Strengthening the Governance of Skills Systems

SELF-ASSESSMENT TOOL

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Image Credits:

Cover: Studio Foltzer, Shutterstock.com/Lightspring

Acknowledgements

Strengthening the Governance of Skills Systems

The governance of skills systems is complex

The governance of skills systems is complex. On the one hand, the development of skills and their effective use in labour markets follows the logic of the "life course", where individuals acquire and make use of skills as they move through the different stages of their educational and employment careers. On the other hand, each of these different stages may be governed by different rules and regulations. Therefore, the governance of skills policy does not necessarily follow the life-course logic, and remains fragmented across different levels of government, as well as different public ministries and agencies.

The development and effective use of skills remain at the forefront of debates about the transformation of industrial economies to post-industrial knowledge economies (Busemeyer and Trampusch, 2012[1]). Investing in skills and ensuring access to different forms of learning is crucial to prevent the social exclusion of disadvantaged students, learners and workers, as well as to effectively mobilise existing skills in the economy.

A skills system can be broadly defined as covering all institutions and individuals, as well as policies, laws and regulations, concerned with the development and use of skills in the economy. Therefore, skills policies are at the intersection between various sectors of the education system, including early childhood education and care (ECEC); schools; vocational education and training (VET); adult learning and higher education; labour market policies, especially those that aim to make use of existing skills such as active labour market and training policies; policies that support the adoption of high performance workplace practices; and certain immigration policies.

The core challenge in governing complex skills systems is that policy-making responsibilities for the various policies are usually widely distributed across levels of government, as well as ministries and public agencies. Furthermore, there is often little active co-ordination between these institutions, which hampers the effectiveness of strategies to mobilise the use of skills. The guiding question of this self-assessment tool, which is introduced in the OECD (2020) report *Strengthening the Governance of Skills Systems: Lessons from Six OECD Countries*, therefore is: as OECD countries transform into post-industrial knowledge economies, how can the governance of skills systems be strengthened and improved in order to promote the development and effective use of skills? This question is related to and motivated by the third dimension of the *OECD Skills Strategy 2019* (OECD, 2019[1]) framework: 1) developing relevant skills over the life course; 2) using skills effectively in work and society; and 3) strengthening the governance of skills systems.

Main challenges and policy recommendations

The range of issues regarding the governance of skills policies that policy makers are confronted with can be distilled into four main challenges: 1) promoting co-ordination, co-operation and collaboration across the whole of government; 2) engaging with stakeholders throughout the policy cycle; 3) building integrated information systems; and 4) aligning and co-ordinating financing arrangements. This section discusses each of the four challenges in greater detail, together with corresponding policy recommendations.

Challenge: Promoting co-ordination, co-operation and collaboration across the whole of government

Legal competencies and decision-making powers in skills policy are often widely distributed in both the vertical and horizontal dimensions of policy making. The vertical dimension concerns different levels of government, from local governments to regional and other subnational governments to the federal level. Regarding the horizontal dimension of co-ordination, skills policies often require collaboration between different governmental departments. According to the conventional division of labour, education ministries and agencies are in charge of policies related to skills development, whereas labour market ministries and agencies are more concerned with policies that maximise the effective use of these policies by promoting further training opportunities and labour market activation measures. Ministries of economy and/or industry may also play a key role in skills policy by developing and promoting policies and strategies for regional, sectoral or general economic development, in which skills often occupy a central place. Ministries of finance are responsible for ensuring that policy and governance decisions are backed up with the required financial resources, and for aligning financial incentives to maximise the effectiveness of skills policies.

However, the dimension of horizontal co-ordination stretches beyond the scope of government in a narrow sense as the two dimensions of promoting co-ordination across the whole of government and stakeholder involvement are strongly connected. Societal stakeholders such as trade unions, employers' associations, individual businesses and workers, as well as training providers, research institutes and non-profit organisations, are all deeply involved and engaged in the governance of skills systems. In OECD countries, decisions on the allocation of labour are ultimately market decisions, in which employer demand for certain types of labour is somehow matched by the supply of workers with particular skills. The role of government policy in this area is to set and further develop the regulatory framework that ensures an effective match between skills demand and supply, while also preventing the emergence of market failures, such as the systematic exclusion of disadvantaged groups and individuals. Where exactly to draw the line between government regulation and market autonomy, and how to balance the potentially competing interests of actors involved, is a matter of political decision and political majorities. Societal stakeholders are regularly involved in governance decisions and therefore need to be taken into account in efforts to improve the co-ordination of decision-making processes in skills policy.

