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## Agenda-setting for VET policy in the Western Balkans: Employability versus social inclusion

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### **Abstract**

Over the last decade, the Western Balkan countries have sought to modernise their vocational education and training (VET) systems, adapting them to the needs of their emerging market economies. Within the framework of the European accession process, the policy agenda for VET policies has been strongly influenced by a range of international and domestic policy entrepreneurs. This complex policy process has given rise to tension between policies that seek to frame the problem either as one of employability and skill mismatch on the one hand versus those that frame the problem as a challenge of social inclusion on the other. By examining the VET policy process in the Western Balkans, we show that national policies have been more strongly oriented towards the promotion of employability and the adaptation of VET systems to labour market needs, rather than to policies designed to overcome social exclusion and discrimination. Among the factors driving this economic view of VET, we underscore the roles of various domestic and international policy entrepreneurs, including ministries in charge of education, employment and social policy, social partners, the European Commission, and bilateral and multilateral donors. We conclude that increased cooperation is needed between international and domestic policy entrepreneurs who favour inclusive education systems in order to place social inclusion higher up on the VET policy agenda.

Key words: Agenda-setting, policy process, VET, Western Balkans, social inclusion

## 1. Introduction

Since the collapse of the former Yugoslavia, several international actors have sought to promote state building and institution building reforms to help Western Balkan countries to develop effective political and economic systems (Elbasani, 2008; Bieber, 2011). The countries of the region have been involved in a deepening process of EU integration, and their national priorities for vocational education and training (VET) have been influenced by EU policy conditionality and by the interventions of bilateral donors as well as by domestic interest groups. This complex policy process has shaped different policy emphases for VET reform, either as an agent of social inclusion or as an instrument for reducing skill mismatch and meeting the needs of the labour market.

In this article we explore the nature of the VET policy process in the Western Balkans, and identify the role of different institutional actors in promoting an inclusive vision versus an employability vision of VET, and show that the latter vision has gained priority in the reform process. Much research on EU enlargement policy has explained policy outcomes as either driven by rational calculations of EU member states and institutions regarding gains or losses, or driven by policy learning and socialisation mechanisms (Noutcheva, 2009; Thomas, 2011). In this article, we attempt to go beyond the rationalist-constructivist divide and add a complementary analytical lens provided by the agenda-setting framework, which emphasises how issues are framed, how agendas are set, and how policy entrepreneurs influence the policy process (Kingdon, 1984; Princen, 2011). Our aim is not to advance or test any theory; rather, we offer some conceptual tools in order to explore the VET reform process. Methodologically, the article draws upon the analysis of policy documents, legislation, policy reports and several in-depth interviews with national stakeholders involved in VET.<sup>1</sup>

The article is structured as follows. In the next section we analyse how VET policy has been framed in European documents and policy strategies (section 2) and we explore the role of competing policy entrepreneurs (section 3) by focusing on international actors and donors agencies. In section 4 we examine the legislative and institutional framework and we assess to what extent it reflects a vision of VET as contributing more to social inclusion or more to market compliance. A final section concludes.

## 2. Setting the agenda and framing policy

The process by which interest groups bring policy issues to the attention of policy makers is referred to as a process of “agenda-setting” (Kingdon, 1984). Effective control of the policy

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<sup>1</sup> The analysis also draws on research carried out within the context of an ETF-funded project on “Mapping of VET Educational Policies and Practices for Social Inclusion and Social Cohesion” between 2012 and 2013 and subsequent research by the authors at the LSE European Institute.

agenda involves mobilising effective support in appropriate policy “venues” or institutional structures, and “framing” or defining the issues so as to attract the attention of the relevant policy makers (Princen, 2011). The way a policy issue is framed affects the range of potential solutions to a specific problem and the access of actors to potential political venues, while the influence of specific frames may be enhanced if they are aligned with public moods and wider societal concerns (Rhinard, 2010).

