INTERNATIONAL LABOUR OFFICE

GB.298/ESP/3
298th Session

Governing Body

Geneva, March 2007

Committee on Employment and Social Policy

ESP

FOR DEBATE AND GUIDANCE

THIRD ITEM ON THE AGENDA

Portability of skills

I. Introduction

1. The issue of skills portability is highly relevant for economic and social development of member States in the context of rapid changes in technologies, global markets and work organization as well as high levels of youth unemployment and rising regional and international migration. Workers need to have relevant and verifiable skills in order to gain access to job opportunities and to adjust to changing labour markets. Employers' ability to select the workers they need depends on clear information on the type and level of workers' skills. This means skills need to be transferable between jobs and easily recognized by employers – i.e. portable.

2. This paper responds to the decision by the Officers of the ESP Committee during the March 2006 session to discuss the topic of portability of skills. Following the "Vision" paper for the Employment Sector and the "Employability by improving knowledge and skills" paper presented to the Committee in March 2006, this paper reviews and analyses policies to promote the transferability and recognition of skills in the context of the Global Employment Agenda (GEA).

3. Human Resources Development Recommendation, 2004 (No. 195) defines portability of skills along the following two dimensions:

(a) employable skills which can be used productively in different jobs, occupations, industries; and

(b) certification and recognition of skills within national and international labour markets. [1]

4. This paper addresses major policy issues in the area of skills development and skills recognition and discusses policies to enhance portability of skills at the national, regional and international levels. Section II develops a concept of portability of skills, section III reviews main policies to *develop* employable and transferable skills, section IV addresses approaches and policies to *assess and recognize* skills in national economies, and section V reviews mechanisms and strategies that ensure portability of skills of migrant workers.

---

[1] Recommendation No. 195 concerning human resources development: education, training and lifelong learning, 2004.

5. Based on the policy analysis, the Committee is invited to discuss:

- the most promising policy areas and options to increase portability of skills; and

- the ways the Office could best support constituents in developing, implementing and reviewing their policies in this area.
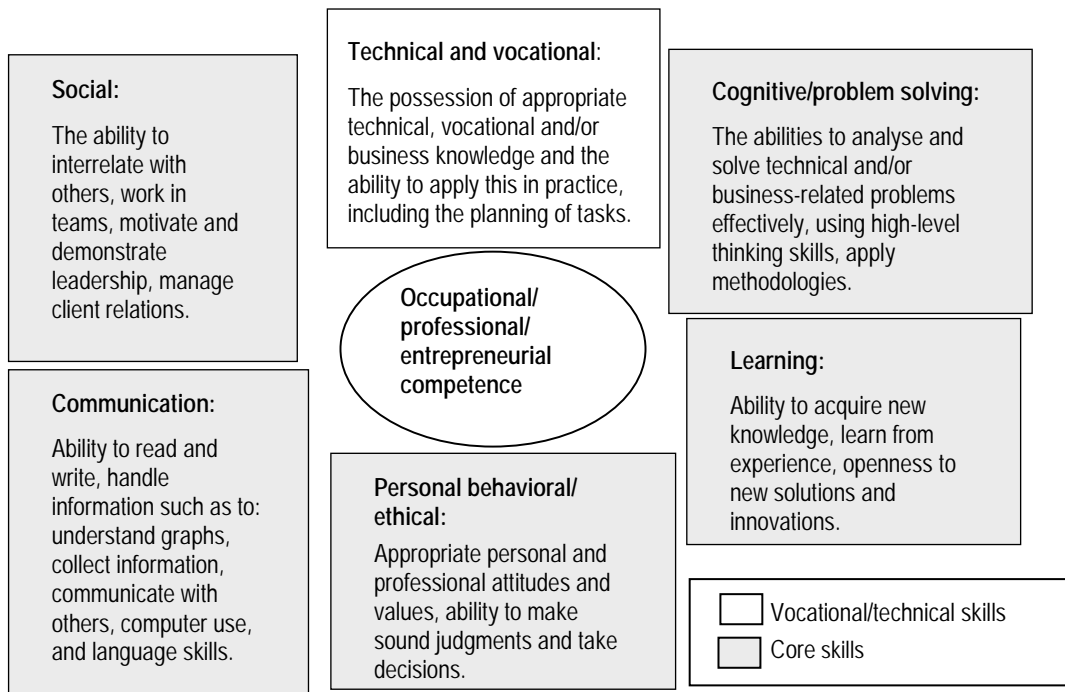
II. The concept

6. The term "portability of skills" has attracted increasing attention in policy debates. This section elaborates a concept of portability of skills within the framework of Recommendation No. 195.

> Transferability of skills + credible information on skills = Portability of skills

1. Transferability of skills

7. Individuals can develop a broad body of knowledge, skills and attitudes, which, in combination, determine their competence in performing a job or a task. Competence is defined in a broad sense, comprising vocational, social, communication, cognitive, learning and personal behavioural skills. Workers and employers need to acquire a combination of these skills for high performance in the work process within their occupation or profession. [2] These different skills are transferable or "portable" when they can be used productively in different employment contexts, jobs and enterprises. Vocational/technical skills and non-vocational core skills (see graph 1) differ in their ease or degree of transferability.

