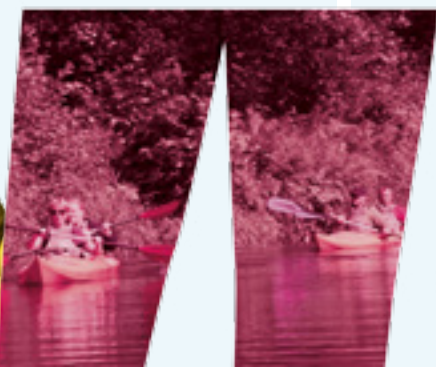


# LOCAL SKILLS MATTER

A journey through  
entrepreneurial  
communities



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Manuela Prina and Pirta Vuorinen

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# 1. Preface

**If education and training is considered a supplier and not a partner for skills, we will miss the opportunity for increased relevance and contribution of education and training to cohesion and growth.**

Entrepreneurial Communities, ETF International Conference 2014

The European Training Foundation (ETF) is a specialised agency of the European Union (EU) active since 1994 with a mandate to support the development of human capital in partner countries through a specific focus on vocational education and training (VET).

In its work, the ETF's focus is an entrepreneurial continuum that includes entrepreneurial policies, entrepreneurial institutions, entrepreneurial communities and entrepreneurial individuals. When referring to entrepreneurial communities and entrepreneurial institutions our interventions target the good governance of vocational education and training systems.

Since 2011, the ETF has embraced and supported the EU principles that underpin good governance: *openness, transparency, participation, accountability, effectiveness and coherence*<sup>1</sup>. These principles are the basis of more effective public policy delivery. Furthermore, the ETF has highlighted the potential of multilevel governance, with its key dimension of widening dialogue to involve multiple actors including public and private stakeholders.

Attention to the importance of networks, coordination mechanisms and the capacity of all stakeholders has grown in recent years. While most partner countries recognise the urgent need to increase the participation of actors in the policy cycle, the shift towards the formal empowerment of actors and the recognition of their roles is slow as it is affected by both the need to invest in the capacity of actors and to engage them in change management processes.

Soft regulations, coordination mechanisms and networks are becoming a force through which many partner countries are actually managing the transition towards a more participatory approach to the governance of education and training systems.

In 2013, the ETF launched its Entrepreneurial Communities Initiative in the partner countries. The aim of the initiative, inspired by the Entrepreneurial Regions project of the Committee of the Regions, was to identify and acknowledge partnerships that foster

skills, entrepreneurship and job creation. We explore and learn from practice in terms of how human capital-related partnerships are formed, what they can produce and impact on, and how they are able to inform policy.

Local level partnerships exist in all partner countries. They are born and develop from the specific needs and visions of local actors in an attempt to fill perceived gaps. These partnerships exist both in contexts where policies do not support good governance principles, and where administrative capacity is limited at local level, as well as where governance models in the education and training sector take into account, or even move towards, a multilevel approach.

The difference is that where policies are supportive, and the governance model recognises and promotes actors at the local level, entrepreneurial communities not only achieve their vision and goals, but also influence transformational change, hence impacting the wider system. This in turn provides inspiration for other actions which can feed back into the policy cycle.

Entrepreneurial communities are voluntary, forward-thinking, innovative, locally anchored, proactive partnerships that generate effective and sustainable employment by developing local human resources. The two-year journey of our Entrepreneurial Communities Initiative has confirmed the dynamism of local actors in pulling resources together to create partnerships for skills. Their impact on their territories is remarkable: job creation, entrepreneurship, new competences for students, all of which positively influence local development, economic growth and cohesion.



The ETF's Gold Quill Awards for Communication (2015 winner for use of audiovisual tools)

*Inspired by the principles of good multilevel governance and EU methods of work in the area of skills, the ETF seeks to support the development of partnerships among actors from the public and private sectors*

The results of the initiative have exceeded our expectations. The ten selected partnerships illustrated in this publication showcase innovative approaches to learning, actions to make education and training more relevant for the world of work, and creative ways to establish and grow start-up businesses. Partnerships deliver solutions even where public services and policies are lagging behind. Moreover, the way in which these initiatives have been shared and disseminated has been recognised internationally with the award of a prestigious International Association of Business Communicators Gold Quill prize. This publication complements a series of learning and dissemination material available on the ETF website – [www.etf.europa.eu](http://www.etf.europa.eu) – that explains the examples of good practice and the policy learning value of the initiative in greater depth. Technical recommendations and policy actions are also available and could be used as a basis to encourage local discussions and policy shaping.

2015 concludes the first phase of the learning journey and launches the next step of the ETF's work to support territorial development through human capital policies. The examples of good practice that we have showcased can be turned into action by becoming smart territories. In this way, real progress towards integrated, local economic ecosystems linked to education, entrepreneurship and employment can be made. Smart territories can be expected to become epicentres of innovative, creative and legitimate solutions to societal change. Creativity must be mobilized as it is at the heart of every society and people are every society's ultimate resource. Legitimacy provides ideal institutional solutions for good multilevel governance and requires appropriate mechanisms for involving people regardless of their specific roles. The current and potential contribution of local actors is key for fostering change as it empowers those involved in human capital development to develop and become more competitive and cohesive.

Where human capital development is part of an integrated and open approach to these areas, results exceed expectations and produce great benefits. These ten entrepreneurial communities demonstrate the potential for this.

Smart territories are connected. They are partnerships and networks where good multilevel governance approaches are applied within an integrated vision for growth. They embrace the new era of skills dialogue and respond to skills needs and gaps leaving no pocket of innovation underutilized. In smart territories, dialogue is focused on identifying new solutions to development and competitiveness for citizens. Efforts to develop smart territories are all about societal benefit and this is the journey that we are advocating for 2016 and beyond.

Visionary, connected, innovative, impactful, smart: such examples showcase change and bring opportunities for all in our partner countries, and beyond.

*Smart territories embrace the new era of skills dialogue and respond to skills needs and gaps leaving no pocket of innovation underutilized*



**Madlen Serban**  
Director, European Training Foundation

## 2. The ETF's Entrepreneurial

**Entrepreneurial communities are forward-thinking territorial partnerships that build on their collaborative advantage to stimulate human capital development for employment, entrepreneurship, and private sector development. The ETF's Entrepreneurial Communities Initiative has captured what can be learnt from examples of good practice. The aim is to add value to existing collaborative approaches to skills governance in the ETF's partner countries and reveal home-grown solutions that work. The lessons learnt, if put to use, have the potential to generate transformational change.**

### The rationale for the initiative

Since 2011, the ETF has been exploring how best to support collaborative approaches to the governance of the human capital sector, in order to foster skills development and job creation in partner countries. In line with the European Union (EU) approach to multilevel governance, the ETF has sought to widen skills policy dialogue to include a broader array of actors from the public and private sectors, as well as from civil society.

In the area of skills and VET in particular, good multilevel governance is important for two reasons. The first is the need to promote close consultation and cooperation among actors, both vertically through the involvement of national, regional and local levels, and horizontally through the involvement of all actors involved in human capital, including public, private, and civil society representatives. While cooperation is key for all policy domains, it is particularly critical for skills development and vocational education and training. Skills cannot be developed, delivered or utilised if there is no shared effort, vision and cooperation between all actors involved, or if skills are not linked to an integrated and sustainable vision for job demand and growth.

### Shaping the initiative

Territorial partnerships exist in all partner countries. Entrepreneurial communities, however, build on synergies and pool expertise and resources to address what they see as a need. They are not projects. Their duration and actions have no limits or bounds. They

are territorial partnerships that, by building on their collaborative advantage, promote skills development and job creation opportunities, and address skills gaps, needs or shortages in their specific territorial context. The ETF was inspired to identify such entrepreneurial communities and learn from them by the European Entrepreneurial Regions project of the Committee of the Regions.

The Committee of the Regions is the EU's assembly of regional and local representatives. It is composed of 350 members – regional presidents, mayors or elected representatives of regions and cities – from the 28 EU countries. Through the Committee of the Regions, EU local and regional authorities have a say in the development of EU laws that impact regions and cities. The European Entrepreneurial Regions project identifies and rewards EU regions that show an outstanding and innovative entrepreneurial policy strategy, irrespective of their size, wealth, and competences. The project has been

### What are entrepreneurial communities?

Entrepreneurial communities are voluntary, forward-thinking, innovative, territorially anchored partnerships that generate effective and sustainable employment opportunities through skills development and job creation. They can take the form of an administrative organisation, stem from the private sector, or other territorial actors such as vocational education and training schools, civil society, or non-governmental organisations.