The ideas that VET may improve employability or support social inclusion are examples of framing. Since the launch of the Lisbon strategy in 2000, the EU has given an increasingly important role to education and training systems. Under the knowledge economy “umbrella”, the issue of modernising education systems by improving their adaptability to labour market needs has been on top of the political agenda (Nagel, 2009). The dual priorities of employability and social inclusion were integrated into the Copenhagen Declaration of 2002 that focused on framing a European policy approach for VET. However, the evolution of policy in the EU through the Copenhagen Process is constantly veering towards an emphasis on employability. VET programmes in the EU have been designed to promote competitiveness by encouraging labour mobility, a main aim of the European Qualification Framework (Ertl, 2006). Under the Copenhagen principles, the Europeanisation of VET involves the deepening of cooperation at the European level to facilitate labour mobility, supporting improved information, guidance and counselling, enabling the transferability and recognition of competences, and promoting quality assurance. The Maastricht Communiqué of 2004 took this further by putting on the agenda the development of learning-conducive environments both in educational institutions and in the workplace.<sup>2</sup> In this, the dual systems have an advantage, while the scholastic systems try to compensate by means of work placements.<sup>3</sup> The Maastricht Communiqué underlined the requirement for VET systems to cater for the needs of disadvantaged people and groups. In later communiqués from the European Council, the definition of the European approach to VET was gradually reframed to give more prominence to the pressing issue of employability and the role of VET in matching the needs of the labour market. The Bordeaux Communiqué of 2006 emphasised the need to create better links between VET and the labour market. The Bruges Communiqué of 2010 emphasised the need for VET to adapt to labour market evolutions and understand emerging sectors and skills. The

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<sup>2</sup> See “The Copenhagen process: enhanced European cooperation in vocational education and training” available on the EUR-Lex website.

<sup>3</sup> Grollman & Ruth (2006) distinguish between the French scholastic system of general secondary education and the German dual model both of which have been influential in spreading ideas about education systems throughout Europe. Scholastic systems are school-based education systems that are often differentiated into vocational schools and non-vocational grammar schools (sometimes called gymnasia). Both have a focus on theoretical learning, which in vocational schools may be supplemented by some short periods of work experience that is usually not integrated with the school-based curriculum. In contrast the dual system of VET prioritise apprenticeship routes or work-based practical education that links schools with companies as places of learning, designed to teach work-based competences.

norm of social integration has therefore been less prominent on the EU policy agenda than the norm of employability (Powell, 2012: 17). Yet, in EU policy documents there is also a strong focus on the idea that VET should be open to all, and should serve disadvantaged individuals such as those with special educational needs, minority groups, and school dropouts, among others (Powell, 2012).

EU policy towards VET has crystallised in the Education and Training 2020 strategy “ET 2020” (Council, 2009) which emphasised the need for promoting lifelong learning and ensuring that VET systems become more responsive to change. The norms of equity and social cohesion are firmly established in the ET 2020 strategy, and are justified on the grounds that “all citizens, irrespective of their personal, social or economic circumstances, can continue to develop job-specific skills throughout their life” (Council 2009). This theme was reinforced in the Council conclusions on the social dimension of education of May 2010, which emphasised that a diverse VET system can provide much needed routes for individuals to improve their qualifications and thus access the labour market (Council, 2010). In 2014, the European Commission established eight Working Groups under ET2020, including one on VET. Of the 20 guiding principles established by the Working Group none refer to the issue of social inclusion, the main focus being on establishing apprenticeship systems and on deeper cooperation between vocational schools and the business sector (EC, 2016).

### **3. Policy entrepreneurs in the Western Balkans: setting the VET policy agenda**

In the agenda setting literature, the actors who seek to promote policy ideas designed to bring about policy change are known as “policy entrepreneurs” (Mintrom and Vergary, 1996). Policy entrepreneurs are individuals or institutions with access, time and resources in a specific policy sector that aim to build consensus and coalitions around certain issues (Kingdon, 1984). They set the policy agenda, frame the policy issues, and identify and create policy venues. As agents for policy change, they promote policy issues and ideas to policy communities, aiming to gain acceptability for a policy.

Several policy entrepreneurs can be identified in the VET policy sector in the Western Balkans. They include the EU, which influences domestic policies through the enlargement process, international donors with special expertise in VET policy, and domestic policy entrepreneurs including business councils and competing political actors that have been influential in shaping government policies. In addition to the EU, international donor agencies from Germany, Luxembourg, Austria and Switzerland have been the most active policy entrepreneurs setting the agenda for VET policy. They have supported VET reform by funding school projects, modernising the curricula in pilot schools, and promoting the inclusion of vulnerable students in the VET system. Most of their efforts to reform VET systems have been aimed at preparing students to enter the labour market by broadening and revising curriculum profiles.

In support of their policy interventions, international donors disbursed an annual average of about US\$19 million on assistance for VET development and reform in the Western Balkans over the period from 2010-2014, equivalent to about \$1 per head of population (see Table 1), or 1% of their total assistance to the region. The largest donor has been Germany with an annual average assistance budget of US\$6 million, closely followed by the EU institutions with an annual average of US\$5 million. Across recipient countries, Albania and Serbia have received the largest amount of funding in per capita terms. This may be because of their importance as the largest countries in the region in terms of population and hence the most threatening for donors in terms of potential migration pressures, which as noted above the bilateral focus on VET policy may be, at least in part, designed to offset.