Graph 1. Sets of skills defining competences

Social:

The ability to interrelate with others, work in teams, motivate and demonstrate leadership, manage client relations.

Technical and vocational:

The possession of appropriate technical, vocational and/or business knowledge and the ability to apply this in practice, including the planning of tasks.

Cognitive/problem solving:

The abilities to analyse and solve technical and/or business-related problems effectively, using high-level thinking skills, apply methodologies.

Occupational/ professional/ entrepreneurial competence

Learning:

Ability to acquire new knowledge, learn from experience, openness to new solutions and innovations.

Communication:

Ability to read and write, handle information such as to: understand graphs, collect information, communicate with others, computer use, and language skills.

Personal behavioral/ ethical:

Appropriate personal and professional attitudes and values, ability to make sound judgments and take decisions.

☐ Vocational/technical skills
☐ Core skills

Source: ILO

---

[2] Nölker, H. and Schönfeld E. (1985): Glossar: Internationale Berufspädagogik, GTZ. Expert Verlag. European Centre for the Development of Vocational Training (CEDEFOP) (2006): Typology of knowledge, skills and competences, Reference series, 64, Luxembourg.

8. Vocational skills are determined by the ability to apply, in practice technical or professional knowledge in a competent manner. The degree of transferability of vocational skills between enterprises, industries or economies differ. General vocational and technical skills, such as operating or maintaining industrial machines, developing software or applying IT technologies can be used in many different sectors in an economy. Vocational skills become general as a consequence of standardization of products and processes and diffusion of similar technologies between enterprises. By contrast, skills in applying the basic principles and techniques of a trade are specific to particular industries and their transferability is limited to these boundaries. Furthermore, specific skills and knowledge which are entirely job-related or firm-specific which workers acquire in enterprises specialized in narrow product or service niches, are almost non-transferable. [3]

9. Core skills – also labelled basic, foundation, key and essential skills – refer to the set of non-vocational skills described in graph 1. Traditional core skills relate mainly to social and communication skills such as the ability to read and write, communicate with others or to be punctual. The "new" core skills identified in the dynamic knowledge and science-based, high technology and service sectors shift emphasis to learning, cognitive and personal skills such as the ability to make judgments, solve problems, and learn additional skills. [4] The relative importance of the various types of core skills depends on the socio-economic context and timeframe. These skills are relevant across occupations and professions, as well as across low- and high-level jobs, and therefore they are highly portable.

10. Transferable skills have both explicit and implicit (tacit) knowledge elements (see box 1) and are therefore acquired in distinct learning contexts and processes. While explicit knowledge can be easily articulated and taught in classroom settings, the development of tacit knowledge elements depends to a large extent on social learning in social networks such as families, communities, classmates in schools and colleagues in enterprises and on experiential learning both in daily life and at the workplace.

Box 1
Implicit (tacit) and explicit knowledge

Modern theories of knowledge and learning differentiate between two forms of knowledge with distinct properties. Knowledge about facts, events, principles and rules (knowing "something" or declarative knowledge) can be articulated and codified. These explicit forms of knowledge can easily be communicated between individual persons in a process of teaching and learning. In contrast, procedural knowledge (knowing "how to do something") refers to a person's capacity to apply rules and principles in a competent way while performing a task or job. (Knowing the rules of riding a bicycle does not mean that the person can ride a bicycle). Procedural knowledge in combination with declarative knowledge determines the skills of a person. Procedural knowledge is tacit in the sense that an individual cannot describe and articulate the "knowing how to do" or the procedure he or she follows. Tacit knowledge is implicit in skills and individuals apply it unconsciously, but it can be observed by others during the execution of the task. Implicit knowledge cannot be taught, but acquired and "discovered" in a process of observation, practice and experience. This refers to the importance of socially provided learning at the workplace, in working side-by-side with a skilled person as well as in social networks such as families, enterprises or communities.

---

[3] Estevez-Abe, M., Iversen T. and Soskice D.: *Social protection and the formation of skills: reinterpretation of the welfare state*, Paper, 95th American Political Science Association Meeting, 2–5 September 1999.

[4] OECD (2006): Skills upgrading: New policy perspectives. Reich, R. B. (1991): *The work of nations*, Alfred A. Knopf, Vintage Books, New York, p. 176.

2. Visibility and recognition of skills

11. While relevance to other employers, occupations or industries is the necessary condition for portability of skills, a second condition is that skills also need to be visible and recognized in labour markets. As skills cannot be directly observed and "inspected", they need to be identified, assessed and communicated to employers. Skills and their implicit and explicit knowledge elements (see box 1) differ however in the degree to which they are easily recognizable by others and require various methods of identification and assessment. While explicit knowledge can be observed, tested, codified and certified relatively easily through written or oral exams and practical tests, implicit or tacit knowledge – such as the ability to learn or to work in teams – is more difficult to assess, codify and certify. Human capabilities such as intuition, insight, creativity and judgment, resist codification. Therefore, skills in these areas can only be ascertained through observation of work performance.