A whole-of-government approach adopts a holistic perspective that aims to maximise the payoffs of collaborative decision making, while maintaining the autonomy of the actors involved. A whole-of-government approach amounts to a collective and well-coordinated policy response to pressing problems. Given the multitude of actors with different interests, achieving a consensus between a broad range of stakeholders within and outside government is difficult, maybe impossible if distributive conflicts ("who gets what from whom?") are dominant.

Recommendation: Establish co-ordinating committees with a meaningful mandate and clear internal governance structures

In order to promote co-ordination and collaboration across levels of government and to implement a whole-of-government-approach to skills policy, it is advisable to establish committees (skills councils or similar co-ordinating committees or cross-departmental institutions) that span different levels and departments of government, as well as involve non-governmental stakeholders. The potential downside of establishing this kind of inter-governmental committee is a proliferation of decision-making bodies that could, in the worst case, weaken rather than strengthen the governance of skills policy. To prevent this from happening, it will also be important to:

- **Define a clear mandate**
  Co-ordinating committees should have a clearly defined mandate. This may be either broad (e.g. devising a national skills strategy) or more limited (e.g. coping with a particular problem such as the integration of refugees into the training system), but it should be clearly defined to provide stakeholders with a clear orientation. Furthermore, the mandate should be defined so that potential overlap with existing institutions and decision-making structures is minimised. In cases where overlap is unavoidable, the mandate should clearly define the relationship and mutual accountability between newly established and existing institutions.

- **Define mandate with real substance**
  The mandate for inter-departmental committees should have real substance, which means that they need a certain degree of autonomy and leeway in setting their agenda, as well as policy-making authority. If stakeholders realise that their participation in the committees has an impact, they are more likely to commit and contribute constructively. In contrast, if setting up new committees does not provide added value as the established institutions are reluctant to concede any of their control, they are more likely to deteriorate into mere "talking shops".

- **Ensure strong internal governance structures**
  In order to work effectively, co-ordinating committees and similar committees need clear and strong internal governance structures. Decision-making processes within the committees need to be agreed on, ideally with the goal of maximising the commitment and involvement of stakeholders. Important issues include who sets the agenda (the central government or the committee as joint decision-making body) and how decisions are made (by consensus or majority).

Challenge: Engaging stakeholders throughout the policy cycle

Engaging with non-state stakeholders can be an effective instrument to support policy makers in dealing with the inherent complexities of skills policies. However, the process of engagement needs to be well-balanced and grounded in sound strategy to avoid the involvement of a multitude of stakeholders contributing to, rather than mitigating, further complexity.

There are various benefits of stakeholder engagement from the perspective of policy makers. First, stakeholders contribute valuable information to the policy-making process that is difficult for policy makers to access themselves. For instance, non-state stakeholders have experience regarding the real-world effects of policies and regulations, which might be quite different from the steering effects that governmental policy makers initially intended. This is also because non-state stakeholders have a certain leeway to influence the implementation of policies themselves. Information from non-state stakeholders is a valuable resource as it provides governmental decision makers with a sense of "what works and what doesn't".

The second benefit to stakeholder engagement is that the involvement of non-state stakeholders generates political legitimacy, which can itself be an important resource during the implementation phase. In order to be fully accepted and supported by those concerned, governance decisions should ideally be based on a broad consensus between involved actors. This will increase the likelihood that policy decisions will be implemented according to the initial intentions of decision makers, and thus improve the overall effectiveness of the decision-making process.

However, this ideal setting depends on a number of preconditions, some of which may be difficult to achieve. The first precondition for stakeholder engagement to work is that the policy issue under debate is not too contentious and burdened with distributional implications. A second important precondition is that actors involved in governance decisions adopt a constructive interaction orientation (Scharpf, 1997[2]) that values joint problem solving rather than particularistic bargaining and "strategising". A third precondition is that stakeholders represent the diversity of positions within society, rather than particular segments, in order to prevent the "capture" of decision-making processes by special interests. Finally, the involvement of non-state actors has to be meaningful and consequential, and not merely "window dressing".