They start from a wealth of knowledge about territorial skills and job creation, based on their collective experience, and leverage each other's knowledge and resources. They think outside the box to generate territorial collaborative advantage, either from social or from profit-seeking perspectives, or both.

What distinguishes entrepreneurial communities from the multitude of territorial partnerships is not what they do, but how they seek to connect those inside the traditional administrative machinery with those outside it. They take advantage of decision-makers' experimental ideas and provide practical evidence on how to unleash their territories' full economic potential by stimulating skills, employment and entrepreneurial learning.

# Communities Initiative

set up in partnership with the European Commission. An Advisory Board was established to support the ETF throughout the Entrepreneurial Communities Initiative, from design to implementation. The Board brings together representatives from the Committee of the Regions, the Euro-Mediterranean Regional and Local Assembly, the Conference of the Regional and Local Authorities for the Eastern Partnership, the Union for the Mediterranean, the European Economic and Social Committee, European Vocational Training Association, the Regional Cooperation

Council, and Eurochambers. In addition, representatives of the ETF partner countries take part in the Board on a rotational basis.

In collaboration with the Advisory Board, the elements that make up an entrepreneurial community were identified and arranged into four key criteria with relevant sub-criteria, which served to generate the two calls for participation in the initiative as well as to guide the selection process.

## Key criteria for the selection of entrepreneurial communities

### 1. Common sustainable strategy, sub-criteria:

- **Community vision**
- **Added value**, building on the community's human capital for skills development and job creation
- **Proactive** forward-looking outlook through local participatory planning for collective action
- **Demand driven**, addressing and foreseeing the needs of the community's current and future entrepreneurs
- **Sustainability** depending on the phase of development of the community; documented unattained potential and actions taken to achieve it, or already demonstrated impact, should be an element to be tracked in the strategy of the community (verbally agreed, or documented in writing).

### 2. Connectivity (connection, network, communication, and coordination), sub-criteria:

- **Connective leadership skills** to effectively mobilise people and organisations to invest their time and assets in their own community
- **Partnerships**. Wide (number and variety of actors) and deep (throughout the process) participation of actors in the identification, planning, and ownership of the community's future
- Seeking **collaborative advantage**
- **Local engagement** with actors both within and around the locality
- **Consolidation of action**.

### 3. Delivery, sub-criteria:

- Principles of **good governance** and a **good business model**, including legal, efficient, and productive practices that allow strategies to be implemented effectively
- Entrepreneurial **culture**
- Identifying **assets**, strengths and gaps
- **Led by anyone**, non-state as well as state actors
- **Experimental** leadership approaches and practices.

### 4. Socio-economic impact, sub-criteria:

- **Transformational direct or indirect impact** on:
  - VET provision and infrastructure
  - Business support services and entrepreneurial learning
  - Employment generation
  - Income levels
  - Local innovation and competitiveness
- **Broader and more inclusive local governance** with increased level of engagement by diverse stakeholders in local decision-making and management of activities and resources
- Effective **exploitation of the proximity** at the territorial level to foster **endogenous growth**, and develop and implement new ideas.

## 2. The ETF's Entrepreneurial Communities Initiative

### Advisory Board members



**Ms Mercedes Bresso**

Vice President

Committee of the Regions (CoR)  
Belgium



**Mr Luc Van den Brande**

Vice President

Committee of the Regions (CoR)  
Belgium



**Mr Gazmend Turdiu**

Head of Expert Pool

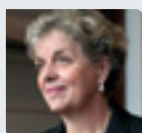
Regional Cooperation Council (RCC)  
Bosnia and Herzegovina



**Mr Tommaso Grimaldi**

General Manager

European Vocational Training Association  
(EVTA)  
Belgium



**Ms Friederike Sözen**

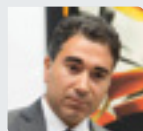
Entrepreneur's Skills Certificate

EUROCHAMBERS  
Austria



**Mr Jose Isaias Rodriguez Garcia Caro**

European Economic and Social  
Committee (EESC)  
Belgium



**Mr Sherif Younis**

Financial & Trade Advisor

Secretariat of the Union for  
the Mediterranean  
Spain



**Ms Hana Uraidi**

Chief Executive Officer

Jordan Enterprise Development  
Corporation  
Jordan



**Mr Salih Tuna Şahin**

Vice President

KOSGEB (Small and Medium Enterprises  
Development Organization)  
Turkey



**Mr Lluka Valdrin**

Chief Executive Officer, Investment

Promotion Agency of Kosovo  
Ministry of Trade and Industry  
Kosovo\*



**Ms Lilia Palii**

Director, Development of the  
Business Environment

Ministry of Economy of the Republic  
of Moldova\*\*

\* Designation for "Kosovo" is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

\*\* Hereinafter 'Moldova'

Members of the Advisory Board from 2013 to 2016. Titles are those that applied during their membership of the board.

## Learning value

Two calls for participation in the Entrepreneurial Communities Initiative, launched in 2013 and 2014, resulted in the selection of ten examples of best practice from Algeria, Belarus, Georgia, Israel, Jordan, Kazakhstan, Lebanon, Moldova, Montenegro and Serbia. In-depth analysis was conducted on all ten to understand and learn why, how, and to what effect the partnership was formed.

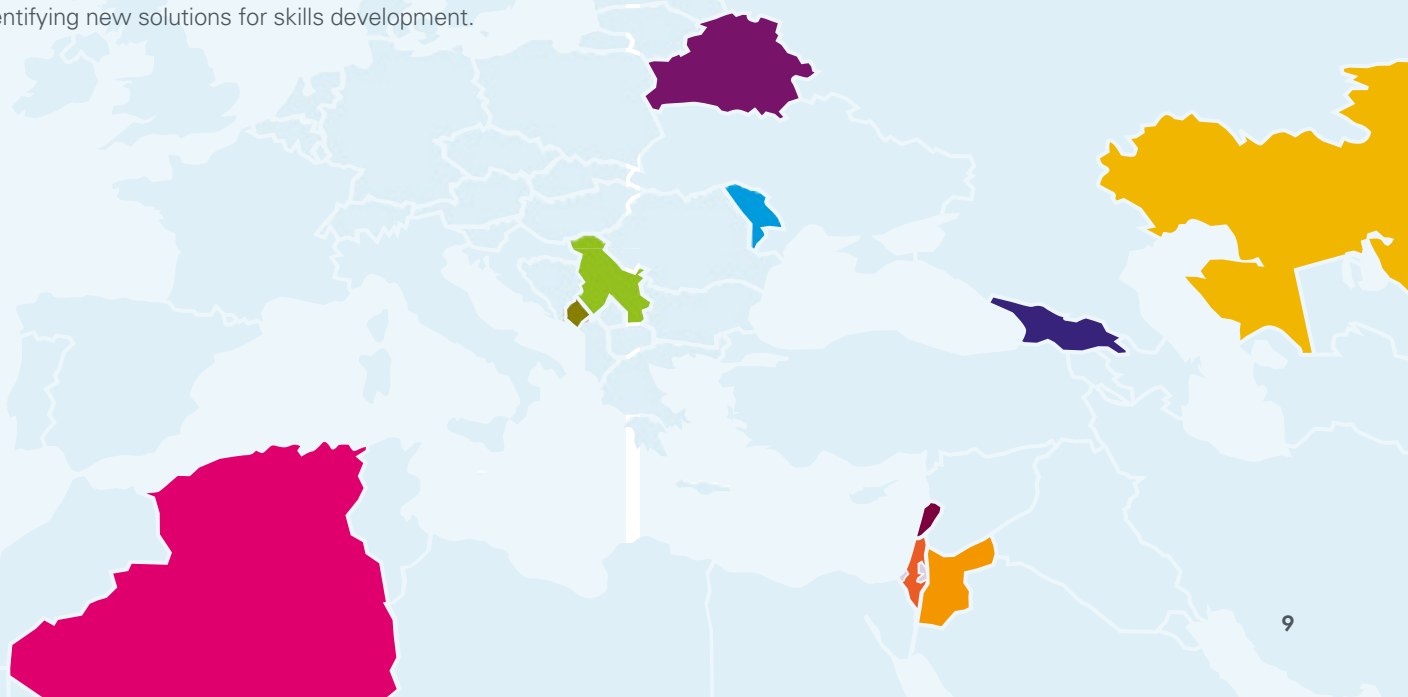
The learning value of the Entrepreneurial Communities Initiative is centred on the vision for skills, good governance through practice, and the identification of opportunities based on local assets for local development and economic growth. The results of the initiative demonstrate the readiness and ability of the private sector and civil society to invest in the local economic ecosystem. They mobilise local actors and capital, and voluntarily invest resources in skills development. Their active networking and collaboration ensures that VET providers produce graduates with relevant skills who can find employment. Their support to entrepreneurial learning ensures promising local entrepreneurs are discovered, educated, financed and supported throughout their business lifecycle.