12. Furthermore, matching skills with jobs requires effective communication of information on skills. Stakeholders need to have trust in the information to signal the "true" skills of an individual worker. Informal and formal institutions are central in this process as they provide rules for collecting and disseminating the hard-to-verify information on a worker's skills. Institutions build a reputation over time to provide valid information so that actors in labour markets can recognize skills when making choices in recruitment and job search. The reach of the institution's reputation in labour markets determines the scope of recognition of skills and thereby the degree of portability of skills. The reputation of institutions in traditional societies and in the informal economy have limited reach because the communication of the institution's reputation relies so heavily on personal and social networks. Skills acquired in traditional arrangements are recognized socially and portability is limited to the immediate vicinity and the local business community.

13. In more complex economies, additional institutions are required that stretch beyond the personal and local level to enlarge the scope of recognition. Certificates or references are mechanisms to codify information on skills and to communicate it easily between worker and employer, i.e. at low transaction cost. Formal certification and accreditation systems help ensure recognition and portability of skills in labour markets at the national level. However, even in societies where formal institutional support for skills and job search are strong, informal networks are a major channel for transmitting trusted information about potential employers or employees.[5] Labour market intermediaries (public and private employment agencies) facilitate the matching of skills both in national and in international labour markets by identifying and assessing skills of workers and assisting employers to identify the necessary core and technical skills. Finally, institutions such as mutual recognition agreements between countries or regional certification systems improve portability at the international level.

3. Benefits and challenges of enhanced portability

14. Policies to develop portable skills have the potential to benefit individual workers, enterprises, the economy and society.

- ■ With more widely relevant and recognized skills, individual workers improve their employability and adaptability, as well as their ability to receive wages commensurate to their level of competencies.

[5] Granovetter, M. (2005): "The Impact of social structure on economic outcome", in *The Journal of Economic Perspectives*, Vol. 19, 1.

- Portable skills contribute to human development as they empower people, enlarge individual worker' choices and capabilities, and help workers to make full use of their talents and skills. In international migration women are more likely to be affected by "brain waste" (employed below their skill level) and therefore have a high potential to gain from enhanced portability of their skills.

- Enterprises and organizations in the public and private sectors benefit from more effective matching of skills demand with supply and from easier adaptability of the workforce to changes in technologies.

- Labour market efficiency improves due to lower transaction costs in job search and recruitment.

- The economy benefits from decreased frictional unemployment, smoother adjustment to external or policy-induced shocks (macroeconomic shifts, technological changes, trade liberalization) and more sustainable economic growth and employment.

- The recognition of skills of vulnerable groups and women who tend to face discrimination in the labour market, promotes economic and social inclusion, decent work and fair globalization.

15. Policies to increase portability of skills, however, also bring challenges as costs and benefits are unlikely to be evenly distributed between stakeholders.

- Individual enterprises may be reluctant to invest in transferable skills because they risk losing the worker and their investment. Policies need to address this issue as it will result in a sub-optimal level of investment in transferable skills.

- Societies investing in transferable skills risk losing at least part of their investment when workers use these skills to seek employment opportunities in other countries. This may discourage the public sector from investing in more training.

- When substantial numbers of skilled health and education workers leave developing countries to find work in developed countries, the "brain drain" effect reduces their home countries' ability to improve the education and health services which are fundamental to human development and poverty reduction. [6] Policies in sending countries need to address these challenges, in particular by creating better and safer working conditions and better pay to retain skilled labour and promoting temporary migration which often creates win-win situations for all stakeholders, [7] and receiving countries need to promote equitable recruitment codes and practices. Recommendation No. 195 urges international and technical cooperation to promote recognition and portability of skills nationally and internationally, as well as to promote strategies and policies that mitigate the adverse impact on developing countries. [8]

---

[6] P.F. Clark, J. B Stewart, D.A Clark: "The globalization of the labour market for health-care professionals", in *International Labour Review*, Vol. 145 (2006), No. 1–2, p. 37.

[7] The ILO's action programme on the International Migration of Health Service Workers: The Supply Side, implemented jointly with the World Health Organization (WHO) and the International Organization for Migration (IOM) aims at developing and disseminating strategies and good practices for the management of health services migration from the supplying nations' perspective.

[8] Recommendation No. 195, Chapter X, 21(a) and (f).

16. The challenge for constituents is to devise policies to realize the potential benefits from enhanced portability of skills at the national, regional and international levels while mitigating the possible risks.

17. To summarize, the concept of portability of skills:

- defines transferability and recognition of skills as the two main dimensions of portability;

- highlights the role of institutions, technology and standardization in determining the scope of portability of skills;

- identifies portability of skills as an important policy element of the GEA and the Decent Work Agenda.

III. Developing transferable vocational and non-vocational skills

18. Vocational education and training systems (VETS) and training policies face the challenge to integrate relevant vocational and non-vocational transferable skills into the curriculum, to design effective training methodologies, to promote investment by all stakeholders and to develop transferable skills for sustainable economic and social development.