**Table 1: International aid disbursements for VET in the Western Balkans, annual average 2010-2014 (US\$ per capita)**

	Albania	Bosnia and Herzegovina	Macedonia	Kosovo	Montenegro	Serbia	Western Balkans
Germany	3.30	0.16	0.02	0.20	0.01	1.13	0.33
EU Institutions	0.52	0.38	0.01	0.25	0.00	1.20	0.28
Luxembourg	0.00	0.00	0.00	0.34	0.32	0.00	0.20
Switzerland	1.29	0.47	0.00	0.07	0.00	0.03	0.13
Austria	2.12	0.33	0.00	0.02	0.00	0.07	0.12
Norway	0.00	0.00	0.05	0.15	0.00	0.04	0.07
UK	0.01	0.00	0.03	0.04	0.00	0.05	0.03
Italy	0.46	0.02	0.00	0.01	0.00	0.00	0.02
All donors	7.70	1.36	0.12	1.07	0.33	2.54	1.17

*Source: OECD International Development Statistics online database and population data from Eurostat, authors' calculations*

In the rest of this section we set out our findings in regard to the influence of different policy entrepreneurs in framing the issues and influencing the policy agenda in the Western Balkans. The evidence shows that the main champions of inclusive education have been the European Commission, the ETF, the Council of Europe (CoE), United Nations Development Programme (UNDP) and the Austrian Development Cooperation (ADC), although almost all donors have had some concern for social inclusion issues at some level. However, the main focus of most other donors has been on framing the VET problem as one of employability with a focus on creating a greater alignment of VET profiles with labour market needs and employer demands. The World Bank is an interesting policy entrepreneur in this field, as it has recently switched from framing the issue as one of employability to one in which both employability and social inclusion have a mutually supportive role to play in generating the benefits to society from a reformed and more effective VET system. While the EU and other international donors have struggled to keep social inclusion on the VET policy agenda, domestic policy actors have generally been less concerned about this issue. In consequence the donor influence has been

relatively weak and in practice employability concerns have tended to dominate the policy agenda over social inclusion as a function of the VET system.

### *EU as policy entrepreneur*

The EU has played the role of policy entrepreneur in shaping the policy goals for VET within the framework of the Copenhagen Process. In doing so, it has played an important role in asserting the principle of inclusive education. The EU's 2015 Enlargement Strategy emphasised the principle of upholding fundamental human rights with special attention to improving the access of the region's Roma minorities to vocational education, while also emphasising the need to improve education systems in support of economic development and competitiveness (EC, 2015a). However, this message is rarely transmitted to the Western Balkans, and the EU voice in this respect appears to be rather weak, despite notable project interventions based on the social inclusion principles.

Alongside the Enlargement Strategy, the European Commission regularly issues a set of "country progress reports". For Albania, the 2015 Progress Report recommended that Albania should continue the restructuring of the VET system with a view to improving its relevance for the labour market (EC, 2015b: 29). It also noted that most children with disabilities remain excluded from vocational education. The Kosovo Progress Report noted that insufficient provision of vocational education is a barrier to new businesses entry, and recommended that the VET system should be modernised to make it more responsive to the labour market (EC 2015c: 46). The Serbia Progress Report commended reforming the VET system to better meet the needs of the labour market (EC 2015d: 65), and noted that the efficiency of the education system needs to be improved by gearing vocational education more to labour market needs (EC, 2015d: p. 29). The Macedonia Progress Report noted that although some progress had been made in modernising VET programmes, most programmes still do not match the demands of the labour market (EC, 2015e: p. 67). The main weight of the analysis and of the recommendations proposed by the European Commission in their progress reports and enlargement strategy is to frame VET policy as means to align vocational education more closely to employer needs, with far less concern for the social inclusion function of vocational education in the region.

The EU has not only acted as a policy entrepreneur in framing the policy debate on VET as a solution to unemployment and poverty, but it has set up specific forms of intervention and has provided financial support through the CARDS and IPA assistance programmes. For example, in Serbia, the EU has funded a €25 million VET Reform Programme since 2003. The aim of the reform has been the development of VET based on the needs of the economy and the labour market. The first phase of the programme involved rehabilitation of 49 schools, provision of IT equipment in 55 schools and training of 1,000 teachers in newly designed curricula.<sup>4</sup> The

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<sup>4</sup> See: <http://www.vetserbia.edu.rs>

second phase from 2005 till 2008 involved introducing new curricula in 22 pilot schools. The third phase, which lasted up to 2010 introduced new curricula in a further 74 vocational schools. However, the pilot project covered only one fifth of educational profiles and reached only 15% of students. The fourth phase from 2010 aimed to disseminate new curricula in two study areas to all schools. However, domestic policy actors resisted the reforms to the vocational education system (Bartlett, 2013a).