However, where they are not developing and growing within a smart territory, they remain pockets of innovation and good practice. Smart territories are connected. They are partnerships and networks in which multilevel governance approaches are applied, within an integrated vision for growth. They embrace the new era in skills dialogue and respond jointly to skills needs and skills gaps, leaving no area of innovation unexploited. In smart territories the dialogue is focused on transformation, identifying new solutions for skills development.

In entrepreneurial communities local authorities' involvement was often limited, whereas in smart territories local authorities exploit their key role: orchestrating the local economic ecosystem. In smart territories the authorities have understood that they are able to deliver services through joint action leading to improved outcomes for local businesses and citizens that go beyond the remit of any one actor.

The ETF is closing the learning phase of the Entrepreneurial Communities Initiative, presenting its key findings, and launching a new focus on smart territories, where human capital and skills provision is an integral part of the vision for development, growth and cohesion. Through its operations in partner countries, the ETF will offer policy advice and expert technical input to territories willing to engage in transformational change through partnership, and to territories where smart specialisation is at stake and there is a need to bring human capital actors into the process.

*The results of the initiative demonstrate the readiness and ability of the private sector and civil society to voluntarily invest in the local economic ecosystem*



# 3. Key messages

## **The government is a key player**

- Motivate local partnerships
- Learn from what already exists
- Create platforms for communication

## **Participation builds institutional capacity**

- Seize opportunities for participatory governance
- Encourage collective learning processes
- Connect, collaborate and engage with the community in a way that resonates with citizens

## **Informality breeds innovation**

- Innovate to do new things
- Focus on behaviour rather than formal mechanisms, structures and processes
- Use informal networks to exist and experiment

## **Connective leadership**

- End status quo
- Put entrepreneurial mind-sets at the heart of innovation and change
- Put entrepreneurial skills at the heart of innovation and change
- Open up opportunities for territories to exploit their full potential

## VISIONARY

The vision develops from a specific need to be addressed. Most of the entrepreneurial communities described here have strong ties to the policy vision of their government, and understand what their community can contribute to the bigger picture. In some of the selected communities, however, policy lags, or the absence of policies, or government inaction, has triggered the creation of the partnership.

## CONNECTED

Connective leadership, the capacity to exploit local assets, and their incorporation into local development, are the drivers of transformational change.

## INNOVATIVE

Allowing informal networks to exist and experiment is crucial for skills policies and VET systems. Only by investing in innovation in skills identification, development and use can a country establish the basis for its future and shape skills policies that are relevant and efficient.

### ENTREPRENEURIAL COMMUNITIES ARE...

## SMART

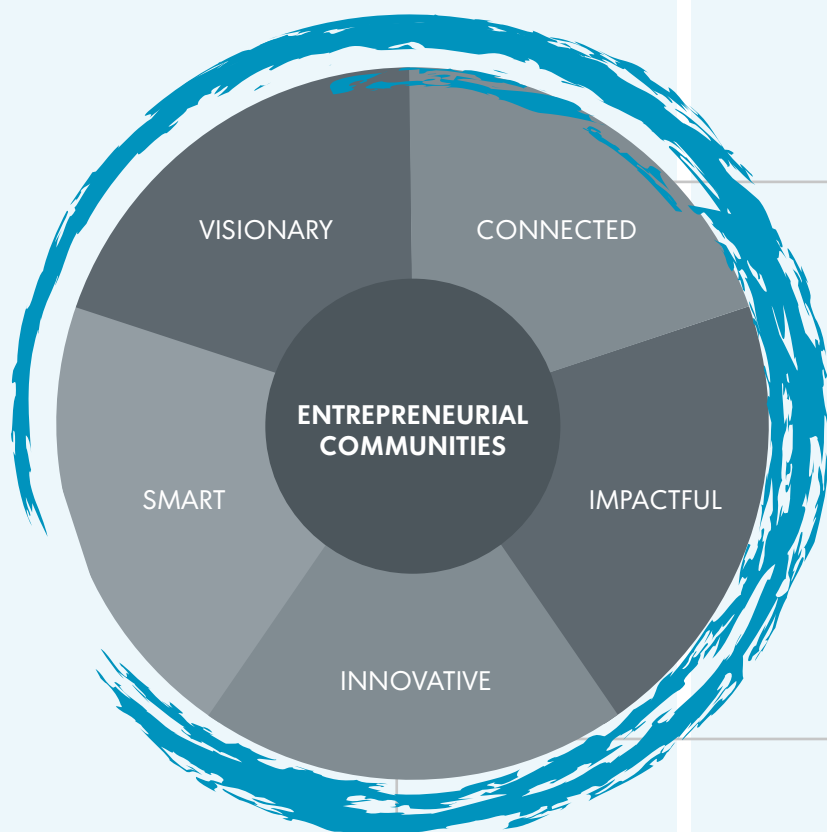
The potential added value of entrepreneurial communities is maximised and turned into action by smart territories, where actors jointly respond to skills needs and gaps, leaving no pocket of innovation unexploited.

## IMPACTFUL

Entrepreneurial communities impact the socio-economic development of their territories by enhancing existing skills and generating new ones, by actively identifying assets, by promoting innovation through better performance and competitiveness of the local formal economy – and by seeking ways to inform how they are governed.

### 3. Key messages

## ETF entrepreneurial communities



### ALGERIA

Unlocking the potential for agriculture by bringing practical skills and experience to local agronomy teaching and training

### BELARUS

Paving the way for private sector development by fostering an ecosystem of start-ups created by young entrepreneurs

### LEBANON

Tackling youth unemployment by introducing young people early to the world of work and the entrepreneurial mind-set

### ISRAEL

Introducing innovation at an early age by exposing students to the real life business cycle through close cooperation with local enterprises

### **SERBIA**

Breaking administrative boundaries, boosting limited public resources and pushing forward the implementation of adult education for women

### **JORDAN**

Reducing the cost of doing business and driving local competitiveness by closing the gap in ICT vocational education and training provision

### **MOLDOVA**

Channeling the economic potential of local human capital and businesses towards community development objectives

### **GEORGIA**

Guaranteeing equal opportunities for all students by making inclusive and work-based education an integral part of vocational education and training

### **KAZAKHSTAN**

Shifting towards a combination of school-based and work-based learning for qualified human capital as a driver of local competitiveness

### **MONTENEGRO**

Shaping the local hospitality industry through adult vocational education provision and policies on work-based learning

### 3. Key messages

## What can policy makers do?

1

Make an explicit government commitment at the highest level to good governance principles and multilevel, participatory governance combined with institutional capacity building.

Ensure that policy frameworks specify coordinated approaches to public service delivery.

2

Provide a platform where actors from the public and private sectors as well as non-governmental organisations can connect in a systematic way so that different initiatives, programmes and services support each other and work together towards a common goal.

3

Empower authorities and hold them accountable for engaging in multilevel dialogue.

Provide non-financial incentives such as easy access to authorities and information for fostering informed decision-making, collective action, coalition building, strategy formulation and implementation. Make territorial decisions and the reasons for them transparent.

4

Change the mind-set to open up opportunities for information gathering and reduce excessive reliance on formally recorded information at territorial level.

Provide financial incentives, such as devolved funds to be accessed collaboratively and reward experimental joined-up actions.

5

Reduce the silo approach in local planning. Encourage local authorities to collaborate with entities outside the public sector. Build capacity for connective leadership, partnership building and advocacy to cooperate at territorial level.