1. Integrate transferable skills into curriculum

19. Effective policies to integrate transferable vocational and core skills need to identify skills required in labour markets to ensure productivity and employability of workers. This requires maintaining effective social dialogue among stakeholders on curriculum, training content and standards and developing the capability of curriculum developers and trainers to actually implement the training programmes. While best practice in this area is mainly observed in developed countries, this is not the case in most developing countries.

20. In the German training system for young persons, for example, the Federal Institute for Vocational Education and Training (BIBB) undertakes labour market research to identify relevant core and vocational skills. The actual content and standards for training are jointly determined by the Government, the social partners, and the chambers of industry and commerce. One of the major trends in the past decades has been to place more emphasis on multidisciplinary and core skills such as communication skills, theoretical knowledge and reasoning – a shift designed to improve the employability of trainees over their lifetimes. [9] The same trend can be observed in the apprenticeship systems in Austria and Switzerland which are based on similar structures.

21. Recently in the Philippines, the national vocational training authority, jointly with the Technical Education and Skills Development Authority (TESDA) and with the support of the ILO, has been following best practice procedures in identifying 20 core competencies to emphasize in training programmes. [10] The selection and development process involved

---

[9] K. Wagner, (1998), The German Apprenticeship System after Unification, Wissenschaftszentrum Berlin, at http://skylla.wz-berlin.de/pdf/1998/i98-301.pdf.

[10] For example, receive and respond to workplace communication; work with others, demonstrate work values; work in team environment; practice occupational health and safety procedures; lead

technical work and validation with social partners, industry, training providers and other stakeholders such as NGOs and community leaders. Core work skills now form part of the Philippine TVET Qualification Framework which was established by TESDA. [11]

2. Develop effective training methods

22. The development of tacit knowledge, implicit in many transferable skills, requires more interactive, flexible learning arrangements and methods in which learners are active rather than passive participants. Apprenticeship has been the traditional method to create such learning environments where apprentices and masters interact in a process of demonstration, observation and practice. The ILO is currently undertaking a research project on traditional apprenticeship training in the informal economy of West African countries in order to improve effectiveness of this training method. In school-based training systems, action-oriented learning methods such as case studies, internships and field trips develop competence in core skills such as problem solving, communication, teamwork – skills which cannot be developed through classroom learning methods alone. The ILO's tools in entrepreneurship training incorporate experiential simulation to model decision-making and problem-solving skills, for example "Know About Business" (KAB) and "Improve Your Business" (IYB). New technologies, for example in computer-based simulations and Internet-based learning, are being used to supplement traditional technical training to help develop non-vocational core skills. These can be cost-effective methods for trainees to practice their technical skills and apply their sense of judgement under different circumstances.

3. Promote investment in transferable skills

23. Financing of training is the shared responsibility of governments, enterprises and the individual worker. [12] In many countries, the State finances training in transferable skills through direct funding of general and vocational education or through tax rebates or wage subsidies to enterprises and workers investing in transferable skills. Policies to introduce cost sharing between training and non-training firms, such as levy-grant systems and training funds, have been established in some countries to motivate enterprises to boost investment in transferable skills. Effectiveness of such policies depends on many factors, in particular on the way they are implemented. [13] Labour market policies and institutions contribute to investment in transferable skills by promoting stable employment relationships or by providing incentives for workers to stay with the enterprise for an agreed time period after training.

24. The ILO needs to improve its capacity to provide best practice institutional and policy approaches in different countries and to identify factors of success and failures. The ILO is currently helping ten West African countries to promote training funds at the national level. Collective agreements on training, microfinance and public–private partnerships represent interesting initiatives to enhance investment in transferable skills which should be explored.

---

small teams; use mathematical concepts and techniques; plan and organize work; collect, analyse and organize information.

[11] ILO (2006): Competency Standards – Basic Competencies (Core Work Skills), Subregional Office for South-East Asia and the Pacific.

[12] This represents one of the major policy statements in Recommendation No. 195.

[13] *World Employment Report* 1998–99, ILO 1998.

4. Design forward-looking skills development strategies

25. Evidence from some fast-growing developing economies such as China and India suggests that they suffer from acute skills shortages at the more sophisticated end of their economies. This highlights the need for policy-makers to anticipate future skills requirements due to adoption of new technologies, industrial and trade policies and development strategies. Globalization and the accelerating pace of economic change compel education and training policies to be concerned with longer term, dynamic skills needs in addition to current education and training needs.

26. Strategies for skills development need to be linked closely to industrial, technology, investment attraction, and trade policies in order to develop future core skills and ensure a timely supply of required technical and vocational skills. Costa Rica, Ireland, Republic of Korea and Singapore provide interesting examples where such strategies were pursued and implemented. Brazil is currently implementing the strategic plan 2000–10 with a focus on technological prospection and skills development for newly required occupations and professions. [14]

27. The challenge is to develop the ability of countries to build up a trajectory of learning and innovation and to develop a proactive strategy that integrates science, technology and learning into industrial, trade and investment policies for economic and social development. The ILO needs to strengthen its capacity to provide policy advice in this area by better understanding the complementary, forward-looking and strategic role of portable skills in the dynamics of economic growth and development. The role of the State and in particular of social dialogue in this process needs to be analysed for more informed policy advice to constituents.