Meaningful engagement with stakeholders is more likely when they have a formally pre-defined role in governance decisions and decision-making bodies. For instance, the government could make the passing of a particular policy reform conditional on stakeholders achieving consensus. In contrast, meaningful engagement is less likely, and commensurate claims are less credible, when stakeholder involvement happens in a more ad hoc and informal manner, such as when stakeholders are merely invited to provide input at a particular point in time during the policy process (e.g. by submitting opinions via a website or issuing position papers), but are not involved in a continuous manner throughout the whole process.

Recommendation: Promote the involvement and commitment of non-governmental stakeholders, while managing the risk of undue influence from special interests

Skills councils and similar committees typically involve a number of non-governmental stakeholders, but there are significant differences regarding the relationship between governmental and non-governmental actors, with some councils more dominated by state actors, and others more equally balanced in the spirit of corporatist decision-making. A crucial insight to consider is that stakeholder involvement is essential to strengthen the governance of skills policies, for the reasons mentioned above. However, stakeholder involvement needs to be meaningful for stakeholders to commit and contribute, and governance structures need to be designed to prevent special interest groups from capturing public institutions and gaining privileged access. To achieve this delicate balance, it will also be important to:

- **Promote meaningful stakeholder involvement**
  To achieve meaningful stakeholder involvement, stakeholders should be given the opportunity to have an input in the process of agenda-setting in joint co-ordinating committees. Although policy makers define the mandate and the overall strategic framework of inter-departmental committees and agencies, these governance structures should be sufficiently open to allow for and even promote bottom-up initiatives, giving stakeholders the autonomy and ultimately the resources to try out innovative policy ideas.

- **Limit the overall number of stakeholders involved**
  Simply maximising the number of stakeholders could, in the extreme, lead to a weakening of stakeholder engagement as there would be very little leeway for individual stakeholders to have a measurable impact on the policy process. In such a setting, the influence of stakeholders would be commensurate to their economic power, leading to a de facto concentration of political influence in the hands of the economically powerful. Putting an upper limit on the number of stakeholders to be involved ensures that joint committees can develop into forums where real deliberations take place, rather than a simply superficial exchange of positions.

- **Prevent gridlock and manage the risk of undue influence by special interests**
  When delegating substantial decision-making authority to stakeholders, governments need to ensure that this does not lead either to gridlock, or capture by special interests. For instance, the government could delegate certain tasks to stakeholders, providing them with effective decision-making powers on the condition that they achieve a consensual solution. If, however, individual actors block joint decision making to maximise their own particularistic goals, the government should be able to step in to prevent the process from being unduly influenced by special interests.

- **Allow stakeholder engagement to develop over time**
  Building trust among non-governmental stakeholders, as well as between public and private actors, takes time. Countries with a long tradition of social partnership find it easier to mobilise the commitment of private actors and stakeholders to strengthen the governance of skills policy. However, even in these countries, new committees need time to develop their organisational identity. In countries without a long tradition of social partnership, this process is likely to take even longer.

Challenge: Building integrated information systems

Making good governance decisions depends on the availability of high-quality data and information. In recent decades, the OECD and other organisations have made available a range of data sources on educational attainment, adult skills and labour market outcomes. This wealth of data has triggered and made possible a wave of new research on the determinants of learning and employment trajectories, transition processes, social exclusion and inclusion, the influence of socio-economic background on educational performance, and many other issues of relevance for the governance of skills systems. Before data of this kind became available, political debates about skills policies were often strongly driven by ideological conflicts, with limited input from neutral and objective data sources. Political-ideological conflict is an inherent component of any political decision-making process, as actors subscribe to different values and represent different sectors of society with different material interests. However, before the rise of evidence-based policy making, ideological conflicts were also more likely to materialise in the form of differing opinions on the causal relationship between two (or more) variables.

For instance, before data became widely available, some might have argued that parental background obviously strongly shapes the educational attainment of children, whereas others might have questioned the strength of this association. As data on educational attainment and parental background became available, it became possible to determine (more or less) exactly the strength of the association between parental background and educational attainment. Individuals subscribing to different ideologies might still disagree about the policy responses that should be taken in response to this fact (i.e. more or less state involvement, more or less tracking in schools, etc.), but at least ideological debates are provided with a layer of objective knowledge that can help to defuse ideological conflicts to some extent.