Challenge formal approaches to human capital development and engage in wide consultations with diverse partners. Implement public skills policies flexibly with clear parameters for rewarding local participatory governance.

*Sometimes we policy makers have the tendency to think that we know everything and we tell the practitioners what to do. In fact we can learn quite a lot by being exposed to the people on the ground at the grass roots level.*

**Joao Santos, Acting Head of Unit**, Vocational Training and Adult Education, DG Employment, Social Affairs and Inclusion, European Commission





*We have to acknowledge that there has to be delivery and not just in quantity, but also in quality and this is the shift that the ETF is trying to make with this unique and wonderful project.*

**Luc van den Brande**, Vice President, Committee of the Regions, Belgium

6

Implement public skills policies flexibly with resources delegated to the local level with clear parameters for allocating funding to community-led initiatives. Establish mechanisms through which policy makers can identify, learn from and be inspired by local initiatives. Raise awareness among policy makers on initiatives that anticipate needs, address gaps and foster innovation.

7

Reward initiators and create inspiring models to encourage a culture of local initiatives, partnerships and change.



## 4. Visionary

**Entrepreneurial communities are visionary and can imagine how things would look if skills gaps were all completely and perfectly addressed. The shared vision serves as the first building block of the partnership. The broad goals, which are always forward-looking, demand-driven, and consistently outcome-oriented, emanate from this vision.**

The vision develops from a specific need to be addressed. Most of the entrepreneurial communities have strong ties to the policy vision of their government, and understand what their community can contribute to the bigger picture. In some of the selected communities, however, policy lags, the absence of policy, or government inaction has triggered the creation of the partnership.

In Algeria, at the edge of Sahara desert, the district of Laghouat boasts a long history of agricultural significance. However, the country's shift to reliance on oil and gas extraction and export led to a shortage of young people willing to engage in manual, outdoor work. El Argoub, a farmers' association based in Laghouat, brings together 40 farmers with a vision for the future of agriculture in the region. Standing in the way of their vision is the skills gap between the old and new generations.

From its modest beginnings as an informal association, the partnership soon evolved and was formalised in 2011. Today, this entrepreneurial community includes the local university's Agriculture Department and the Chamber of Commerce of Laghouat, as well as the district's elected Deputy in the National Assembly. Together they have brought practical skills, knowledge, technology, and experience to local agronomy teaching and training. As a result, know-how, traditions, and passion are being transferred across generations. The impact of the work of the Algeria entrepreneurial community transcends generation gaps, and is informing skills dialogue and raising the profile of the agriculture sector, resulting in these issues gaining recognition at national level.

The Kazakhstan entrepreneurial community in Karaganda, an old mining town, is an illustration of a voluntary partnership that stems from a national policy vision.

Kazakhstan's national goal is to increase the proportion of micro, small, and medium sized companies, measured in terms of their contribution to the GDP, from 20% to 50% by 2050. The entrepreneurial community views this goal as an opportunity to support their vision, which is to increase the modest size of the middle class.

The partners in Karaganda consider the lack of relevant education and training, and the resulting skills mismatches, to be the principal obstacle for young people in accessing labour markets, as well as for aspiring entrepreneurs. At the same time they believe that, in modern Kazakhstan, workforce skills are a major source of competitive advantage. The current skills mismatch is felt by the partners to be the main impediment to the growth of the local private sector and the expansion of the middle class. In order to address the

*Policy up to now has been very centralized, without taking into account the specific characteristics or problems faced by different regions. I am very proud of what has been done by the Entrepreneurial Community. We have an opportunity to protect our heritage*

**Boubakeur Gueddouda**, Member of the National Popular Assembly, Algeria

skills gap, the entrepreneurial community engages in a complex web of partnerships to identify opportunities and connect vocational schools and employers. As a result of this, practical learning has become a reality for both students and teachers.

For entrepreneurial communities, having a shared vision with partners and collaborative approaches is at the core of their competitive advantage. They often refer to an 'ecosystem' within which each member aims to maximise their contribution towards the shared vision, while simultaneously striving towards complementary individual objectives.

**Accessing financing is never the motivation**

for starting a partnership. Neither is financial gain. Access to government or donor funding allows the community to implement its vision and work towards shared values. In no circumstances does funding precede vision. Others grow from the ground up, driven by a creative idea and the realisation that the task at hand cannot be accomplished by a single actor: collaboration is a prerequisite for success.

*We can solve a lot of problems on an informal level, without necessarily having recourse to the formalities*

**Elena Petrenko**, Deputy Director of Social Affairs,  
Chamber of Entrepreneurs, Karaganda, Kazakhstan





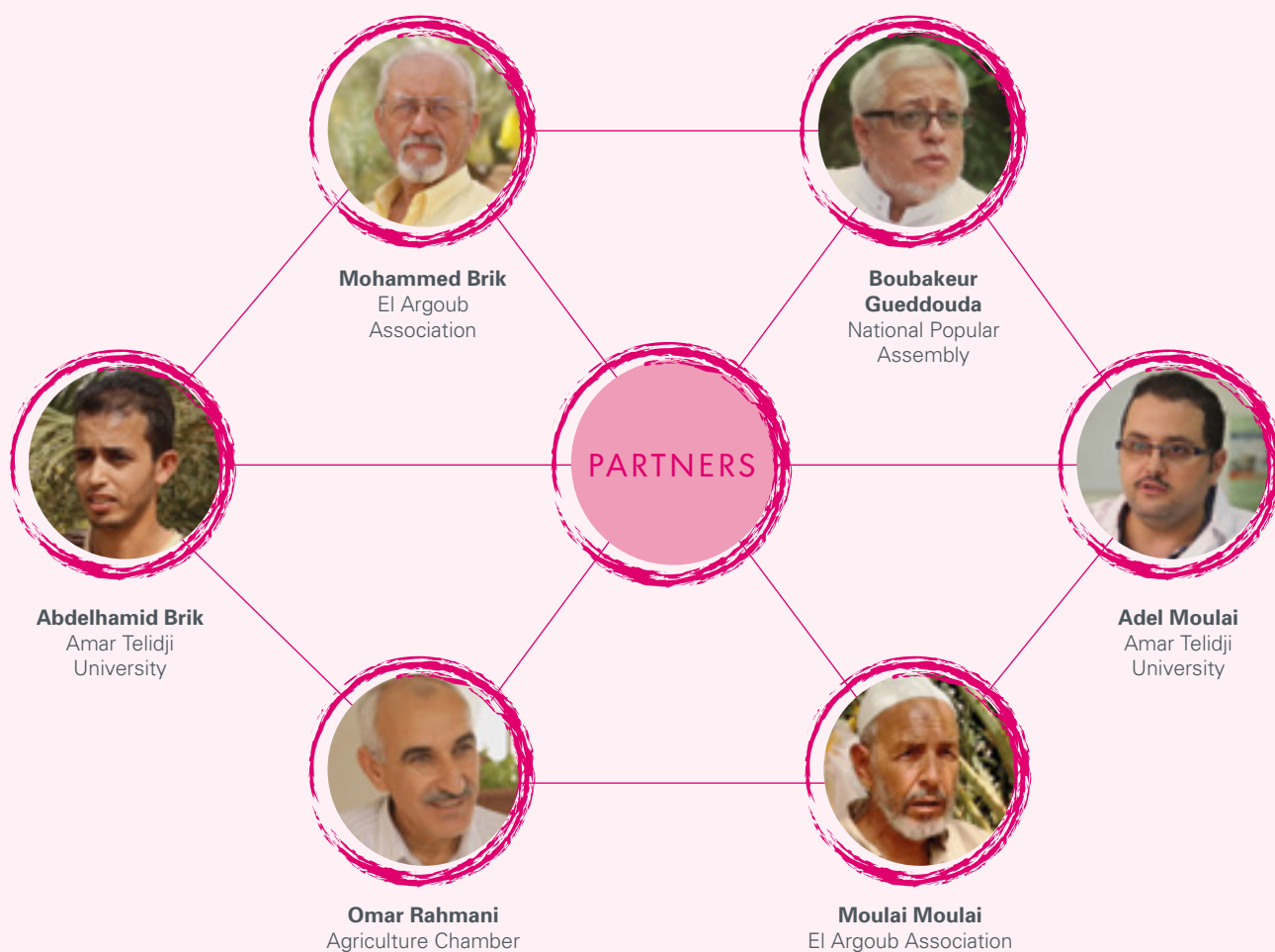
## ALGERIA

*What we want the member of the parliament to do is to be the spokesman for our associations because we do not have the ear of the policy makers at the local level*

**Mohammed Brik**, President, El Argoub Association, Laghouat



The Algeria entrepreneurial community is an illustration of experimental leadership, of how a relatively recent local grass-roots partnership has been established and expanded, and sustained its activities without the involvement of local authorities. The partnership draws on local agricultural potential and is built on the collaborative advantage generated among the key actors.



