
Resources for sustainability and continuity of training policies in Recommendation 195

5.1 Economic and tax incentives for training

The themes of financing vocational training and of the incentives for investment in training have acquired a particular transcendence in terms of the role that training plays at present and especially on the basis of the idea of lifelong learning. Because of this, the new Recommendation 195 deals with sources of financial resources and investment in the development of human resources in several articles, scoring in the chapter assigned to educational and training policies that members should “*develop supportive social and other policies, and create an economic environment and incentives, to encourage enterprises to invest in education and training individuals to develop their competencies and careers, and to enable and motivate all to participate in education and training programmes*” (art. 5, b).

The article cited refers, above all, to training of individuals that are already inserted in the labour market, which is complemented in this new Recommendation by addressing the role of training and education prior to employment. Indeed, the quality of employment to which an individual can aspire, as well as the possibility of acquiring quality vocational training and taking advantage of opportunities for lifelong learning that arise, depends to a large extent on the quality of the education that the individual has received in the training and education stage prior to employment. This fact is stressed in several passages of the Recommendation, and, specifically in that which concerns financing and investment in training, it establishes that Members should “*assume the primary responsibility for investing in quality education and pre-employment training, recognising that qualified teachers and trainers working under decent conditions are of fundamental importance*” (art. 5, d).

When addressing the subject of financing training in Latin America and the Caribbean, it can be established that various models of vocational training and occupational skills development coexist and are combined. Therefore, when embarking on a schematic review of the way in which countries have organised financing of their training systems, it must not be thought that the use of certain type of financing mechanism precludes the use, in a national context and at a certain time, of another type of measures tending to encourage investment in training. Rather, countries in this region have tried to obtain resources for training and lifelong learning by various means. These are reviewed briefly below under the label “models”, keeping in mind that in most cases training and lifelong learning are financed with measures that belong to more than one of them.

Thus, in the first place a model to finance training could be mentioned that does so by means of earmarked taxes, or parafiscal contributions, which mechanism gave rise to the so-called Latin American model of vocational training institutions. These taxes are usually applied to enterprises in the private sector of the economy (although in a few cases they are also applied to public enterprises) and are a certain percentage of their payroll (the percentages in the region vary between 0.5% and 2%).

Earmarked taxes also finance training in those models that assign resources through taxes on workers and employers to be invested in programmes executed by the Ministries of Labour. In this model, the funds are generally used, not only to finance labour skills development actions designed for certain collectives, but also for other measures involving active employment policies, as for example labour intermediation, vocational guidance and help in seeking a job, *inter alia*. The organs that manage these funds are often tripartite (with the participation of governments and the social partners) and in several cases their administration is also highly decentralised territorially.

In the second place, a model can be mentioned that assigns funds from the national budget for vocational training. This financing mechanism is generally used in countries where vocational training is dealt with within the formal educational system, usually under the modality of middle technical education. In this model, resources for training may come both from the Central Government and from territorially decentralized political-administrative units such as provinces and states. Both administrative and management decentralisation and financial decentralisation were a trend to be observed in several countries of the Latin American and Caribbean region during the decade of the nineties.

A third type of mechanism for financing training are tax incentives to enterprises for their investment in training their work force, where the enterprises recover their training expenses after they have submitted their tax statements. In these cases there is often an option on the part of the enterprises to execute skills development directly or hire an external skills development entity which, together with the schemes of programmes financed by the Ministries of Labour, have fostered the appearance of an important market for training with a multiplicity of suppliers and private skills development entities. In some case, the training plans of the enterprises - that are submitted in order to obtain a tax reimbursement for the expenses on labour force skills development, - may be subject to approvals by bipartite organs at the enterprise level, made up of workers and employers, which is also an interesting mechanism for social dialogue on training.