The real world of policy making is still far from an ideal governance model in which decisions are based on and informed by input from high-quality data and information management systems; however, improving the informational foundations of governance decisions could significantly contribute to strengthening and improving these decisions.

Recommendation: Support the establishment of information management systems, but ensure that they provide usable and relevant information to stakeholders and policy makers

Information management systems are key in strengthening the governance of skills policy. However, information and data management systems also play a crucial role in establishing a common knowledge base among stakeholders in the other case studies. Overall, governments should invest more in building capacities in information and knowledge management, but they must pay particular attention to the usefulness of the collected data for all concerned. This can be ensured by involving stakeholders (i.e the users of the data to be collected) in the design of the systems. More specifically, it will be important to:

- **Involve stakeholders in the design of integrated information systems**
  Involving stakeholders in the design and upgrading of information systems increases the likelihood that these systems will be actively used by the stakeholders in the system. However, it is important to avoid a situation where actors (from students, parents and teachers to workers and firms) perceive information management systems as systems of control that outside actors might use to monitor and constrain their actions.

- **Use information management systems to inform rather than automate governance decisions**
  Integrated information systems have great potential to improve governance decisions by reducing uncertainties, for example regarding the effects of policy choices on labour market outcomes. Opposition to the introduction of integrated information systems is more likely to occur when the public as well as the actors directly involved in the skills system perceive them (rightly or wrongly) as premeditating or even "automating" decisions that should be taken by stakeholders themselves.

- **Make use of different kinds of data**
  Introduction of information management systems might also be opposed due to the fact that most of the data collected in these systems are quantitative in nature, i.e. based on the large-n measurements. However, the systems should be built so that they are able to collect and process data from different sources, including qualitative assessments from professionals.

Challenge: Aligning and co-ordinating financing arrangements

Decisions about the governance of skills systems (or any other policy field) are inherently linked to questions about financing.

However, political calls to invest in skills and skill development are constantly at risk of being superseded by more pressing and short-term oriented demands.

This is partly due to the fact that although educational investments in schools and universities may create short-term benefits for parents, students, teachers and professors, the bulk of the pay-off in terms of economic growth, employment opportunities and social inclusion will only materialise at some distant point in the future when the current beneficiaries of educational investments are in the labour market. Therefore, other more pressing concerns such as fighting unemployment, increasing pensions or expanding healthcare with clear and immediate pay-offs in the present are likely to outdo long-term concerns for investment (Streeck and Mertens, 2011[3]).

Investments in skills may also lose out to other policy areas in terms of fiscal resources because the benefits of education and skills are shared between a multitude of stakeholders, and the incentives for investing in skills are often not well-aligned between these stakeholders. Educational investments create significant public benefits such as a well-educated citizenry that participates actively in political and societal life, which boosts employment and wage growth. At the same time, educational investments generate significant private benefits for those at the receiving end of these benefits, primarily in the form of higher wages and better employment prospects. It is very difficult to identify exactly how public and private benefits for a given amount of educational investments are distributed.

The distribution of financing responsibilities across levels of government also needs to be considered. There are many examples where financing responsibilities and incentive structures are not well-aligned. For instance, when the legal competencies for raising taxes and other sources of revenue mainly lie in the hands of the central government, but the administration and implementation of policies is left to lower levels of government (as in Germany, for example), the central government does not have strong incentives to maximise potentially available fiscal resources. Furthermore, if lower levels of government do not have to worry about raising revenue, they might overspend or misallocate resources to politically salient sectors of the skills system.

Incentive structures in the private sector can also be misaligned, for example, individuals could underinvest in skills development if education aspirations compete with short-term pressing needs. This is particularly important in the case of adult learning, which remains a relatively weakly institutionalised sector of skills systems in many OECD countries. Individual incentives can also be misaligned when individual educational choices constituting the supply of skills on the labour market do not match the needs of labour market actors (the demand side).