The district of Laghouat is in the centre of Algeria, just at the edge of the great Sahara desert. It has a long history of agricultural significance and is renowned as a city of intellectuals with a flourishing culture, acting as a bridge between the Sahara region and the north of the country. While agricultural labour is traditionally highly respected, the effect of Algeria's rapid shift to reliance on a hydrocarbon economy – that is, oil and gas extraction and export – has led to a shortage of young people willing to engage in manual, outdoor work.

As a result, the biggest challenge that farmers in the region now face is demographic. Most are over 50 years old, and are looking to a new generation to take over. However, it has become rare for young people to show an interest in farming as a career. The climatic conditions are hard, with very hot summers and cold winters. The tendency is for young people to look for relatively secure administrative jobs, which are considered 'easy' in comparison to physically demanding farm work.

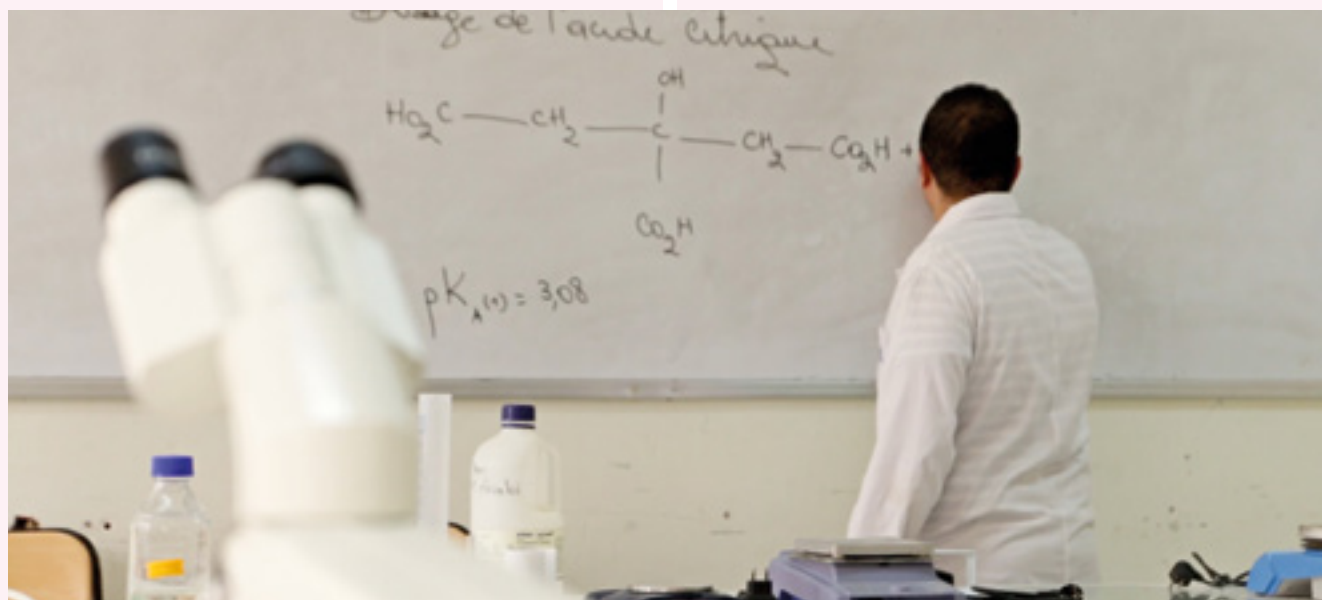
The vision of the entrepreneurial community in Laghouat is to address the gap that exists between the potential for agriculture and jobs available in the area, and to provide the next generation of farmers with the practical skills, knowledge, technology, and background for readily exploitable and employable skills. The partnership with the local university, where a bachelor's degree in agriculture is being taught and 70% of graduates go on to work in agriculture, is key. The university too is keen to maintain links with social partners in order to keep them

abreast of agricultural problems in the region, and give students the opportunity to experience work on the land. Moreover, the partnership has made it possible to adjust training provision at the university to the realities of the current agricultural situation.

When farmer and social entrepreneur Mohammed Brik established the El Argoub farmers' association, attracting youth into farming was not the main focus. Starting with a group of around 40 neighbouring small-holders, the objectives were to bring farmers together to build a sense of community, share tips and techniques from their farming experience, and develop organic farming practices, particularly in the rehabilitation of palm tree husbandry. As the partners were close-knit and the activities focused on knowledge sharing among the members themselves, formalisation was not seen as

*The links we create between farmers, farming associations and our students and teachers are important [...] to be able to adapt our training to the real needs of the agricultural sector*

**Adel Moulai**, Amar Telidji University, Laghouat





adding value. As the partnership matured, the vision of the partners was broadened to facilitate two-way knowledge transfers between the experienced farmers and the next generation, and for the farms of the members to serve as on-farm training facilities for the local university, where agronomy is taught, so as to provide young people with practical skills, knowledge, technology and background.

With the broadening of the vision, the partnership was expanded to include the University of Laghouat, the Chamber of Commerce and the Farmers Association. The critical push to formalise the partnership came from the desire to open bottom-up channels of communication within the multilevel governance arrangements in Algeria. Starting with communication between the community and the local government, the partnership has been able to make their views and contributions heard and acknowledged in making a case for the skills needed to support the socio-economic development of Laghouat.

The main activities of the entrepreneurial community are to:

- Generate, teach, and apply knowledge of organic farming, efficiency, and sustainability in farming practices;
- Facilitate two-way knowledge transfers between the next generation of farmers and experienced farmers;

- Serve as an on-farm training facility to the local university where agronomy is being taught, to provide the young with practical skills, knowledge, technology, and background.

The Algerian entrepreneurial community demonstrates the ability of grass-roots community partnerships to identify opportunities, bring together local actors in a meaningful and sustainable manner, and foster territorial socio-economic development. In Laghouat the local authorities are yet to grasp the resulting opportunities to enhance vocational agricultural education.

*There are important efforts being made at the local level. But associations such as El Argoub need to be listened to also at the national level*

**Boubaker Geddouda**, Laghouat representative in the National Popular Assembly

A man with a shaved head, wearing a blue suit jacket over a red and white checkered shirt, is seated in an office. He is looking slightly to his left and appears to be speaking. In the background, there are shelves with framed certificates or diplomas. A large yellow circle with a white, hand-drawn border is positioned in the upper left corner of the image.

## KAZAKHSTAN

*The most important task is bringing vocational education and training as close as possible to the real sector. We've lost these links during the years of building up of Kazakhstan and now we are trying to re-establish them, and developing a cooperation agenda in general*

**Madeniyet Bozhbanov**, Director of the Chamber of Entrepreneurs of the Karaganda region



The entrepreneurial community in Karaganda, Kazakhstan is an illustration of the voluntary mobilisation that the implementation of human capital development policies requires at the local level in order to be effective. In Karaganda, the private sector and vocational education and training providers have joined forces and are pulling in one direction, in order to raise the competitiveness of the local economy and reach the Kazakhstan 2050 goals for private sector growth.





Kazakhstan is a country with significant oil-related wealth, which it has used to reform its economy. Following privatisation and diversification, the attention has shifted to increasing the size of the micro and SME sector which currently represents only 20% of the country's GDP, but employs approximately 70% of the labour force. Private sector participation is seen as critical for stimulating Kazakhstan's future economic growth, and as a driver for increasing the size of the middle class and enhancing social cohesion.