For the Western Balkans, the European Training Foundation (ETF, an EU Agency based in Turin) has been active in the process of framing policies and setting the policy agenda for that region. In 2010, inspired by the Bruges Communiqué, the ETF established the “Torino Process” as a Western Balkan counterpart to the EU’s Copenhagen Process. The policy agenda promoted by Torino Process includes the need for a comprehensive approach to VET reform that overcomes existing divisions of policy responsibility among ministries and agencies in the region, a renewed focus on the employability of young people and adults, the adoption of broader and better targeted measures for vulnerable groups, improved teacher training capacity, embedding key competences in the VET curriculum, and greater involvement of social partners in VET with an emphasis on sector councils (ETF, 2013). It is notable that the ETF has kept the issue of social inclusion on the agenda in the Western Balkan region, not least through its research activity into the role of VET as a vehicle for social inclusion and social cohesion, on which some of the articles in this special issue have drawn.

The Council of Europe, with financial support from the European Commission, has also framed the VET policy issue as essentially one of social inclusion. A sizeable project launched in 2012 “Regional Support for Inclusive Education in South East Europe”.<sup>5</sup> The three-year project was implemented in Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia, Macedonia and Kosovo. It aimed to enhance social inclusion and cohesion by promoting the concept of inclusive education as a reform principle promoting diversity, in the context of the region’s EU accession process. It sought to develop the capacity of 35 schools, including 12 vocational schools, in the practice of inclusive education, providing a small amount of funding to each school for specific projects geared to enhancing the schools’ abilities to implement an inclusive educational approach to learning. The project, although worthy, was rather small in scale and there are few signs that governments of the region are ready or willing to take up the successful pilot examples and disseminate them more widely throughout the school systems.

### *International donors*

The role of international donors as policy entrepreneurs should be taken into account when analysing VET reforms because they have been widely engaged in reforming VET systems. Several international donors are actively involved in supporting VET reform initiatives through financial aid and technical assistance. These donors include international organisations,

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<sup>5</sup> See: <http://pjp-eu.coe.int/en/web/inclusive-education/home>

bilateral agencies such as the German GTZ, SDC of Switzerland, ADC-KulturKontakt of Austria. Multilateral donors as the UNDP and the World Bank have also been involved in setting the policy agenda as well (Bartlett et al., 2014). As non state actors, donors do not have as much material power as state actors, yet they can promote ideas, beliefs, scientific evidence and exert a moral strength that gives them significant influence and legitimacy (Keck and Sikkink, 1998). Even though donors have been strong supporters of an inclusive approach, some critics argue that donor support in the region can be seen as a way of implanting a neo-liberal western agenda in countries which do not necessarily want it or have different needs (Fagan and Sircar, 2012). In the rest of this section we identify the way in which different donors have framed the policy problems and promoted specific policy solutions onto the agenda for VET reform in the Western Balkans. We begin with the largest international donors before turning attention to the multilateral donors active in VET policy making.

VET has been a key pillar of Austrian Development Cooperation (ADC) on the grounds that a functional and efficient VET system is essential for the sustainable social and economic development of ADC's partner countries.<sup>6</sup> According to its public pronouncements, ADC has designed its VET interventions in relation to the labour market needs of its partner countries. In Albania, ADC aims to link VET schools with the private sector and to promote internship and inclusion into the labour market. KulturKontakt, an Austrian cultural agency, has supported the upgrading of VET curricula and teaching materials, the training of teachers, the organisation of training firms, as well as liaising with businesses and organising student internships (ETF, 2015a).

The broad context of German interest in VET policy is the high level of unemployment in the region and the consequent potentially large migration flow to Germany. German aid policies have therefore been designed to create jobs in the region and improve the attractiveness of the region of German and other international investors. To take the example of Serbia, where GIZ has been active as a VET policy entrepreneur since 2003, its current focus is on sustainable growth and employment.<sup>7</sup> It has identified “windows of opportunity” for new policy initiatives whenever companies have approached it for assistance, or when schools became enthusiastic for change. These opportunities have enabled a new model of “cooperative training” to be developed and introduced. On this basis, GIZ has assisted reform of three VET profiles in Serbia since 2012: electrician, welding, and industrial mechanics. All of these profiles are in high demand by German employers, such as Bosch, which needs skilled workers for a factory that it has opened in Serbia. In its role as policy entrepreneur, GIZ has framed the policy issue as the gradual introduction of a modified form of the German “dual education” in Serbia. In the German system, young people are employed as apprentices in companies and attend vocational school on a part time basis. The system is employer led, unlike the Serbian system