Recommendation: Invest and commit the diversified resources needed to strengthen skills policies

Strengthening the governance of skills policy takes time and commitment on the part of governments. However, this can be challenging at times, depending on the country context. To tackle these challenge, it will be equally important to:

- **Provide adequate resources by setting long-term budgetary goals**
  In order to weaken the pro-cyclical approach to skills policy, budgetary priorities should be set according to long-term strategic goals that are jointly decided in collective decision-making bodies. Funding for skills policy could and should include a cyclical component to allow policy makers to respond to short-term crises, but the bulk of funding should be devoted to solving structural issues.

- **Tap into multiple sources of funding while keeping equity concerns in mind**
  Broadly speaking, funding strategies that are concentrated on one funding source are more likely to lead to negative side effects than a more balanced approach. When mobilising funding from private households, particular attention should be paid to equity concerns to prevent credit or other funding constraints. A balanced approach to funding also requires employers (businesses) to contribute to the financing of skills development, and public sector to commit adequate and commensurate resources while counteracting potential inequalities in the distribution of funding across individuals, regions and sectors.

The self-assessment tool

In order to facilitate the practical application of the learnings based on the above-mentioned recommendations, a self-assessment tool for policy makers and stakeholders is provided in Table 1. The tool may be used by policy makers, stakeholders and other interested parties to provide an overall assessment regarding the potential of a particular country to strengthen the governance of its skills policy regime. It contains a number of "yes/no" questions which are framed in a manner that a positive (yes) response indicates agreement with the policy recommendations presented above. The questions are grouped according to the four main governance challenges. This is followed by recommendations for overcoming these challenges. The individual questions are further grouped under broader questions on a particular aspect and more detailed specifics of that aspect.

Some questions refer to the macro (systems) level in a particular country, whereas others are better answered at the level of a subsystem (e.g. a particular sector of the education system). This tool should be understood as an instrument supporting critical self-reflection: a higher number of positive (yes) responses signals a greater compliance with the recommendations presented above, and negative (no) responses may support a process of self-assessment and learning by means of critically engaging with the recommendations put forward.
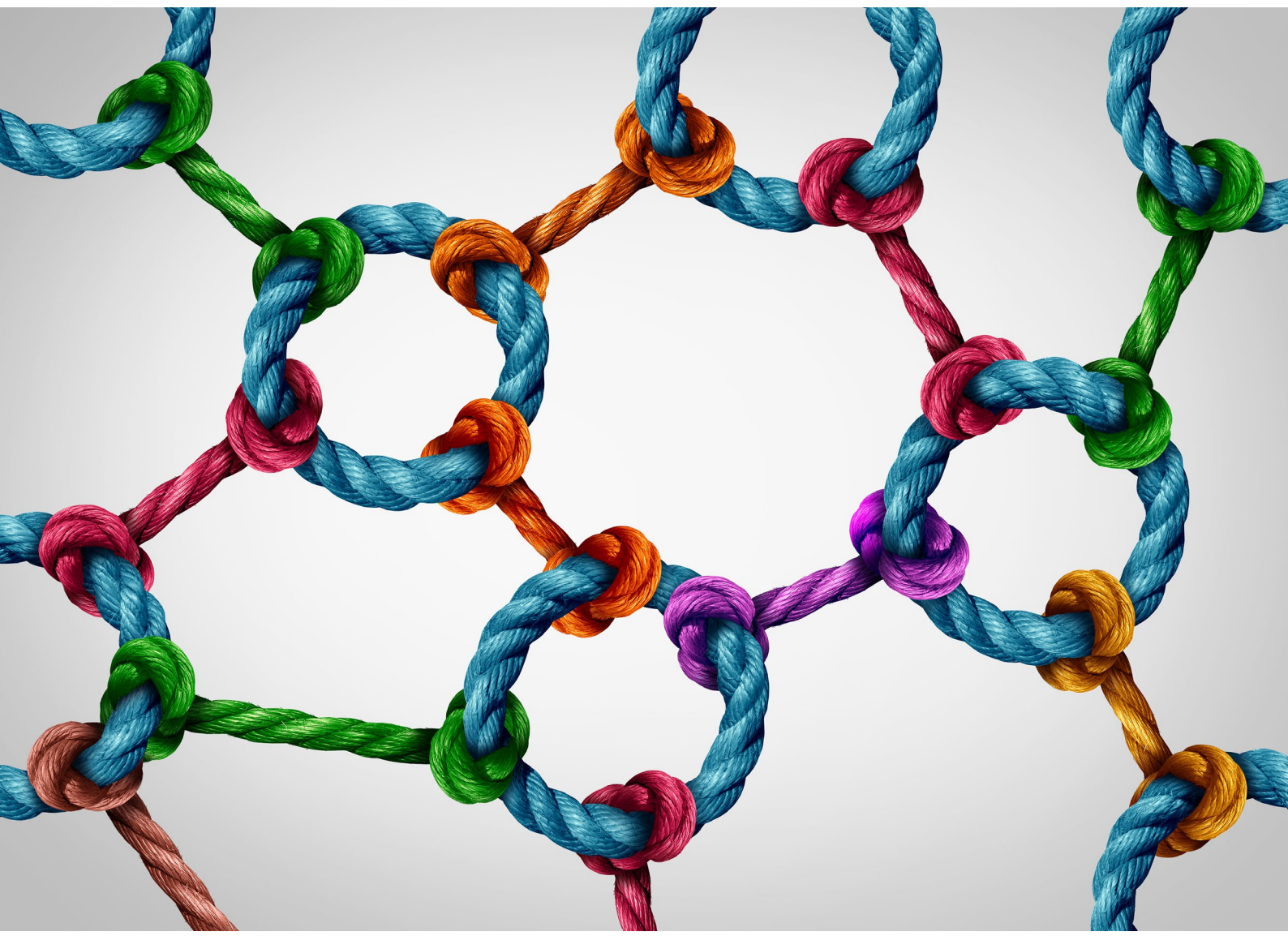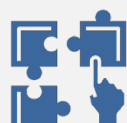
Table 1. Strengthening Governance of Skills Systems Self-Assessment Tool

