



Promotion of VET opportunities in secondary education under the campaign “Uci pametno, raboti strucno”. © Helvetas/E4E

SYSTEMIC CHANGE IN VOCATIONAL EDUCATION AND TRAINING

Aiming for systemic change may sound like a risky mammoth task, implying complex projects, hard to understand for outsiders. In its first phase, the project “Education for Employment in North Macedonia” has shown that this is not necessarily the case: Together with a reform-minded government, the project has prepared the ground for a successful implementation of the systemic approach. The lessons learned from this first phase are presented in this experience sheet and will hopefully help other NGOs, donors, and actors in the field of Vocational Skills Development to prepare and implement systemic elements or get a better understanding of factors contributing to a successful project setup.

ABOUT E4E

The project started its first four-year phase in 2018. The project is supported by the Swiss Agency for Development and Cooperation and is implemented by HELVETAS North Macedonia (lead), the Macedonian Civic Education Center (MCEC) and the Economic Chamber of North Macedonia (ECNM) with the objective that: 'More young women and men, especially youth (15 – 29 years), obtain gainful employment due to increased employability, which comes as a result of improved non-formal vocational skills development (VSD) and formal vocational education and training (VET) system.'

Outcome 1 focuses on making non-formal vocational training offers more market-oriented, inclusive and affordable. The primary beneficiaries are unemployed youth as well as people from vulnerable categories. The project works closely with a number of system actors to address skills needs more explicitly, for example by co-funding innovative training offers through the Opportunity Fund. A general focus lies on the promotion of non-formal VSD as a key element to lifelong learning and employment.

Outcome 2 focuses on making formal secondary vocational education and training more market-relevant by strengthening cooperation and partnership between the public and the private sector. More learning practice is promoted through interventions such as the summer practice (see further below), which is expected to result in better practical skills of students and increase their chance for faster and better employment after completing VET. Another goal is to promote VET so that it is seen as a viable career option by youth, under which a campaign, hosted by the MoES, was launched. First results are visible when looking at the enrolment numbers of 2021: Best enrolment rates for some VET schools in the last decade are linked to the campaign¹.

Outcome 3 focuses on strengthening the key institutions to create a more favorable framework for providing access to market-oriented and inclusive VSD. Under this outcome, the project facilitates a policy dialogue, provides advice to state institutions and other systems actors and does conceptual work such as the development of a concept for Work-Based Learning. A key goal is to improve

¹ [Vocational and technical education becoming more attractive for high school students in NMacedonia | Meta.mk](#) (22 June 2021)

VET financing in the country by proposing schemes for additional and better allocated resources in VET by the public and the private sector.

Differentiating between VSD and VET

Vocational Skills Development (VSD) is a broad term that goes beyond training provision often described with Vocational Education and Training (VET) and includes additional services such as professional orientation, career guidance, job-matching, and labor market insertion. VSD projects thus address a system's shortcoming beyond the mere training component.

For E4E, VSD includes all processes of providing knowledge, skills, and competences along with other labor market integration services that prepare the person for a job. The formal VET refers to secondary education and training of two to four years, which is regulated by the state.

IDENTIFYING THE SYSTEM'S SHORTCOMINGS

With the systemic approach², the project focuses on the shortcomings of the VSD system and enhancing the collaboration of private, public, and civil society actors to reduce entry barriers and systemic constraints preventing vulnerable groups from accessing VSD opportunities and to improve employment.

The key element of the systemic approach is to identify the root causes for issues such as unemployment or skills mismatch and address them through interventions where the project does not primarily implement activities themselves but has a facilitative role with the aim of supporting existing actors to address the identified shortcomings of the system. This requires high adaptability and makes it difficult to plan the project's implementation in detail. It asks for partner relationships and an in-depth understanding of the existing VSD system and its actors.

² The terms systemic approach, Market Systems Development (MSD) and more seldomly also inclusive systems development/approach are used interchangeably. See also: [On systemic approach: what it is and what it is not | Helvetas](#)

What do we mean by systemic change³?

Systemic change as part of the systemic approach is based on the perception that problems have multiple causes which need addressing on different levels to improve the functioning of overall systems, such as education systems, the labor market or general market systems. The role of a project applying the systemic approach is to identify and address the root causes of the problems and promote adaptations and changes. For a successful application of the systemic approach, systems need to be operational. In a context where system actors, such as VET institutions, chambers or sector associations, are very weak, the approach reaches its limits.

Systems development to set the stage

The systemic approach is often confused with the systems development approach, which focuses on institutional and organizational development, and on the set-up, governance, and operational structures and processes of national systems and their institutions, as well as the range and quality of their services. Systems development usually either requires specific projects or project components with high-level international expertise or partnering with reputed international institutions. Working so closely with public institutions and strengthening the public VET system, carries the risks of becoming a top-down approach through governmental institutions without considering the roles and abilities of other actors in the system, which may dampen the change from a state-driven to a market-driven VSD system.