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<sup>6</sup> See: <http://www.entwicklung.at/en/news/successful-cooperation-with-albania/>

<sup>7</sup> The material in this section is drawn from an interview carried out with GIZ staff in Belgrade in February 2016.



where vocational education is school-based and led by the Ministry of Education. The focus of the GIZ policy agenda has been to introduce a system of “cooperative training” in Serbia. This offers vocational school students on three-year courses an opportunity to gain work experience in local companies. Under this approach, first-year students are taught full-time at school. In the second year they gain work experience in a local company for two days a week, and in the third year for three days a week. The programme is limited to schools that have developed good links with companies that are willing to take on students for work experience. The students do not get paid but receive a scholarship or expenses in recognition that they are not “working” but are receiving training. GIZ pays mentors within the companies who are trained in teaching methods. GIZ has also signed a Memorandum of Understanding with the Serbian Chamber of Commerce and Industry to promote the dual education system among its business members.

The Swiss Development Cooperation (SDC) has helped to reform VET systems to meet the needs of the private sector (SDC, 2015). In Albania, students in 25 vocational schools have been given practical training to prepare them for job market. The SDC has introduced new teaching methods and materials, created new curricula for about 20 professions, trained teaching staff and assisted 4,000 graduates make the transition to work. The Swiss dual education system has been the model for these interventions. Courses have been closely connected to practice in the workplace and geared towards the demands of the job market, and potential employers and private companies have participated in their planning and implementation. In contrast, Swiss aid in Serbia has focused more on inclusive education and has supported the inclusion of Roma, disabled and other marginalised children in mainstream schools. “Best practice” models of inclusive education have been introduced in over 70 towns and municipalities contributing to increased school enrolment of Roma and disabled children by 25% and decreased dropout rates (SDC, 2014).

As a policy entrepreneur, the UNDP has become a champion of the role of VET in promoting social inclusion in the region. The United Nations Development Programme (UNDP) has a small budget and operates primarily as a policy advocate, trying to frame VET as a social inclusion issue and keeping this perspective on the policy agenda by funding technical assistance to advise on strategy papers in addition to more active interventions. In Albania, a project “Addressing Social Inclusion through Vocational Education and Training” has been implemented by UNDP and the International Labour Organisation (ILO) in partnership with the Ministry of Labour, Social Affairs and Equal Opportunities, the Ministry of Education and Science, the National and Regional Employment Offices and the municipalities of Fier, Lezha and Elbasan. The project is designed to facilitate access to VET for vulnerable groups by building the capacities of the national and local institutions to support the inclusion of marginalized and socially excluded groups in the VET system.

The World Bank has long framed the issue of vocational education policy through the lens of human capital theory. Its position has been that “without reforms [to vocational education systems], these countries will not be able to supply the human capital needed for investment- and then innovation- led growth” (World Bank, 2007, p. 16). This perspective gives rise to specific proposals for the policy agenda. For example, reforms should not involve more spending on education, but should focus on increasing the efficiency of the current educational resources. The funding of education systems should change from input-based funding (proportional to the number of teachers) to output-based funding (proportional to the number of students and their choice of school) (Sondergaard, et al., 2012). Vocational schools should provide more general transferable skills and abandon attempts to provide sector-specific skills, partly on grounds of cost, but also to provide more flexible skills base for vocational graduates entering the labour market. Finally, employers should become more active in providing job-specific training, either individually or through a training levy, and public vocational education should be developed at the post-secondary level of education. More recently, the World Bank has re-framed its approach by introducing the concept of “shared prosperity”, meaning that reducing income inequality should be a main aim of policy in addition to the traditional World Bank strategy of promoting economic growth through supply-side reforms. In relation to education, the new asset-based policy frame argues that the delivery of low quality education services can hinder the chances of the least well-off to accumulate the human capital needed to access employment opportunities (Bussolo & Lopez-Calva, 2014). Exclusion from education is undesirable because it prevents the accumulation of human capital. This re-framing of the problem has brought the issue of addressing social inclusion back onto the policy agenda. The shared prosperity approach emphasises the damaging effects of social exclusion on growth, and the need for a more inclusive education system for underpinning human capital development.

