which way may international organizations help?

- Supporting the process of adopting certification, in line with the individuality of each country.
- Supporting the dissemination of experiences in the recognition of occupational competencies.
- Promoting the advantages of achieving occupational standards of regional application.
- Providing resources for training of the social actors involved.

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