IV. Assessment and recognition of skills

28. Countries need to build institutions and develop mechanisms that assess the skills workers have acquired, validate them through certificates and ensure their recognition at the national level. Furthermore, recognition of skills and certificates requires that the mechanisms and institutions to assess and to certify skills are transparent, consistent and credible. In this section, three major approaches to establish recognition of skills in national labour markets are discussed: the VETS, apprenticeship and the National Qualification Framework (NQF). They are characterized in table 1 by their different means to identify and assess core skills and implicit knowledge.

Table 1. Skills recognition at the national level

Approach / Characteristics	VETS	Apprenticeship	National Qualification Framework
Providing vocational education and training	Yes	Yes	No
Assess and certify vocational/technical skills	Yes	Yes	Yes
Potential to assess and certify core skills	Medium	High	Limited
Role of government, social partners in standard setting	Yes	Yes	Yes

[14] G. Plonski and B. Banner Johnson: "Foresight programmes and technological forecasting in Brazil", at http://www.tukkk.fi/tutu/vanhat/MeSe2000/mesepapers/plonski.pdf.

1. Vocational education and training institutions

29. Institutions in national VETS play a key role both as providers and assessors of skills. [15] They provide vocational and technical as well as core skills in structured training in classrooms and workshops, as well as through social, action-oriented and simulation-based learning. In many countries, there is a strong tradition of national authorities, professional bodies or employers' associations setting the standards for training and assuring their quality by defining rules, standards and criteria institutions have to follow in assessing, testing and certifying skills. Teachers and trainers, by observing and monitoring the student in the learning process and during the performance of a task are able to assess both explicit and implicit knowledge. Oral and written exams identify and assess the abilities and knowledge which the student has acquired.

30. Recognition of the skills and the certificates issued by the institution is a matter of trust and credibility. Institutions are accredited [16] by the national system when they follow the rules and meet the standards both in training and assessment. This results in recognition of certificates in national labour markets and in a wide scope of portability of acquired skills.

31. A major concern within these systems, however, is the limited certification and recognition of skills acquired outside the formal education and training system and in adult education. Furthermore, lifelong learning requires continuous access to learning opportunities in enterprises and in different sectors and at various levels of the education and training system. Often, VET-based recognition systems provide limited flexibility and consistency, and access to the formal VETS tends to be limited to those who have acquired general secondary education certificates.

32. Finally, vocational training and certification may not exist in all occupational sectors or they may only be offered at certain levels. One example is the frequent absence of qualifications in the service sectors. Often, women tend to work in these sectors, e.g. cleaning, housekeeping, childcare or administration requiring substantial core skills that remain unrecognized.

33. Many countries respond to these challenges and develop new institutions and mechanisms to assess and certify informal and non-formal learning and to reform and expand the links between the different types and levels of institutions and certifications. For example, Sweden, Finland and Norway have been developing accreditation frameworks for vocational qualifications geared specifically towards adult learners.

2. Apprenticeship

34. In formal apprenticeship systems, self-regulating or co-regulating bodies (public authorities, trade unions, employers, chambers of commerce) organize, regulate and monitor the training process and they also define the rules, procedures and standards for assessment and certification of the multidimensional skills acquired in the work process. They may set up tests and theoretical and practical exams to assess the explicit knowledge of apprentices. However, trainers, supervisors and employers play a central role in assessing the skills and the level of occupational competence. Many of the implicit (tacit)

---

[15] V. Gasskov, (2006): *Vocational education and training institutions: A management handbook* and CD-ROM, ILO, Geneva.

[16] Accreditation refers to a process by which a (non-)governmental body evaluates the quality of an educational institution or of a specific educational programme in order to formally recognize it as having met certain standards.

skills inherent in the core skills such as the ability to learn and to plan work, to interact with colleagues and trainers, the capacity for judgement as well as personal attitudes can only be observed through the apprentice's performance in the training and work process. In many apprenticeship systems, the masters base their judgement on several years of observing an apprentice in the work process. [17] Often, the production of a "master piece" is required as a method to evaluate tacit skills such as dexterity and accuracy.

35. The final apprenticeship certificates issued by the competent body are widely recognized in labour markets as they are issued by trusted institutions. Portability of skills is high since apprenticeship provides training, assessment and certification in a wide range of transferable skills and the enforcement of rules, procedures and standards in training and assessment result in recognition of skills at the national level. The ILO is currently undertaking a research programme to analyse the rules and procedures provided in different apprenticeship systems, both formal and informal, in order to identify best practice apprenticeship arrangements and policy approaches.