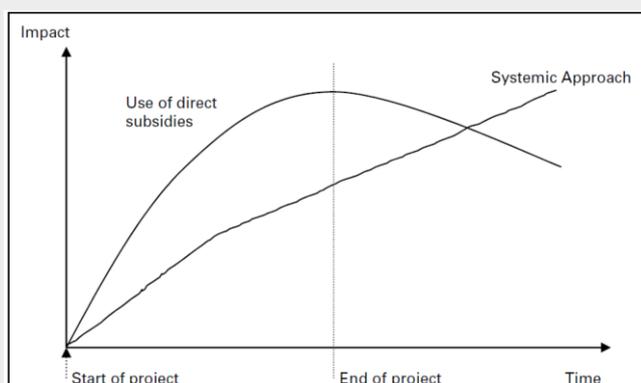


Fig. 1: Impact projection of the systemic approach over time (SDC Market Systems Development Approach, 2019.pdf)

³ The definitions are based on the E4E's Mid-Term Review 2018-2020 developed by Roman Troxler (KEK – CDC) and Aleksandar Stamboliev.

LESSONS LEARNED

The E4E project had a successful start in building excellent relations with key stakeholders mainly on the national level and having a significant influence on policymaking. The project is considered a provider of expertise among VSD actors in North Macedonia. The preliminary lessons learned that can be drawn from the first project phase will hopefully be of interest for similar projects.

Build a common understanding

One of the cornerstones for a successful implementation of the systemic approach is the endorsement of the approach by the whole team. The project focused from the very beginning on systemic changes. For many practitioners, applying the systemic approach requires a rethinking and moving away from traditional project implementation. The first project year was thus dedicated to building a common understanding of the systemic approach, including training and a lot of Learning by doing, and the constant asking of the two key questions: “Who can do it within the system?” and “Who is financing it within the system?” Both questions aim at finding a long-term, sustainable solution. In line with the approach, the project does not implement own interventions, but supports systems actors to reach jointly defined objectives. These objectives are defined together with systems actors based on a shared vision/objectives but are also supported by data and evidence.

Choose the right partners

Building strong connections to system actors, as described above, ensures a good anchorage of the project in the system. With the ECNM and MCEC, E4E has created a strong project implementation unit which is excellently connected to related governmental and private institutions. Having chambers on board, especially the ECNM, the country's biggest chamber, as the main strategic partner has been vital to getting the private sector on board.

The E4E project staff and partners have strong, often personal, connections and experience in the national VET and labor market systems which proved to be especially helpful at the start of the project to facilitate access to high level system actors and help in nurturing work relations based on trust and mutual understanding between the project and system actors.

These interconnections, especially when being person-dependent and not institutionalized, carry a certain risk of weakening or completely breaking off in case of staff turnover. They are considered an important success factor for the start of the project to apply a facilitative approach and connect to influential people within the system. This raises the question of institutionalization and how such key entry points can be established in case of the absence of well-connected project staff.

Be market-oriented

Ideally, formal and non-formal VSD is based on skills that are in demand by the labor market – being market-oriented is thus key for the project, which aims at this position in all its activities through the continuous exchange with system actors on all levels and across all spheres. The economies' fast development and the continuous change of markets and external factors require a constant monitoring of relevant changes and high flexibility and adaptability from the side of the project.

E4E has shown this flexibility from the beginning, for example when shifting away from a sectoral approach, which put the focus on economic sectors with a high potential for employment as defined in the initial project document. The project soon focused more on the immediate market demand, focusing on areas they could identify system actors interested in a collaboration and willing to co-invest. With the shift away from the sectoral approach, the project became more opportunistic basing their actions on employment needs and on companies and professions with the highest potential for employment.

The more opportunistic, but nevertheless market-oriented approach led to the development of the Opportunity Fund, through which the project co-financed innovative training offers responding to explicit skills needs. Various training providers, including private companies, associations and VET schools could request support, when they could ensure that a certain number of graduates would be employed after the training. With a performance-based payment system, the training providers were motivated through financial incentives to ensure a labor market insertion of their trainees by providing market-oriented trainings. The approach has been adopted by the government and incorporated into their Operational Plan.



Practical training of students in a company (Helvetas/E4E)

Involve the private sector

In North Macedonia, as in many countries where the VET system is highly formalized, subsidized and managed by the government and financed through taxes, the private sector expects the government to provide a qualified workforce and often does not see a more active role for itself. As a result, VET is little market-oriented with teachers, curricula, and training materials often not in line with the latest development and technologies. Further, especially big companies train for their own demand in-house, in certain cases with whole training entities specialized on the technical skills in their field.