In this brief review of mechanisms to finance training, private investment in skills development by enterprises and workers cannot be left out. In the case of enterprises, because they have realised that training and investment in the development of human resources is a sine qua non condition for increasing labour productivity and competitiveness. It is not enough alone to fulfill the objectives mentioned, but it is practically an assumption for incorporating new technologies into productive processes and for innovating the ways work is organised. From a different perspective, but for reasons similar to those just mentioned, workers are becoming increasingly aware of the need to update their competencies on an ongoing basis, as the only way to minimise the risks that are at this juncture inherent to the labour market and that are expressed, among other ways, in the possibility of losing a job or not managing to obtain one due to inability to follow the engine of technological innovation applied to work.

Regarding technological innovation in the world of work, it is increasingly recognised that information science and the use of information and communications technologies (ICTs) are core competencies for employability. The new Recommendation is sensitive to this subject and in matters of financing it establishes that Members should define policies that *“promote and sustain public and private investment in the infrastructure needed for the use of information and communication technology in education and training, as well as in the training of teachers and trainers, using local, national and international collaborative networks”* (art. 3, e).

Finally, on the subject of financing training and the development of human resources it is extremely important to mention the subject of research on financ-

ing mechanisms (their effectiveness, efficiency and relevance in varied contexts), as well as the impact of training actions, both in terms of labour insertion of target populations of training programmes for labour re-insertion, and at the level of the productivity of the labour force used that takes part in training actions at the enterprise level. On research regarding financing mechanisms as well as on the need to establish parameters for comparison and evaluation at the international, regional and sector level, Recommendation 195 establishes that Members should “*consider benchmarks in relation to comparable countries, regions and sectors when making decisions about investment in education and training*” (art. 7); as well as support research in *investments in training, as well as the effectiveness and impact of training* (art. 19, d).

5.2 Research on development of human resources, education, training and lifelong learning

Monitoring actions and evaluating results have always been a concern in the design of social policies, but they are generally considered to be external dimensions, exerting control subsequently to the process of development and implementation. Because of this, most times they are not carried out or they are addressed in terms of complying with a formal requirement to close an intervention and, what is more important, the results are not processed as feedback for new actions. Thus, there are no inputs to serve as guidance for the process and, even less, for continuous improvement. Only by being aware of what is going on can things be changed. In the same sense, if no diagnosis in depth is available both of the characteristics, trends and perspectives of national and local development, and of the world of work, as well as of the target subjects of the policies, their relevance, quality and equity are affected.

Recommendation 195 is wide awake to this problem and because of it proposes not only “*to evaluate the impact*” of the policies but also “*to develop the national capacity and promote and support the development of the capacity of the social partners to analyse the trends of the labour market, human resources development and of training*”.

Generating capacities is essential to accumulate knowledge, identify lessons and good practices and, above all, develop methodologies and instruments that can be placed at the disposal of other countries and actors to advance collec-

tively. Research, with the subsequent systematisation of its results, is the first and indispensable input of this process of lifelong learning. As a result, the instrument that we are dealing with makes suggestions on possible lines of research that address reinforcing and boosting the development of the general outline proposed.

By way of example the following are especially significant and innovative:

- *“policies, strategies and frameworks for human resources development and training”* (art. 19, c);
- *“skills recognition and of qualifications frameworks”* (art. 19, b);
- *“identifying, measuring and forecasting the trends in supply and demand for competencies and qualifications in the labour market”* (art. 19, e);
- *“learning and training methodologies, including the use of information and communication technology in training”* (art. 19, a);
- *“identifying and overcoming barriers to accessing training and education”* (art. 19, f);
- *“identifying and overcoming gender bias in the assessment of competencies”* (art.19, g).

The first two lines address reinforcing the double relevance of training with the milieu and with individuals, as well as a multiple player and comprehensive approach to development policies. The following two lines contribute antennas to anticipate and guide interventions. The inputs provided by these four lines of research are the basic condition for enhancing the quality of training policies and to position them as proactive tools for actors to dovetail their efforts and cooperate towards the common objective of *“promoting greater opportunities for women and men to obtain decent work”* (art. 21, b).