### *Domestic elites*

Employers in the Western Balkans typically have little connection with vocational schools. Facing a dire economic situation, most employers consider that taking on apprentices or interns would be a business cost rather than an opportunity. Neither Chambers of Commerce nor Foreign Investor Councils actively lobby governments on the need to improve or reform VET, let alone on the need to ensure that VET fulfils a social inclusion function through easing access for disadvantaged and minority groups. For example, the Serbian Chamber of Commerce and Industry has a Centre for Vocational Education and Training which states on its website that “[t]he Center is widely known for its seminars, eminent lecturers and training programs. It has become the leader in providing the training programs” and little else.<sup>8</sup> The Serbian Foreign Investor’s Council White Book has a lengthy chapter on education but has no mention of VET as a contributor to attracting foreign investment. Although it recognises that “[t]he education

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<sup>8</sup> See: <http://www.pks.rs/ONama.aspx?id=383&p=0&>

system still has to be ... better linked with the business community to reduce the gap between education and employers' competency requirements, and to improve Serbia's image as a potential investment location" (FIC, 2015, p. 56) it has no policy recommendations other than the education system should be improved. Consequently governments find it cost-effective to download EU policy frameworks, especially as this chimes with the EU enlargement agenda and the accession process.

This vacuum in policy actors in the region has meant that policy framing has been largely in the hands of ministries responsible for education, labour and social policy. Due to the turnover of personnel within ministries that happens fairly regularly with each change of government, institutional memory is weak and the domestic policy agenda is underdeveloped (Bartlett, 2013b). For example, taken again from Serbia, the Ministry of Education has shown little interest in promoting the reform of vocational education due to lack of administrative capacity.<sup>9</sup> With every change in Minister, of which there have been seven since 2003, policy veers between different opinions, directions and guidelines. The politicisation of the civil service undermines continuity as state secretaries and assistant ministers change with each change of government, though core civil servants stay in place at operational level. The National VET Council has also failed to act as a domestic agent of change in support of EU programmes and has been reluctant to even admit the need for change. Another source of reform resistance has come from teachers, many of whom view change as threat to their jobs and traditional ways of teaching. On the other hand, the Ministry of Economy is a strong advocate of the reforms that are promoted by the EU designed to modernise vocational education so that it may better meet the needs of the labour market.

#### **4. Outcomes of VET reform processes**

In its 2014 Torino Process review of VET policy in the Western Balkans, the European Training Foundation (ETF) concluded that the outcomes of VET reform policies have been mixed (ETF, 2014). Although legislation to reform VET systems has been introduced in all the Western Balkan countries, enforcement has been delayed or has proved ineffective despite the new governance institutions or bodies that have been established (e.g. VET Agencies, VET Councils). Improved curricula, new occupational profiles and qualification standards have been initiated, often with the involvement of employers, and have been piloted but remain at different stages of development and implementation. Progress has been made in adjusting VET provision to labour market and social needs, especially in the business education, IT, construction and tourism sectors, and efforts have been made to modernise and better equip VET schools, often supplementing scarce public funding with donor assistance. However, VET systems are not yet fully geared up for the preparation of employable graduates. (ETF 2014: 13).

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<sup>9</sup> Interview with an international donor agency manager, Belgrade, March 2016

The countries of the Western Balkans have made varying progress in several areas of VET policy reform depending on their different policy configurations, although many initiatives are still in the preparatory stages. The leading catalysts of this reform process have been the Europeanisation of policy associated with the EU pre-accession policies, external donor policy entrepreneurship and assistance, and the domestic political will to adapt VET systems to the changing needs of the economy. VET strategies across countries have emphasised both adjustments to labour market needs and the need for inclusive education. Ensuring that VET systems are able to respond to new and emerging labour market needs has been a national priority in several countries. Most new legislative activity has taken place in line with the Europeanisation of VET policy in the EU accession process. However, governance reforms face difficulties due to poor coordination and administrative cooperation between the ministries involved in VET and other actors such as social partners and civil society. Several countries have introduced a “2020 Strategy” in an attempt to align with the EU’s “ET 2020” programme. In the rest of this section we identify the outcomes of the VET policy process in each of the Western Balkan countries and the role of key policy entrepreneurs in setting policy agendas.