Implementation of the 2050 policy priorities has taken off in Karaganda, where actors are making use of their various strengths to enhance the relevance of initial vocational education and training. The local Youth Business Association (60 mostly small and medium sized businesses) and the local Chamber of Entrepreneurs (over 100,000 businesses from micro to multi-national) are orchestrating a sizeable consultative mechanism that is bridging communication gaps and has earned them a solid position in the eyes of local and regional authorities.

The Youth Business Association and the Chamber of Entrepreneurs identified the availability of qualified human capital as key for the competitiveness of the local private sector. The most direct route to enhancing the quality of local human capital, they believe, is by strengthening education and business cooperation. The realisation led the Youth Business Association and the Chamber of Entrepreneurs to join forces with 26 local vocational education and training providers.

The aim of the entrepreneurial community is to re-establish a modern version of the link between education and business that once existed, but which was lost when the Soviet Union collapsed. A complementary aim of the partnership is to shift the economic centre of gravity from the capital city and oil-producing regions towards other regions of Kazakhstan by fostering the main engine of growth for the local private sector: local human capital. Together they are driving the expansion of the local private sector through human capital-centred approaches built on relevant vocational education and training and entrepreneurial learning for employment. Just two years into their collective undertaking, the entrepreneurial community presents compelling evidence

*Right now most people who want to start a business lack the knowledge to do so. We decided to fill this vacuum by offering them quality practical and theoretical knowledge*

**Arman Toskanbayev**, Youth Business Association

of the impact of their joined-up actions. Employers today play an active role in work-based learning with 60% of the learning successfully shifted from vocational schools to the workplace. Furthermore, in addition to students, teachers too get the opportunity to attend in-service training programmes with industry that enables them to keep abreast of constantly evolving industry standards. For those with entrepreneurial aspirations, the community has brought entrepreneurial learning to local vocational schools and universities. By learning from young entrepreneurs with multiple businesses, the students learn to think and act like entrepreneurs.

The Karaganda entrepreneurial community has understood that fostering local human capital is not merely about the transmission and embodiment of knowledge in people. Human capital is equally about the production of new knowledge, which is the source of innovation and technological change, and that represents unparalleled sources for social cohesion, economic growth and resilience for the local economy. Recognising and exploiting the transformative power of vocational education and training, this community is laying the foundations for a thriving local economic and learning ecosystem.

*If you don't touch it in practice, you can't really understand. Theory is only words on paper. I don't know where I would be if I didn't have practical training*

**Kanafin Elaman**, Borusan Makina and Karaganda Politechnical College



## 5. Connected

**Entrepreneurial communities connect a variety of stakeholders from the public and private sectors as well as civil society, each playing an active role towards a shared vision.**

Entrepreneurial communities connect actors and achieve results that no single organisation could achieve alone, and do so in the most effective and efficient manner. What this implies is a change in how a locality is governed, how it connects, collaborates, and engages with the wider community through various partnership arrangements. Such arrangements influence how local development targets are set and achieved, in a manner that resonates with local citizens.

Entrepreneurial communities are built on complementarity. The contribution of each partner stems from their existing goals and does not represent an additional activity. This forms the incentive for collaboration and is a decisive factor in their success.

In Lebanon young people are hardest hit by unemployment. In order to reverse the trend, the Lebanon entrepreneurial community, led by non-governmental organisation INJAZ, has been connecting locally based businesses with secondary schools for entrepreneurial learning programmes for over 13 years. The formal partnership was joined in 2004 by the Ministry of Education and Higher Education, which has enabled the partnership to bring entrepreneurial learning to public schools. Since its inception, the entrepreneurial community has connected over 100 businesses to schools thereby bringing entrepreneurial learning to over 60,000 students, with a current outreach of 13,000-15,000 students per year.

*The challenge is to find individuals and companies with a vision that whatever creates value for the business should, at the same time, create value for the community*

**Tony Haddad**, General Manager, Technica International, Lebanon



**Connective leaders** start from the local economic ecosystem and progressively look for, and build, partnerships beyond the obvious linear hierarchy. They recognise that the most suitable and concrete way to advance the work of the entrepreneurial community may not always be the next hierarchical level above, below, or next to them. Instead, connective leaders build a network of local partnerships all around them. Such connective leadership skills are required both at the level of the partnership and in government (from local to central), in order to break away from administrative thinking and reach out to local actors. This is what creates the space for substantial engagement among a variety of actors.

Entrepreneurial skills are thus at the heart of the capacity for innovation and change. Connective leadership, the capacity to exploit local assets, and their incorporation into local development, are the drivers of transformational change.

In this instance the partnerships are all formal, but entrepreneurial communities' partnerships can be informal, or even based purely on verbal agreements. Among practices identified, few are formal with a well defined structure from the outset. This is often the case where the presence of a partnership is a criterion for accessing funding.

*Our goal is that, by cooperating, we can change the law so that local partnerships are permitted to implement formal education for young rural women who haven't finished high school*

**Zeljana Radojicic**, Managing partner of NGO Kreativa, and Manager of the Magical Village, Mionica, Serbia

Like Lebanon, Serbia also struggles with high youth unemployment. Mionica is a tourist destination thanks to Vrujci spa. One of the sparks that led to the foundation of its entrepreneurial community was the requirement to establish a local partnership in order to access donor funding. The funding led to the realisation of a micro-project which inspired the entrepreneurial community, when partners realised that the women working in the project were unable to complete their education, owing to the absence of a secondary

vocational school catering for adult learners. Although much remains to be done, the entrepreneurial community, an informal partnership between public, private, and non-governmental organisations, has boosted public resources by connecting actors and fostering joined-up actions. The experience is already resulting in cross-regional learning, as the municipality is eager to connect other municipalities to their learning journey.

In entrepreneurial communities, contributions from each partner differ, but the added value of each partner is recognised. Irrespective of how these communities came about, they seem to thrive on the informality of partnerships, which allows them more flexibility. Entrepreneurial communities have proved to be valuable proactive instruments in overcoming the weaknesses of policies, but they cannot be created by administrative order. The absence of organisational overhead and the informality of the partnerships make communities converge around a hub, or central point. This is typically the actor who has either initiated or takes care of the network itself, cultivating the partnership, finding new partners and keeping track of results and impact. Informality is often seen as an advantage at the early stages of a partnership. In more mature communities the partnership evolves and feels the need to formalise its existence and arrangements.





## SERBIA

*We have very good cooperation with the local authorities. The partnership between the High School of Mionica and Kreativa helps to improve the quality of education*

**Zeljana Radojicic**, Managing partner of NGO Kreativa, Manager of the Magical Village, Mionica



The Serbia entrepreneurial community is an example of the power of a grass-roots initiative to build trust and, by building a complex network of horizontal and vertical relations, encourage collaboration and break administrative boundaries in a push to implement adult education.



Serbia struggles with high youth unemployment, significant disparities between regional labour markets, low workforce mobility, and an exodus of qualified workers. The participation of women in the labour market is significantly below that of men. The Serbian entrepreneurial community is located in the town and municipality of Mionica, with populations of 1,500 and 14,000 respectively. Mionica is known as one of the most beautiful regions in Serbia, which provides a promising

*In the absence of an overall top-down leadership, Zeljana embodies the bottom-up approach. The most important consequence of this different thinking of teachers is that they might be able to prevent brain drain*

**Sofija Pekic**, Honorary Member of NGO Kreativa

economic base led by tourism, targeting mainly weekend and holiday season visitors from the capital, Belgrade. Yet it faces significant socio-economic challenges. The municipality is under-developed and has limited resources. Mionica has high unemployment and women suffer the most as many marry young, never complete their secondary education, and thus struggle to enter the labour market.

In 2010 a primary school teacher and small farm owner, Željana Radojicic Lukic, founded Kreativa, a network of local teachers and policy makers concerned with the development of education in the region. Kreativa soon entered into partnership with Mionica High School, a vocationally-oriented high school with strong links to the hospitality and tourist trades. The partnership was triggered by an opportunity to obtain funding for a local development project aimed at children and youth. In order to qualify for the funding, a partnership consisting of local public and private actors was formed. The funding made it possible to realise a micro-project for children's recreation called the Magical Village. The Magical Village was made available to the local secondary VET provider as a place for practical training.

This partnership's modest start soon grew into something much more meaningful, as the person who inspired it set out to help the women working in the Magical Village to reach their goal of completing their education in a secondary vocational school. Realising that this was





already provided for in the National Education Strategy, the partners connected the local demand for adult secondary VET to those who could supply it: local, regional, and national government, the local vocational school and academic researchers. The Serbia entrepreneurial community was born.