Promoting co-ordination, co-operation and collaboration across the whole of government

Recommendations

Establish co-ordinating committees with a meaningful mandate and clear internal governance structures

- Define a clear mandate
- Define mandate with real substance
- Establish strong internal governance structures

Questions for self-assessment

			Yes	No
1.		**Is a comprehensive "map" of the skills system available?**		
	a	Is there centralised information on all available degrees and certificates, educational careers and progressions as well as entrance qualifications and requirements to different sectors of the skill system?	☐	☐
	b	Is the map open and publicly available? Is it accessible and transparent?	☐	☐
	c	Do actors involved in governance decisions know about it and is it used as a point of reference?	☐	☐
	d	Does the map include information on the legal and political competencies of various actors to influence governance decisions?	☐	☐
2.		**Do policy makers engage in "building the right institutions" for effective skill formation?**		
	a	Are skills policies at the top of the national policy agenda?	☐	☐
	b	Are efforts undertaken to co-ordinate the role of different bureaucratic agencies and political stakeholders across levels of government?	☐	☐
	c	Is there "horizontal" co-ordination between stakeholders at the same level of governance, i.e. co-ordination between different ministries and/or subnational governments via inter-ministerial committees, working groups or agencies?	☐	☐
	d	Is there co-ordination between policy makers, bureaucratic actors and civil society stakeholders?	☐	☐
	e	Is it clearly defined and widely known to the involved actors who sets the goals in policy-making and who decides about the distribution of decision-making power?	☐	☐
	f	Are procedures in place that support the management of conflicts between actors?	☐	☐
			☐	☐
3.		**If new councils, committees or institutions are set up in order to strengthen collaboration across the whole of government:**		
	a	Is the mandate of newly established institutions clearly defined?	☐	☐
	b	Are relationships between newly established and previously existing institutions well-defined, i.e. is there little/no overlap between new and existing mandates?	☐	☐
	c	Does the mandate have substance, i.e. does it involve the delegation of substantial decision-making authority for a clearly defined matter/issue?	☐	☐
	d	Are the internal governance structures of newly established bodies and institutions clearly defined?	☐	☐
4.		**Are policies in place that improve monitoring and evaluation processes?**		
	a	Is there a comprehensive statistical reporting system that documents progress in skills policies in the system as a whole rather than merely parts of it?	☐	☐
	b	Does the monitoring system include both quantitative data as well as qualitative assessments from stakeholders?	☐	☐
	c	Are monitoring and evaluation processes accepted as a legitimate and important source of information and supported by those concerned, i.e. stakeholders, parents, employers, teachers, students?	☐	☐
	d	Are monitoring and evaluation processes flexible enough to take into account new developments and to adjust reporting procedures accordingly?	☐	☐
	e	Are there sufficient (fiscal) resources available to collect the required information and data?	☐	☐
	f	Are the outcomes of monitoring and evaluation processes systematically connected to decision processes in the governance of skill formation?	☐	☐