36. Apprenticeship, which is focusing on training of young people, faces similar challenges like the VETS. Continuous training and work experience in the enterprise is not assessed and certified and certificates often do not provide access to the higher education system. Furthermore, non-formal ways of learning a trade may not be recognized. As a response, for example in France, apprenticeship has been integrated into the formal school system and is providing access to higher education. Instruments have been created in many countries to evaluate the skills acquired in non-formal workplace training. Such assessment and recognition of prior learning (APL/RPL) provides a means to promote efficient learning paths for further education and recognition of skills. For example, the Netherlands provides assessment centres where workers can have skills assessed and recognized, according to the principles agreed by the European Union. [18]

3. National Qualification Framework

37. NQFs provide assessment and certification of skills independent of the education and training system. National public bodies define and classify units of skills, usually in cooperation with employers, workers and educational and training institutions, and for each skills unit they also define standards which set out the degree of difficulty. The level of competencies of workers is defined as the proven ability to accomplish a concrete task. [19] The NQF also defines rules and standards to assess and certify the level of competencies achieved in a particular skill. Assessors are trained and accredited to assess and certify the output of learning. In contrast to the traditional approach where assessment is anchored in the training system, the NQFs try to avoid any systematic reference either to education and training programmes or occupational classifications. [20]

---

[17] D. Colardyn and M Durand-Drouhin (1995): "Recognising skills and qualifications", *OECD Observer*, April–May.

[18] Council of the European Union, (2005): Commission Staff Working Document, *Towards a European Qualifications Framework for Lifelong Learning*.

[19] While competence refers to the ability to perform an occupation or profession, competency measures the level of ability achieved in performing a particular task or a skill unit.

[20] M. Young: *National qualifications frameworks: Their feasibility for effective implementation in developing countries*, Working Paper No. 22, Skills and Employability Department, ILO, 2005:18, 24.

38. NQFs have been recently developed with the aim of increasing recognition and portability of skills mainly in those countries that lack a strong tradition of government or self-regulating bodies to organize training and certification in an integrated approach. Since the 1980s, Australia, New Zealand and the United Kingdom have been endeavouring to set up NQFs. More recently, a growing number of developing countries, in particular Botswana Kenya, Mexico, Namibia, Philippines and South Africa have begun to introduce NQFs.

39. Experience with NQFs is still limited and the impact and potential benefits of NQFs in terms of portability of skills in national labour markets need to be studied carefully for more informed policy advice. Limited evidence, however, shows that NQFs have the potential to enhance portability of skills. NQFs promote transparency and equivalence between the different learning outcomes since the assessment of skills is based on a single set of levels, standards and outcomes. Furthermore, NQFs introduce flexibility as they assess skills independent of the learning environment and provide an effective framework to facilitate the recognition of informally acquired skills. They also contribute to more equitable access to job opportunities, for example, women who gain substantial work-related skills through non-employment (such as in the home, in family business or community service) without having them formally certified and thus not adequately remunerated. Australia, South Africa and the United Kingdom have taken steps to ensure that the qualifications and prior learning of marginalized groups, such as people with disabilities, are recognized in the NQF.

40. NQFs also face important challenges. The capacity of NQFs to assess, certify and recognize core skills and tacit knowledge elements is limited since many of these skills can only be observed and assessed during the learning and work process over time. In addition, assessment of core skills, such as the capacity for judgement or problem solving, requires observation of the worker's performance in different circumstances and environments.

41. Finally, the complexity of the design of many NQFs and consequent high requirements for institutional and technical capacities for their implementation have raised concerns, in particular in the context of developing countries. Developing the capacities of professionals to define and classify a comprehensive range of different skills units and standards and continuously update and enlarge the NQF is a first major challenge. Substantial resources are required to implement NQFs: testing methods need to be designed; assessors have to be trained to evaluate multitudes of skills and access to assessments need to be readily available in all skills units and locations. The ILO has developed a guidebook to provide practical advice to policy-makers considering whether and how to establish NQFs. Recent findings suggest initiating NQFs at low levels of complexity and ambition and basing them on local initiative. Support should be given initially to the development of partial frameworks linked to existing institutions which are implemented gradually.

42. In conclusion, reforms to increase assessment and recognition of skills within the national economy need to build on existing systems and institutions. The development of trusted institutions is highly important for the credibility and recognition of certificates. In countries with a strong tradition of formally organized VET or apprenticeship, trust institutions have evolved over time. Newly emerging NQFs need to build such trust institutions by ensuring the involvement of all stakeholders, including social partners and the providers of education and training. [21]

43. Furthermore, the different assessment and certification approaches may also complement each other. Singapore, which has a high level of institutional provision for both general

---

[21] M. Young, op. cit., ILO, 2005.

and vocational education, has adopted the NQF to also assess work-based learning. In dual training systems, [22] skills are acquired and assessed within the VETS as well as in apprenticeship resulting in portability of a wide range of vocational and core skills. Assessment of prior learning has gained an important role in many countries and public and private employment agencies have developed sophisticated assessment and certification tools such as skills passports to increase portability of skills.