The long-term plan of the entrepreneurial community is to pilot a new type of educational tourism which involves adapting the existing infrastructure within the school system to create 'educational tourism' destinations for visiting children and families. The ultimate aim of the Entrepreneurial Community is to change the laws so that local partnerships are able to provide formal education for young rural women who haven't finished high school.

In Mionica the municipality has seen the capability and the added value of local partnerships in boosting limited public resources by linking actors and binding them into collective action. The experience is now sparking cross-regional learning and partnerships, as the municipality is eager to connect to other municipalities and share the lessons learned. In parallel, the as-yet imperfect trickling of information and knowledge from the municipality to the regional and national level is beginning to inform public investment in adult learning.

*The government could do more to promote local initiatives. Key to increasing the impact of initiatives such as the Serbia entrepreneurial community would be to enhance communication between the government and the civil society*

**Srdjan Verbic**, Minister of Education, Science and Technological Development



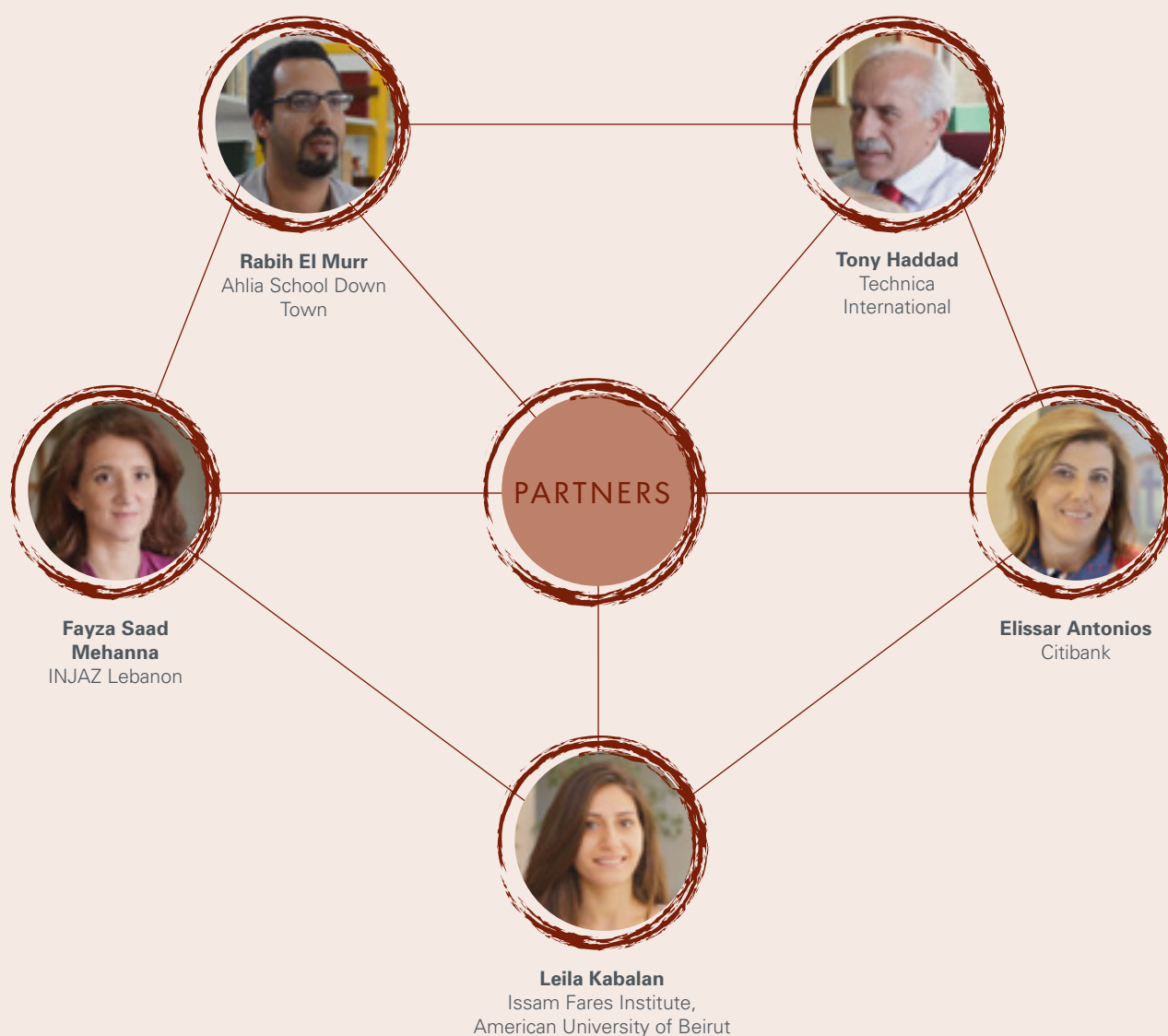
## LEBANON

*To engage the business sector we need to show them what is the return on their investment. These young people will become their future employees, future business leaders that will themselves be working in the business sector and benefitting their communities*

**Fayza Saad Mehanna**, Executive Director, INJAZ Lebanon, Beirut



The Lebanon entrepreneurial community is a partnership that brings together schools and the private sector in Beirut through a collective effort led by INJAZ, a non-governmental organisation. The partnership runs entrepreneurial learning programmes where students are introduced to the business world, and experience the real-life situation of creating a company with guidance from a corporate sector volunteer.





*Many of the students who excel in the entrepreneurial learning programmes are not necessarily high achievers in other classes. Working in a classroom between a book and an exam is not sufficient. Learning should be more towards real life experiences*

**Rabih El Murr**, Head of Upper School Division,  
Aliyah School, Beirut

Youth unemployment is a significant challenge in Lebanon. In order to inspire and equip young people with relevant skills, INJAZ has been connecting locally based businesses to local secondary schools through their entrepreneurial learning programmes since 2001. In 2004 INJAZ signed a key agreement with the Ministry of Education and Higher Education that has enabled it to operate in public schools. The partnership with the Ministry has been essential for the continuity and outreach of the entrepreneurial learning programmes that cultivate collaborative advantage among government, INJAZ, and the locally based businesses.

For over 12 years, INJAZ has served as a broker between government and the private sector, and has brought their respective strengths (or even monopolies) to a collaborative effort that gives back to the community. For the government, the direct benefit of INJAZ's activities has been getting hands-on entrepreneurial learning in public schools long before such an initiative could have been developed by government. For locally based businesses, direct philanthropy would have been logistically challenging, and thus a barrier to donating their time and resources to the community. So the partnership has been an opportunity for them to support a meaningful cause close to the needs of the local population.



The Lebanese case is an example of the lasting contribution that a non-governmental organisation can make to local skills. The Government, which is about to embark on donor-funded entrepreneurial learning programmes across the country's secondary vocational schools, could capitalise on the tremendous learning value of over 12 years of experience in entrepreneurial learning in Beirut. Failure to do so could result in a steeper learning curve and additional cost for the government.

*To have that space, to be able to dream, and have the potential to implement it. I think it is very important. You become someone who looks at things differently, who welcomes change*

**Leila Kabalan**, Programme Coordinator, Issam Fares Institute, American University of Beirut



## 6. Innovative

**Entrepreneurial communities see more than just skills gaps – they see opportunities. They recognise the limits to what governments can do, and consider alternative solutions to bridge the gap that is keeping them from economic opportunity. As such, entrepreneurial communities are at the forefront of innovation in skills development. They cover new sectors where skills policies are not yet in place and where an appropriate VET offer is not yet available.**

Entrepreneurial communities are made of pioneers, inspiring front-runners who are a source for local innovation and competitive edge. Entrepreneurial communities see opportunities, voluntarily find finance, and take action to fill the gaps, at no cost to government.

This is the case, for instance, in Jordan, where the entrepreneurial community based in Amman has a vision to maximise the potential of locally grown innovation in the ICT sector. While the government, as many others, is focused on attracting and channelling specialist foreign knowledge in the ICT sector, the entrepreneurial community is investing considerable private resources to train and partner with aspiring local entrepreneurs. Whereas the intense competition from multi-national corporations could outweigh the benefits from eventual spin-offs, the start-ups supported by the entrepreneurial community are out-competing them with new, innovative and fit-for-purpose software products that meet the



particularities of the local market in a way that foreign competitors have not been able to. Innovative approaches to local skills development and entrepreneurial learning have formed a territorial ecosystem that raises the question of the optimal policy mix for boosting domestic skills, employment and entrepreneurship in the ICT sector.