Engaging stakeholders throughout the policy cycle

Recommendations

Promote the involvement and commitment of non-governmental stakeholders, while managing the risk of undue influence from special interests

- Provide opportunities for meaningful stakeholder involvement
- Limit overall numbers of stakeholders involved
- Prevent gridlock and manage the risk of undue influence by special interests
- Allow stakeholder engagement to develop over time

Questions for self-assessment

			Yes	No
1.	**Are all relevant stakeholders in the skills system well identified?**			
	a	Is knowledge available about how stakeholders interact with each other and how they are involved in the policy-making process?	☐	☐
	b	Are any groups or stakeholders systematically excluded?	☐	☐
2.	**Are stakeholders from business and civil society systematically involved in governance decisions?**			
	a	Are procedures in place that level the playing field between powerful or otherwise privileged stakeholders and less powerful ones?	☐	☐
	b	Are procedures in place that prevent powerful or otherwise privileged stakeholders ("special interests") from capturing the political decision-making process?	☐	☐
	c	Do state actors retain the ultimate responsibility for governance decisions in order to ensure than decision-making processes are both legitimate and effective?	☐	☐
	d	Are the current structures adequate to overcome deadlock or diverging interests and to reach compromise in policy-making?	☐	☐
3.	**Do governance structures of stakeholder involvement allow for meaningful engagement between the government and stakeholders?**			
	a	Are stakeholders given a real say in setting the government's agenda in skills policy?	☐	☐
	b	Does stakeholder involvement lead to tangible effects on the design and implementation of policies?	☐	☐
4.	**Do political and bureaucratic actors engaged in building trust with societal stakeholders?**			
	a	Are stakeholders involved in advisory boards and decision-making bodies on a permanent and sustainable basis?	☐	☐
	b	Are these boards and bodies systematically connected to the formal decision-making process?	☐	☐
	c	Are stakeholder engagement processes based on a widely accepted, transparent and clearly communicated set of engagement rules?	☐	☐
	d	Do political and bureaucratic actors actively engage in managing conflict between societal stakeholders in order to ensure that collective concerns are met?	☐	☐

Building integrated information systems

Recommendations

Support the establishment of information management systems, but make sure that they provide usable and relevant information to stakeholders and policy makers

- Involve stakeholders in the design of integrated information systems
- Use information management systems to inform rather than automate governance decisions
- Make use of different kinds of data

Questions for self-assessment

		Yes	No
1.	**Are information management systems established that help decision-makers to mobilise the necessary quantitative and qualitative data to support decision-making processes?**		
a	Do information management systems provide data on educational and employment careers according to the "life-course perspective", i.e. including data on transitions between different sectors of the skills system and the world of work?	☐	☐
b	Are sufficient fiscal resources and expertise available in order to establish and maintain complex information systems?	☐	☐
c	Are information management systems regularly used by agencies, stakeholders and other actors in the system to facilitate the exchange of information and to support the creation of a common knowledge base?	☐	☐
2.	**Are procedures in place that aim at improving data processing, information dissemination and tailoring?**		
a	Are both societal stakeholders as well as experts involved in the updating and tailoring of instruments, indicators and measurements?	☐	☐
b	Are efforts to collect data from different agencies co-ordinated across these agencies in order to ensure comparability and accessibility?	☐	☐
c	Do information management systems include input from the different data sources – both quantitative and qualitative?	☐	☐
d	Is the output from information management systems made available to researchers for further analyses?	☐	☐
e	Is the output from research taken into account in governance decisions?	☐	☐
3.	**Are procedures in place that aim at continuously enhancing management and evaluation processes connected to information systems?**		
a	Is the output from information management systems systematically connected to decision-making processes in the governance of skills systems?	☐	☐
b	Are information management systems supported by a commensurate culture of evaluation among policy makers, stakeholders and citizens?	☐	☐
c	Are efforts undertaken to make the data generated by information management systems as accessible to the public as possible?	☐	☐
d	Do evaluation process clearly define and set performance goals that should be achieved and are indicators available that measure progress towards achieving these goals?	☐	☐