44. The debate on newly emerging NQFs, in particular in developing countries, has highlighted the importance of learning from experience across ILO member States and of making available further analysis for a more informed policy debate. The ILO participates in this debate with other international agencies [23] and it may assist member States by sharing knowledge on best practice to increase portability of skills in the different recognition systems and frameworks.

V. Recognizing skills for international portability

45. The ILO Multilateral Framework on Labour Migration [24] recognizes the contribution of labour migration to social and economic development in both origin and destination countries. It states that "an orderly and equitable process of labour migration" should be promoted in both origin and destination countries which include policies "promoting the recognition and accreditation of migrant workers' skills and qualifications and, where that is not possible, providing a means to have their skills and qualifications recognized". The issue of international recognition of skills and qualifications of migrant workers is gaining increasing attention in the policy debate as the number of skilled migrants has been increasing substantially and is expected to rise further. [25]

46. Countries have developed a large variety of institutions, procedures and mechanisms at the unilateral, bilateral and regional levels to assess and recognize skills and qualifications of migrant workers. The ILO has recently undertaken studies to discuss and analyse these different approaches. [26]

1. Unilateral recognition mechanisms

47. Unilateral recognition by the receiving country has been the most common form of assessing migrant workers' skills and competencies. Many recognition schemes have public policy objectives like ensuring quality and standards of services and protecting consumer and national interests. One example is the ILO Convention and

---

[22] German-speaking countries provide the most prominent examples of dual training systems.

[23] ILO (2006): "An introductory guide to National Qualifications Frameworks: Conceptual and practical issues for policy makers", Skills and Employability Department.

[24] ILO (2007), ILO Multilateral Framework on Labour Migration, Non-binding principles and guidelines for a rights-based approach to labour migration, Geneva.

[25] GB.297/6.

[26] These studies will be published in a forthcoming series by the Skills and Employability Department of the ILO.

Recommendation concerning nursing personnel [27] urging countries to apply policies in the health sector necessary for attaining the highest possible level of health care for the population and to protect nursing personnel from hazards. Such measures are not per se protectionist; however, in their implementation, they may act as market entry barriers by imposing additional costs or curtailing the scope for practice.

48. The assessment and certification processes may have implicit elements of gender or ethnic bias, for example using testing methods such as multiple choice questions. Health-care professionals who wish to practice in the United States, the United Kingdom, Japan and Australia may face complex recertification and competence tests which impose financial and time-related costs, and tend to create an uneven playing field for workers from less preferred sending countries (for historical, cultural or other reasons). [28]

49. As unilateral recognition regimes are challenged, recent global initiatives call for international cooperation to promote mutual recognition of skills and certifications. [29]

2. Mutual recognition agreements

50. Mutual recognition agreements (MRAs) are formally agreed between sending and receiving countries and they focus on the reciprocal recognition of certifications and competences of migrant workers. A wide range of MRAs exists, mainly in the area of regulated professions. [30]

51. Professional associations are key players in this process since they are usually given responsibility for negotiating and administering MRAs. Negotiating an MRA tends to be a difficult process, in particular where regulations, levels of development, education systems, standards of training, ethics and practice differ substantially between countries. Consequently, most MRAs have been established in neighbouring countries, mainly between OECD countries (which do not include developing countries), or between countries with strong cultural or former colonial ties.

52. Furthermore, the capacity of many developing countries to participate in bilateral or multilateral MRAs tends to be limited. Training in the professions may be inadequate, countries may lack national recognition systems as a basis for mutual recognition and they often lack professional bodies that are able to undertake the lengthy and complex negotiations.

53. Building capacities in developing countries to develop skills recognition systems and to negotiate MRAs are therefore important policy initiatives. In both developing and developed countries, governments and social partners can play an important role in

---

[27] Nursing Personnel Convention, 1977 (No. 149), and accompanying Nursing Personnel Recommendation, 1977 (No. 157).

[28] J. Bueno de Mesquita and G. Matt (2005): *The International Migration of Health Workers: A Human Rights Analysis, Medact*, London, 2005.

[29] Secretary-General's Report for the UN High-Level Dialogue on International Migration and Development, A/60/871, paras. 65 and 215; and the report of the Global Commission on International Migration: *In an interconnected world: New directions for action*, Chap. 4, para. 27.

[30] Accountancy, architecture, engineering, legal services, medical and health-related services and surveyors.

steering the development and negotiation of MRAs and to monitor their implementation to ensure equity and openness.

3.   Trade and regional integration agreements

54.   The World Commission on the Social Dimension of Globalization identified trade and regional integration agreements and the development of regional institutions as a stepping stone which can help countries manage global forces. Many of these agreements and institutions, in particular in Europe and the Americas, may play an important role in increasing portability of skills.

55.   Trade agreements concluded in the context of regional integration have increased significantly in the last few years. The more extensive forms, such as the North American Free Trade Agreement (NAFTA), Common Market of the Southern Cone (MERCOSUR), Caribbean Community (CARICOM) or the ASEAN Free Trade Area (AFTA), provide a legal framework for promoting market access for service providers through MRAs. [31] They involve profound commitments and actions and a proactive approach by member States to encourage the development of mutually acceptable standards and criteria for licencing or certifications and to provide recommendations on mutual recognition. [32] Trade agreements also provide enabling rules and procedures that facilitate access of developing countries to MRAs. In addition, increasing trade, interaction and communication between governments and among social partners across countries helps develop confidence in other countries' training standards and education programmes.