The involvement of the private sector in the organization and provision of VSD helps to ensure that the VSD system is labor market oriented and meets the expectations of employers and consumers. This can happen on different levels. The private sector can act as a provider of expertise by participating in the governance of VSD, in processes such as curriculum development as providers of expert advice. It can also act as a host of training processes through apprenticeship or internship models, formally organized as dual systems or as informal apprenticeships⁴. It is the role of the project to promote those functions. E4E has encouraged private sector involvement on all these levels: On the policy level it promotes the inclusion of the private sector through the chambers, and it supports system actors in setting up a dual VET system with a clear involvement of the private sector, e.g. in the setup of regional formal

⁴ Maurer, Markus et al (2015): The role of the private sector in vocational skills development. Link: https://www.dcdualvet.org/wp-content/uploads/2015_SDC_ei_Maurer_Private_Sector_in_VSD.pdf

and non-formal VET-centres and in the provision of practical training for learners or in the development of guidelines. While the private sector often also plays an important role in the co-financing of VET, so far, E4E has done some piloting in phase I, but no financing instruments have been put in place. Phase I focused on the promotion of private sector involvement, whereas phase II will have its key focus on private sector engagement⁵.

To convince private sector actors that a government-driven VET system is not sustainable in the long-term requires a lot of advocacy and formal and informal exchanges, where the advantages of in-house training, in-company traineeships and generally a closer collaboration between VET schools and private sector actors are elaborated. Examples from other countries, where private-public sector collaboration in the realm of the VET system has worked, including study visits and in-depth exchanges may help to raise the interest, sensitize, and foster a better understanding.

Getting the private sector involved in VET gives them more agency to bring in their requirements and needs regarding trainings need and they can take over a more active role, while the government continues with their support. This goes beyond companies being mere places of internships and practical training but requires an active exchange between all actors; the schools, the government and private sector companies, and finally also implies that the private sector receives more decision-making power and takes on more responsibility.

Examples of successful private sector involvement

The North Macedonian law requires summer practice in formal four year VET programs to be done in private sector companies. However, due to the absence of coordinators in VET schools and trainers in the companies, as well as other deficiencies, they were not implemented in a satisfactory manner to provide trainees with quality work-based learning experiences. E4E helped with the reform of the program by bringing actors together in a working group to jointly develop straightfor-

ward, practical guidelines defining the roles of all partners, as well as mentoring and safety protocols. Based on the experiences of the summer school, the same approach was applied to revise the work-based learning guidelines for companies.

VET systems managed by the government face the risk of being outdated and not in line with the latest technological developments. Connecting VET schools to private sector actors can bridge this gap, as E4E shows. The project facilitated the upskilling of VET teachers through private companies who were willing to share their knowledge about the latest technological developments – knowledge that was carried back to the VET schools by the teachers who attended the training. To promote private sector involvement, large companies present a great entry point, as they have the capacities to identify their skills gaps and implement solutions to address their needs. To induce change, there is a need to cooperate with those who are ready to invest, and these are mainly large companies.

The project will continue to have to act as a broker to make private sector companies better understand their important role in the VET system and how their involvement can eventually benefit them. The organized private sector has not yet taken on enough ownership. The private sector is well represented on the political level through the ECNM. Sectoral associations, on the other hand, who are central in representing the interests of their sectors, including the education of the sectoral workforce, need strengthening. The connections built on the national level and with the first private sector actors build the base of the second project phase, which will focus on these systemic shortcomings.

The inclusion of Micro, Small and Medium sized Enterprises (MSMEs), employing three quarters of North Macedonia's workforce (composing 98% of all enterprises), will be essential for better collaboration of the private sector and the formal VET system on a larger scale.

⁵ Private Sector Engagement is a modality of cooperating with the private sector in joint development endeavors Both sides – public and private – share ownership of the collaboration and engage in a symmetrical relationship. Co-ownership of the intervention is what differentiates PSE from other forms of interaction with the private sector. SDC Handbook on Private Sector Engagement.



Practical training of students in a company with mentorship guidance (Helvetas/E4E)

Assist and collaborate, do not impose

A range of factors are key to ensure the project's relevance, whereof the latter two are often neglected; alignment with national priorities, in the case of North Macedonia the focus on VET and labor market insertion, to support donor coordination and exchange with other projects. In applying a facilitative approach, the project offers support to system actors and does not impose its own activities and ideas, as is often the case with traditional development projects. Systems actors are involved in the strategic planning process as a continuous, integral part of the project and the annual plan of the project is therefore based on the annual planning of the system partners. Partners' requests and challenges are put at the centre and the project takes up an advisory role that extends up to the ministerial level. It is a joint decision-making process where inputs and advice from all sides are taken seriously. As a result, partners know in detail what kind of support the project provides, avoiding unclarity and confusions. This approach makes systems actors key project drivers, which requires a lot of flexibility on all levels, as well as transparent and frequent communication. This is a key strength of the systemic approach, but also creates a complexity that is hard to understand, especially for outsiders.