Likewise, the last two aim at equity in all its expressions. In this sense combining the labour competency and gender approaches configures a conceptual and methodological framework to improve the quality of employment and training policies, on the basis of relevance and equity criteria, and to organize training supply in an open and flexible proposal, conceived within the framework of lifelong learning. The competency approach enables an encounter between the different actors of the educational and productive areas and has shown its efficacy in ensuring that training responds to the needs of the productive world and

assigns a value to the capacities acquired by persons in various scenarios. In addition, the gender approach allows opportunities and limitations to be analysed in terms of development and valuation of the competencies that social reality, the world of work and training offer to men and women, and to influence the process of transformation of the point of departure and to overcome the obstacles arising from personal and social history.

Moreover, the new Recommendation includes suggestions linked to the need to increase research and studies on the diverse Latin American realities. This theme, emphasized in a novel manner, aims at promoting comparative studies that facilitate the recognition of similarities (at the national, local institutional and sector levels) that allow transferable methodologies and tools to be produced and differences to be surveyed that lead to diversified strategies and/or strategies adapted to each context, its actors and potentialities.

In a few words, the inputs, alerts and guidance contributed by research are the basic tools for the development of regional integration and of technical and international co-operation.

5.3 Technical and international co-operation.

Training in regional integration.

Contrary to what might have been expected a priori, globalisation has caused not only the emergence of a global scenario, but also the superimposition of several scenarios. Notwithstanding this, instead of substituting the national or global scenario the great challenge is the coexistence of both, a “global” integration where attention paid to characteristics and mutual influences becomes a source of opportunities and not only of inequity and exclusion. To achieve this, as was pointed out in the previous point, a very effective strategy is to identify similarities that could be the base for a shared construction and a permanent improvement of knowledge, methodologies and good practices but that, at the same time, are flexible and adaptable when implemented. This information becomes a generator of capacities by means of training policies, technical co-operation, both bilateral and multilateral, between countries and regional blocks and international co-operation.

Recommendation 195 gives a strong boost to these lines of action when it proposes the new responsibilities and challenges that, in the present context,

technical and international co-operation has to assume. The first, without which all the others would not be possible, and even less sustainable, is that of *“promoting national capacity building to reform and develop training policies and programmes, including developing the capacity for social dialogue and partnership building in training”*. (art. 21, c)

The strengthening of institutional competencies is a condition for accumulation, so that interventions are not reduced to the short term, nor that they are implemented only while the support of financing or external cooperation lasts. Moreover, to the extent that institutions acquire design and management competencies they can recover and value their own practices, enhance them with what is being done in other contexts, not reiterate resources and efforts to always begin from zero, but rather adapt and enhance, in a spiralling process of continuous improvement, good practices and lessons learned. It is this collective construction of knowledge and its socialisation that the new Recommendation summons forth when it refers to the need to:

- *“strengthen the capacity of the social partners to contribute to dynamic lifelong learning policies, in particular in relation to the new dimensions of regional economic integration, migration and the emerging multicultural society (art. 21,e) ;*
- *“taking into account the specific problems of the indebted developing countries, explore and apply innovative approaches to provide additional resources for human resources development” (art. 21, h);*
- *“promote cooperation between and among governments, the social partners, the private sector and international organisations” (art. 21, i)*

Finally, and as another innovative and challenging contribution, this ILO instrument addresses one of the perhaps unforeseen effects of globalisation, despite which it is generating increasing tensions and inequities in national and regional environments: *“the adverse impact of the loss of skilled people through migration”* (art. 21, a). Globalisation of the economy and the worldwide extension of knowledge as well as the visualisation of regional and sub-regional integration as a need and opportunity led to mobility of the labour force beyond frontiers. But this mobility, in the case of developing countries, involves a systematic loss of its human capital that migrates seeking better labour opportunities and vocational development of better quality and currency. This has intensified inequi-

ties because, in fact, people who are best able to move are those who have most capital in the line of knowledge and skills for change or have the resources to increase their training in the most prestigious educational centres in the world.