In Albania, the labour market orientation of VET was defined as one of the main objectives of the “National Strategy on Employment and Skills 2014-2020” (in 2014) (Xhumari & Dibra, 2016). As can be seen from Table 1, Austria and Germany have been especially strong supporters of the VET system in Albania, and this has given a decisively powerful impetus to the adoption of dual-education type reforms, as these donors have largely captured the domestic policy agenda. It is not surprising therefore that the reform of VET is to be accompanied by the introduction of an apprenticeship system under which students are to spend at least 30% of their classes at local businesses and upgrades to the curricula in line with labour market needs. The Socialist government that came to power in Albania in 2013 has transferred responsibility for VET from the Ministry of Education and Sports to the Ministry of Social Welfare and Youth in an attempt to provide a strong administrative backing to implement the reforms. This has also given a boost to the social inclusion aspect of VET, as a new Directorate for social inclusion has been established within the ministry (ETF, 2015a). Bilateral donors have also supported the social inclusion approach to VET, and the Austrian Development Cooperation has been especially strong in this respect. However, VET remains a somewhat marginal element of the education system, as enrolment in secondary vocational schools is far less than in other countries in the region.

Bosnia and Herzegovina has a unique situation where VET policy and governance is a devolved responsibility of 15 different institutions at the state, entity, district and canton levels. At the state level, the Ministry of Civil Affairs has a coordinating role. A “Development Strategy of Vocational Education and Training for the Period 2007-13” (in 2007) has led to harmonisation with EU policies through the adoption of a Framework Law on VET in 2008 (Branković et al., 2013). Real decision-making power in Bosnia and Herzegovina is held by the two “entities” (the

Federation of Bosnia and Herzegovina [FBiH] and Republika Srpska [RS]) and by the District of Brčko. Within FBiH, 12 cantonal ministries of education have competence for VET. The Framework Law has been transposed into the legal system of RS but not by all the cantons, where the FBiH Law on Secondary Education regulates the VET system. This fragmented form of governance makes social inclusion policies heavily dependent on the capacities of the respective entity, canton, district or municipality. The “VET Development Strategy 2007-2013”, although well aligned to the Copenhagen Process, therefore found a rather barren environment in which to implement its ambitions. A new VET strategy for the period 2015-2020 has not yet been agreed between the fractious political interests within the country, despite the heroic attempts of the international donors to raise VET policy higher on the policy agenda at all levels of government.

The “Kosovo Education Strategic Plan 2011-2016” linked education policy to national development priorities to make VET systems more responsive to labour market needs (Gashi & Serhati, 2013). Overall, the vision is for an inclusive VET system that would offer quality education to all (ETF, 2015b). In March 2014, an Agency of Vocational Education and Training and Adult Education was established with the support of the German aid agency GIZ. Initially responsible for six VET schools, the governance of all VET schools is to be transferred to the agency after a pilot period is successfully completed. The aim is to develop better linkages between the VET schools and local businesses and improve the amount and quality of practical training offered to students. Despite the enormous amount of international assistance offered to Kosovo in general and to VET in particular the policy aim of promoting employability, effective links between the VET system and the business sector remain as far away as ever (ETF, 2015b). Kosovo remains the least developed territory of the Western Balkan region, and it is not surprising therefore that the VET school system is grossly underfunded and fails to meet the policy priorities of providing an inclusive education. Average expenditure per student in the 61 VET schools is only €23 per year, and infrastructure, equipment and workshops are inadequate to provide a high-quality education (ETF, 2015b).

In Macedonia, the concept of inclusive education is mainly understood to imply the inclusion of students with special needs or from ethnic minorities and tends to overlook the inclusion of other vulnerable groups (Mojsoska-Blazevski & Ristovska, 2013). The “Vocational Education and Training Strategy 2013-2020” envisages that VET will become a key factor in the development of the workforce and will assist the development of human capital and the employability of young people. One of its key aims is to strengthen the social inclusion function of VET (ETF, 2015c). International assistance programmes have focused on modernising the curricula, despite which “new training programmes and qualifications, designed to meet labour market demands ... remain marginal” (ETF, 2015c, p. 28). At the same time “there is evidence of continuing discrimination against and exclusion of vulnerable groups from secondary

education” especially of disabled and Roma children, as well as discrimination by “social groups and social class” (ETF, 2015c, p. 35).

Montenegro began to reform the VET system under the 2002 Law on Vocational Education (amended in 2007), which provides for a dual education model of school-based and company-based VET (Kaludjerović & Mirković, 2013). The “Strategy on Vocational Education in Montenegro 2010-2014” envisaged an increased level of participation by the social partners in defining policy and in planning, implementing, monitoring and evaluating VET. It prioritised fairness, social cohesion and active participation of citizens. Social inclusion is understood as a problem of integrating children with special needs, often including Roma children, who are currently sent to specialised schools, into the standard school system. A Commission for the Orientation of Students with Special Needs was set up to support the integration of students with special educational needs and Roma students into the education system. However, the implementation of these policies in vocational schools faces difficulties due to weak teacher training for inclusion (Kaludjerović and Mirković, 2013). The “Employment and Social Reform Programme 2015-2020” envisages an important role for VET in promoting inclusive growth and reducing unemployment and poverty.