Through backstoppers from Swiss institutions such as the Swiss Federal Institute for Vocational Education and Training (SFIVET), the Swiss Federation for Adult Learning (SVEB) and the Zurich University for Teacher Education (PHZH) and learning visits to Switzerland, the project brings in Swiss expertise with the aim to inspire system actors and adapt certain elements from the Swiss dual VET and non-formal VSD system to the North Macedonian context without attempting to copy

the systems or impose elements of the former. This is also done by other donor funded projects and gives the system actors a better understanding of various VET systems, some more similar to their own historical and political context than Switzerland, weigh in advantages and disadvantages and make an informed decision on the best measures to be taken in their own context. This process is encouraged by the project.

Stay flexible

Agility and adaptation are especially important when applying the systemic approach and having a facilitative role. This means using synergies well and adapting to changing situations accordingly. An example is the shift under outcome 1 after the realization that the non-formal vocational training market focuses more on the re- and upskilling of the labor force and hence not on bringing the unemployed into employment. The project broadened the scope of training support to additional measures on the path from identifying the unemployed to their employment and thus understanding non-formal VSD as being part of active labor market policy instruments. Consequently, it provided professional and institutional support to the Ministry of Labor and Employment Service Agency as the main system actors. Another example of project flexibility is COVID, which made the project reconsider and rethink planned interventions and adapt them to the new circumstances.

Balance reaching numbers and achieving systemic changes

More 'traditional' logical frameworks often require numbers of people reached (e.g. through direct training) as outputs starting at the very first year of project implementation. Further, the systemic approach relies on data and results for evidence-based policy making. This requires the piloting of various activities and innovative approaches to show what works. However, 'soft' interventions, such as networking with system actors, advocacy work and identifying shortcomings, are hard to measure in terms of direct results, but are crucial in the long run. This also posed a challenge to E4E in the first year. The opportunity fund to financially support training offers was put in place to reach numbers of trainees under outcome 1 as a 'quick win'-measure, which got taken over by government actors and integrated into the system. System integration often foreseen by interventions initiated by projects, but hard to achieve and shows the high willingness of system actors in

North Macedonia. This resulted in targeted numbers being reached after the first year thanks to the solid base built in the initial twelve months, but also thanks to the readiness of the systemic actors.



Practical training of students in a company with mentorship guidance (Helvetas/E4E)

CONCLUSION

The systemic approach needs time and often results are not directly evident, which may be frustrating for donors and project implementors alike and needs good and trusting donor relationships. In the case of E4E, the approach will need to be deepened in the coming phases.

In its first four years, the project has succeeded to cover a considerable amount of ground. This, despite some challenging preconditions in the project setup: With its outcomes focusing on non-formal as well as formal VET, and the strengthening of key institutions as well as social inclusion of marginalized groups, it had the challenging task of connecting social and economic goals. The latter requires a better qualified workforce to increase productivity and foster economic growth, while the social goal focuses on the inclusion of disadvantaged groups into the education system and labor market.

Many projects do piloting in the first phase and then move to the systems level in the second phase. However, E4E, based on the high political willingness in North Macedonia and ongoing VET reforms, took a strategic decision to directly focus on the system, which eventually paid off. This also resulted in a strong focus on public actors in the first phase with some private sector involvement. The collaborative approach and high project flexibility are additional success. To ensure a market-oriented VET-system, private sector engagement will be one of the project's key foci in phase II.

The systemic approach is not a silver bullet. For meaningful systemic change to happen, many factors must be given, which may lie far outside the project's sphere of influence. Besides systems that are in place and working and good connections to key systems actors, the project timing is essential: The North Macedonian government is reform-minded and has put VET high on their political agenda. This political willingness provides the fertile ground for the initiation of successful systemic changes. If these preconditions are carefully assessed and deemed suitable and the project has the size and institutional backing to tackle systemic shortcomings, the systemic approach may be the key to bringing about sustainable systemic changes.

ABBREVIATIONS

ECNM	Economic Chamber of North Macedonia
E4E	Education for Employment in North Macedonia
MCEC	Macedonian Civic Education Centre
MoES	Ministry of Education and Sports
NGO	Non-Government Organization
VET	Vocational Education and Training
VSD	Vocational Skills Development



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