In the case of Latin America and the Caribbean, the loss of quality and the strong social segmentation of formal education, the devaluation of traditional academic degrees as a result of obsolescence of knowledge and the vertiginous technological changes, led to a “flight forwards” of the years of education, when families that have the necessary resources were led to make an effort to enable their children to acquire post-graduate degrees, doctorates and specialisations abroad. Individuals who achieve those levels of competency find it difficult, subsequently, to apply them in their countries of origin and, especially, to achieve vocational and economic development in keeping with their capacities and with the financial investment and efforts that they have made. At the same time, the successive economic crises and growing unemployment lead those who are most affected and, especially, young people, to seek new horizons and try to obtain abroad the income that they cannot make in their own countries and that, increasingly and forcibly, becomes the only source of resources for the rest of the family that stays behind.

The convergence of these two phenomena translates into a drain of talents for the developing countries, which is why Recommendation 195 proposes an increase in assistance to the developing countries as the inescapable challenge for international and technical co-operation, in order to:

- develop “strategies to strengthen the human resources development systems in the countries of origin, recognising that creating enabling conditions for economic growth, investment, creation of decent jobs and human development will have a positive effect on retaining skilled labour” (art. 21, a);
- promote “coherent policies and programmes which place education, training and lifelong learning at the centre of development policies” (art. 21, g).

Within this framework, many agencies and countries in Latin America are increasingly tending to integrate their educational and training policies, since the acquisition of competencies and training that are a response to reality must be based on quality basic education that is accessible to all. As has already been stated, many programmes to develop vocational qualifications are financed within the broader framework of the educational sector. The “Education for All” initiative, launched in 1990, has had very important repercussions on the develop-

ment of qualifications and has caused a re-posing of the priority that was assigned so far to basic teaching.

Regarding training and regional integration, it is possible to pose as fundamental themes the diversification of employment policies, of spaces and of scenarios where they take place and the role of vocational training in these areas. This diversification should then aim both at the objectives and instruments that are traditionally called “employment policies” and to their connection with aspects sometimes considered autonomous but that, in any case, have a notable influence on the generation or destruction of jobs.

At the international level, it is possible to mention a tripartite consensus on guaranteeing universal access to basic education for all, initial training and continuing training, as well as to the increase and optimisation of global investment in this sphere. Moreover, it is increasingly important to create, at the national and local levels, structures in the manner of public entities and consultative organs with the participation of the sectors and agencies representing teaching and vocational training of the public and private sector.

In the same way, the development of national qualifications frameworks, of continuous education and training, of competency-based training and the support for policy formulation and institutional strengthening, instead of financing specific programmes to develop qualifications for formal employment, have begun in this last decade to be priorities for international co-operation.

Current regional and sub-regional integration conditions make it necessary to maintain and deepen co-operation efforts between countries and their training institutions. In this sense, Cinterfor/ILO can be considered to be one of the main instruments of co-operation for the development of vocational training. It was created at the request of the 7th Conference of American States Members of the ILO, held in Buenos Aires in 1961¹⁸ in order to promote active and permanent co-operation among vocational training institutions (VTIs) of the American region.

Cinterfor/ILO aims to promote and strengthen horizontal technical co-operation among the countries of Latin America and the Caribbean, oriented towards the development and modernisation of their VTIs, to contribute to the design of public policies and to the implementation of vocational training pro-

18 The agency was established in Montevideo (Uruguay) in 1964 as the result of the agreement signed by the ILO and the Government of Uruguay in December 1963.

grammes through promotion of strategic alliances between the State and organisations of employers and workers. It also promotes the development and expansion of a regional information network on vocational training among the countries of Latin America and the Caribbean (by circulating information, experiences and technological innovations) and the development of research activities for the formulation of plans and programmes of institutionalized vocational training.

A clear example of how technical co-operation can facilitate the development of innovative approaches in training is the extraordinary vocation to support demonstrated by the training institutions of the region. The expression of a willingness to co-operate and support makes it possible today to count off regional and sub-regional technical seminars held annually and an abundance of technical products provided by the same entities and that have made it easier for Cinterfor/ILO to spread its work through its web page.