56.   As a result, mutual recognition tends to be facilitated. For example, in the CARICOM, most skilled workers at the professional level are entitled to move and work freely throughout the Caribbean region. In MERCOSUR, a resolution was adopted allowing for the reciprocal recognition of skills between professional bodies in agriculture, agronomy, geology and engineering. [33] In 2003, AFTA called for completion of MRAs for qualifications in major professional services by 2008 and, so far, they have adopted an MRA on engineering services.

57.   The European Union and CARICOM represent deep forms of regional integration aiming at developing a competitive region, and a high-quality and employable regional labour force. As a consequence, recognition of competences and qualifications at the occupational and professional level are high on the agenda. Since both integration groupings have a relative high number of members, and MRAs have proven unsuitable to quickly advance recognition of skills, they have developed different strategies.

58.   The European Community follows the principle of equivalence and mutual recognition of qualifications. It is enforced by the Directive on the General System for Recognition which obliges EU Member States to recognize all the qualifications and certifications obtained in

---

[31] J. Whalley (2006): *Recent regional agreements: Why so many, why so much variance in form, why coming so fast and where are they headed?*, CESIFO, Working Paper No. 1790.

[32] OECD (2001): Trade and regulatory reform: Insights from country experience, Chap. 8, *Deeper integration in services trade in the Western Hemisphere: Domestic regulation and mutual recognition*.

[33] Board of Architecture, Agronomy, Geology and Engineering Professional Entities for MERCOSUR Integration.

other EU Member qualification systems. [34] This instrument provides a full coverage of all qualifications and a strong enforcement mechanism as compliance with the requirements of a Directive can be enforced through the European Court of Justice.

59. In order to increase transparency and comparability of qualifications, the EU is currently developing the European Qualification Framework (EQF) in collaboration with social partners. It "translates" national qualifications in general and vocational training by linking them to a common framework and classification system. Further interesting initiatives at the sector level to recognize skills are the "drivers licence" in the IT sector attesting basic IT literacy, or the skills booklet attesting agricultural workers' skills. [35]

60. CARICOM, in contrast to the EU, applies the principle of conformity and convergence. In 2003, the Caribbean Association of Training Agencies (CANTA) was created to establish and govern a Regional Training and Certification System, to harmonize national TVET systems and develop regional standards in training and finally to establish a regional system for assessment, certification and recognition of skills. Soon, all certification in the region will come under the CARICOM Vocational Qualification (CVQ). In this context the ILO provides support to constituents in Jamaica, Trinidad and Tobago and Barbados.

61. There is also an emerging interest in the mutual recognition of national qualifications in African countries to facilitate migration of workers within the regional economic communities (RECs), particularly the Economic Community of West African States (ECOWAS), and the West African Economic and Monetary Union (WAEMU). In the context of ASEAN moving towards a common labour market, recognition of skills has been acknowledged as a limiting factor.

62. In conclusion, evidence shows that international portability of skills still tends to be limited, employment of workers below their skills level is a problem in many receiving countries and there is a need for documenting good practices of skills recognition in different countries. Trade arrangements have the potential to increase portability of skills as they provide a framework and procedures to encourage recognition and to improve access of developing countries to recognition schemes. However, in practice, in many cases this potential has yet to be realized.

VI. Proposed points for debate and guidance

63. The Committee may wish to provide advice and guidance with respect to future priorities and actions of the Office's work on portability of skills. The Committee's guidance could address the following areas:

- The issue of core skills has attracted increasing attention in the recent policy debate, in particular in developed countries. The debate in developing economies on policies to identify and implement relevant core skills is at an early stage. The Committee may wish to provide guidance to the Office on how to strengthen constituents' capacity in developing countries to engage in policy debates in this area, for example, through studies to identify relevant core skills and the provision of methodologies and tools to develop core skills.

---

[34] Unless there is a substantial difference between the qualifications required in the host country and the qualifications of the person in question.

[35] European Agreement on Vocational Training in Agriculture, Brussels, 5 Dec. 2002, GEOPA-COPA and EFFAT.

■ Education and training policies need to be better integrated into major policy frameworks and development strategies. This could be done by integrating transferable skills into curriculum, developing effective training methods, promoting investment in transferable skills and designing forward-looking skills development strategies. The Committee may wish to discuss how the Office can best provide informed policy advice to constituents in this area.

■ In the area of skills recognition in national labour markets, the Committee may wish to discuss the challenges member States face in using the institution-based, apprenticeship, or the NQF approach and provide indications of how the Office can most effectively draw upon the experience of constituents.

■ The Committee may wish to discuss how the Office can help further develop frameworks and policies to promote international portability of skills while taking into account risks and challenges of increased international migration.

Geneva, 5 February 2007.

Submitted for debate and guidance.