In Serbia, a recent evaluation observed that “students from vulnerable groups are often unable to access education in the schools they wish to attend as they are unable to pay the travel costs” (ETF, 2014d, p. 23). The government has attempted to address this issue with by establishing a Working Group on Social Inclusion, composed of representatives from government institutions and civil society. However, the Working Group has faced difficulties in putting social inclusion on the VET policy agenda (Maksimović and Bratić, 2013). International assistance has been focused on the modernisation of the curricula, and about 100 profiles have been in a continual “pilot” stage, although several of the pilot programmes have been abandoned due to a lack of uptake by students, while teachers’ unions have resisted reforms of the VET curricula as they disturb traditional teaching practices and threaten job security (Pantić and Čekić Marković, 2012; Bartlett, 2013). The “Strategy for Education Development in Serbia 2020” (adopted in 2012) made little mention of social inclusion, focusing on the introduction of a national qualifications framework (NQF) and on involving employers in the definition of new qualifications through sector skill councils (ETF, 2014d). Indeed it identified a series of obstacles to introducing an inclusive approach, including the low capacity of schools to create an inclusive school development plan and “a great resistance to inclusion” within schools (GoRS, 2014). The strategy draws on the ideas embodied in the Copenhagen process, with an aim to strengthen creativity, innovation and entrepreneurship. Consequently, entrepreneurship is to be introduced as a new study programme in vocational schools.

## 5. Conclusions

The policy process in the Western Balkans has mainly led to changes to VET systems that have sought to promote employability, while the development and implementation of policies to overcome social exclusion and discrimination has been more limited. Within the framework of strategies for economic growth, VET system reforms have been framed as crucial policies for reducing unemployment and responding to labour market needs. The EU has acted as a policy entrepreneur in setting goals and shaping the policy agenda for both employability and inclusive education as well as in funding specific activities. Bilateral donor agencies have also acted as policy entrepreneurs to successfully push forward their own agendas with a focus on improving the employability of VET graduates, mainly by promoting the vision of the German-style dual education system, and in some cases devoting funds and efforts to introduce modified versions of the dual system. The World Bank has recently re-framed its policy advice to adopt an asset-based approach in which it recognises that the human capital of the most marginalised individuals should be built up in order to support overall economic growth. In this new view, there is no contradiction between inclusive education and employability.

Domestic actors in the candidate states have mainly taken on board the EU employability perspective and in their implementation of the Copenhagen Process, and have focused on raising the proportion of young people advancing to tertiary education, and on reducing dropout at all levels of the education system. VET systems continue to be led by Ministries of Education (with the exception of Albania and to some extent Kosovo), which on the whole maintain an elitist outlook that gives greatest priority to academic grammar schools at secondary level and to the tertiary level of education, while vocational schools have taken a lower priority on the policy agenda. This can be seen through the selective approach to entry to upper secondary education and by the allocation of university scholarships to the brightest students emerging from the academic grammar schools, rather than those with greatest needs. The ministries tend to put the needs of vocational schools in second place, which therefore continue to be underfunded and suffer from poor equipment, lack of resources and out-dated teaching methods. In this context, the interventions of multilateral and bilateral donors are helpful but have remained essentially marginal due to the relatively small scale of the interventions, and to their multiple objectives that allow domestic policy entrepreneurs to choose selectively from a varied menu of recommended policies.

In conclusion, increased cooperation is needed between advocacy coalitions and policy networks formed by EU actors, bilateral donors and domestic civil society groups to push social inclusion in VET higher up on the domestic policy agenda in the Western Balkans. The World Bank's attempt to frame the issue of development as one of "shared prosperity", and the ETF's emphasis on the social inclusion aspects of VET, play a useful role in keeping this inclusive

education on the policy agenda. However, powerful forces, including foreign investors, large domestic employers, and ministries of education, appear to have little interest in the social inclusion frame, being more concerned with employability and competitiveness. In this, they often relegate VET to a lower priority, so it remains a poor cousin to selective grammar schools. Backed up by the IMF stand-by arrangements, the EU's new economic governance requirements and enlargement conditionality the policy focus remains firmly on austerity programmes, which tend to reduce public expenditure on education or at least limit its growth. In consequence, resources available to implement inclusive education practices in public VET systems are unlikely to increase in the near future. An austerity-oriented policy coalition seems to have the upper hand in the contemporary Western Balkans, suggesting that inclusive education will continue to have a rather marginalised status on the VET policy agenda for the foreseeable future.

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