Aligning and co-ordinating financing arrangements

Recommendations

Invest and commit the diversified resources needed to strengthen skills policies

- Provide adequate resources by setting long-term budgetary goals
- Tap into multiple sources of funding while keeping equity concerns in mind

Questions for self-assessment

			Yes	No
1.		**Are efforts undertaken to mobilise funding for skills policies?**		
	a	Is the goal of investing in skills and skill formation at the top (or close to the top) of the government's fiscal policy agenda?	☐	☐
	b	Are the sources of financing sufficiently diversified, including both public and private sources, in order to ensure the sustainability of funding in the long term?	☐	☐
2.		**Is the budget planning regarding fiscal resources connected to long-term strategic goals and challenges rather than driven by immediate crisis needs?**		
	a	Do policy makers regularly assess the financial needs of actors in the skills system, independent of current business cycles?	☐	☐
	b	Is the financing of skill formation connected to medium- and long-term goals in the financial planning of governments?	☐	☐
	c	Are the priorities in the distribution of fiscal resources co-ordinated with the input from information management and evaluation processes?	☐	☐
3.		**Do fiscal resources match the current needs in terms of financing in skills systems?**		
	a	Are financial needs of different actors and institutions properly identified and legitimised?	☐	☐
	b	Are fiscal incentives of actors in the system aligned in order to achieve the maximum yield in terms of resources?	☐	☐
	c	Do actors at different levels of government in charge of governance decisions in skills policies have the required competencies to make decisions about the distribution of fiscal resources?	☐	☐
	d	Are accountability mechanisms in place that ensure that actors are held responsible for aligning needs to resources in the long term?	☐	☐
4.		**Are equity concerns taken into account in decisions about the distribution of funding?**		
	a	Does socio-economic need (and background) play a role in decisions about the distribution of public funding?	☐	☐
	b	If funding comes from private sources, do funding schemes pay attention to individual differences in ability to pay?	☐	☐
		Total	☐	

References

Busemeyer, M. and C. Trampusch (eds.) (2012), *The Political Economy of Collective Skill Formation*, Oxford University Press, Oxford. [1]

OECD (2019), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, OECD Publishing, Paris, https://doi.org/10.1787/9789264313835-en. [2]

Scharpf, F. (1997), *Games Real Actors Play: Actor-centered Institutionalism in Policy Research*, Weastview, Boulder, CO. [3]

Streeck, W. and D. Mertens (2011), "Fiscal Austerity and Public Investment: Is the Possible the Enemy of the Necessary?", *MPIfG Discussion Paper*, Vol. 11/12. [4]

Strengthening the Governance of Skills Systems

SELF-ASSESSMENT TOOL

The governance of skills systems raises a number of challenges for governments. Skills policies are at the intersection between various sectors of the education system, including early childhood education and care; schools; vocational education and training (VET); adult learning and higher education; labour market policies, policies that support the adoption of high performance workplace practices; and certain immigration policies. Therefore the core challenge in governing skills systems is that policy-making responsibilities are usually widely distributed across levels of government and ministries. The governance of skills systems is further complicated by the wide range of social partners and other stakeholders with an interest in and influence on skills outcomes. This Self-Assessment Tool forms part of the OECD report *Strengthening the Governance of Skills Systems: Lessons from Six OECD Countries*. The tool is designed to be used by policy makers, stakeholders and other interested parties to assess the effectiveness of their skills systems as a first step towards improving skills governance in their countries.

Read the full report: https://dx.doi.org/10.1787/3a4bb6ea-en

Write to us:
OECD Centre for Skills
2, rue André-Pascal
75775, Paris Cedex 16, France

Visit our website: www.oecd.org/skills/centre-for-skills

Read our books online: www.oecd-ilibrary.org/education/books

Subscribe to our online library: www.oecd-ilibrary.org

Order our publications: www.oecd.org/bookshop

Read our blog: https://oecdskillsandwork.wordpress.com

Follow us on twitter: @OECD_Social

Co-funded by the
European Union