*We are competing with the big boys in human capital management software worldwide, like Oracle, SAP, and JD Edwards. We have more than 1,200 customers using our solutions at enterprise level and we have initiated cloud-based businesses in human resources and customer relationship management*

**Dr Abdul Malik Al Jaber**, Founder and Chairman of MENA Apps, Chairman of the Board of Middle East Payment Services (MEPS), Jordan

In contexts where policies are supportive and the governance model recognises and promotes the local level as key to the system, entrepreneurial communities not only achieve their vision and goals, but drive change, have a wider impact, serve as inspiration for others, and feed back into the policy cycle. Entrepreneurial communities are, as the name suggests, entrepreneurial in their nature and in their actions. They do not wait for policy frameworks to be ready before they take the initiative. They make a virtue of informality and potential for change, anticipating needs, spotting gaps, and providing a base for transformational change, which could be achieved, if policies were to include them and make use of their learning and experience.



In Belarus, the entrepreneurial community demonstrates an incremental and inclusive process of establishing a multi-purpose employment and enterprise support centre for and by young people. While as early as 1992 a range of projects to encourage entrepreneurial activity were initiated by Presidential Decree, it took another 17 years for the business incubator, Beesiness-hive, to get under way in 2009. Donors played an important role in encouraging the government to take stronger action on youth employment. With the spark for what was to become the entrepreneurial community coming from the government, policies have been supportive of the partners' actions and a framework for dialogue was in place from the onset. This may have played a decisive role in capturing and building on successful innovative practices of entrepreneurship promotion. The entrepreneurial community is built on the collaborative advantage among its tenants that links every business like blossom on a tree. Aspiring entrepreneurs benefit from growing together, from being part of an integrated whole. The model has now been replicated in another district of Minsk with a sectoral specialisation among the tenants that brings aspiring entrepreneurs in the field of tourism together under one roof.

Entrepreneurial communities are at the heart of innovation in skills development and job creation. For them innovation is a collaborative process, and its fruits are seen both in the context of their partnership arrangements and in the results of their collective work. Whatever their beneficiary group – students, adult learners, existing or future entrepreneurs –

entrepreneurial communities abandon old paradigms and generate innovation. They pave the way for transformational change. In order to build on their drive, even in contexts where institutional frameworks are weak, entrepreneurial communities must be identified, embraced, and supported to maximize their potential. Allowing informal networks to exist and experiment is crucial for skills policies and VET systems. Only by investing in innovation in skills identification, development and use can a country establish the basis for its future and shape skills policies that are relevant and efficient.

*Imagine what it will be like when we can mix the new ideas of young entrepreneurs with the experience of those who have already established successful businesses here. The mixture will be explosive!*

**Rima Yepur**, Managing Director, Youth Business Incubator, Partyzanski District, Minsk, Belarus



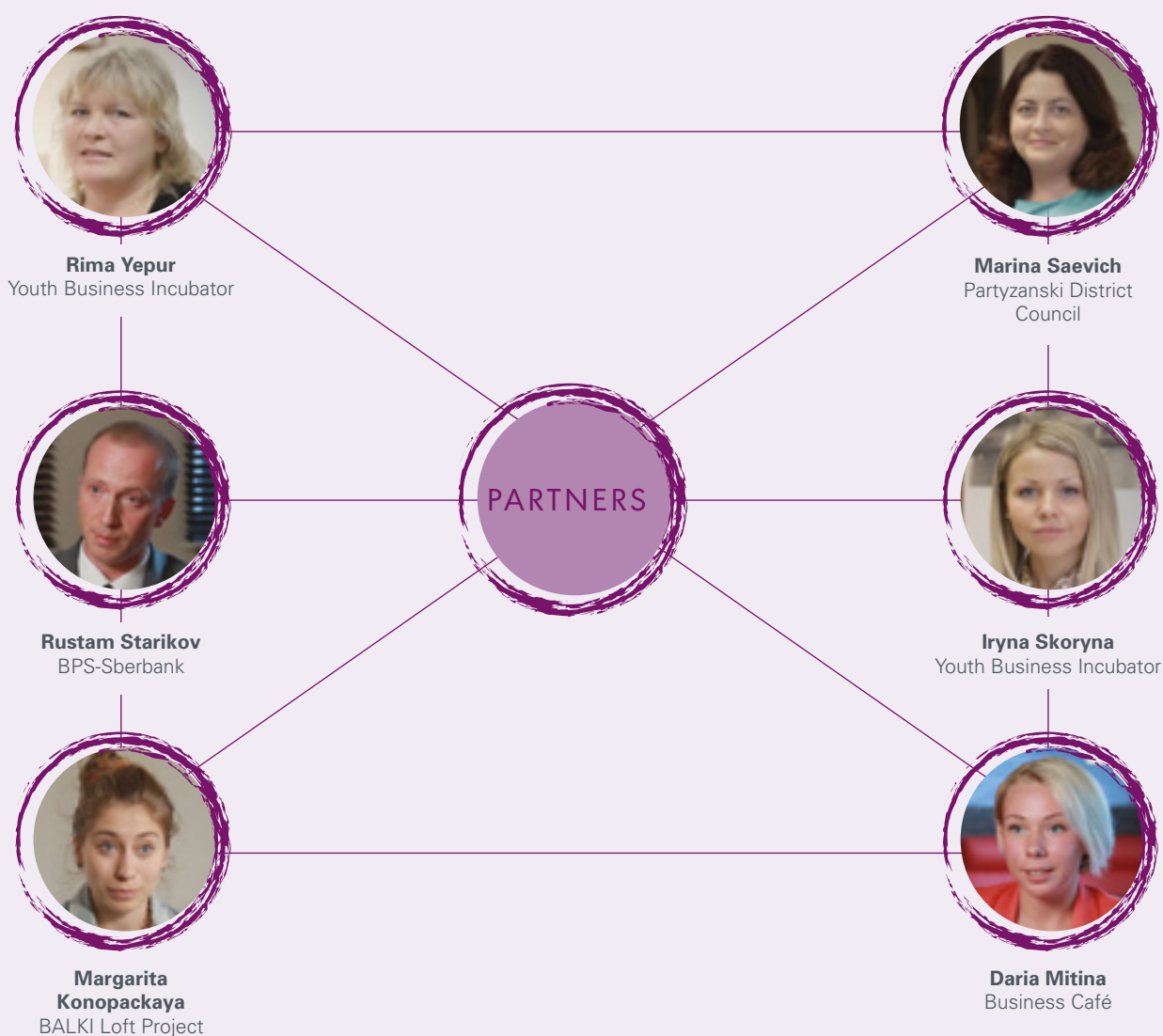
## BELARUS

*My role is not only to help young people by sharing my experiences with them, listening to them, but also acting as a bridge between them and the government, the state*

**Rima Yepur**, Managing Director, Youth Business Incubator, Partyzanski District, Minsk



The Belarus entrepreneurial community exemplifies the internal entrepreneurial culture within a community, with its delivery mechanism strongly anchored in its members' collaborative advantage, and in its ability to contribute to local skills governance in a highly centralised system.



The micro, small, and medium enterprise (MSME) sector is not developed in Belarus, and its contribution to GDP is far behind most developed and developing economies. Access to finance, both in terms of sources and volume, is a major problem for young entrepreneurs wishing to engage in private business, an activity not always well perceived. The recent economic crisis has paved the way for the MSME sector by exposing authorities to their potential in stabilising labour markets and the economy. As a result, actions have been taken to create favourable conditions for MSMEs.

In 1992 a Presidential Decree initiated a range of educational projects to encourage entrepreneurial activity and small business participation among young people. The business incubator, Beesiness-hive, was established by the Minsk City Executive Committee and registered as a small business incubator in 2009. This laid the foundations for what later became the Belarus entrepreneurial community, which is based in Minsk and consists of a business incubator housing 150 start-up businesses in a space of 2,500m<sup>2</sup> and an additional building funded by the entrepreneurs themselves.

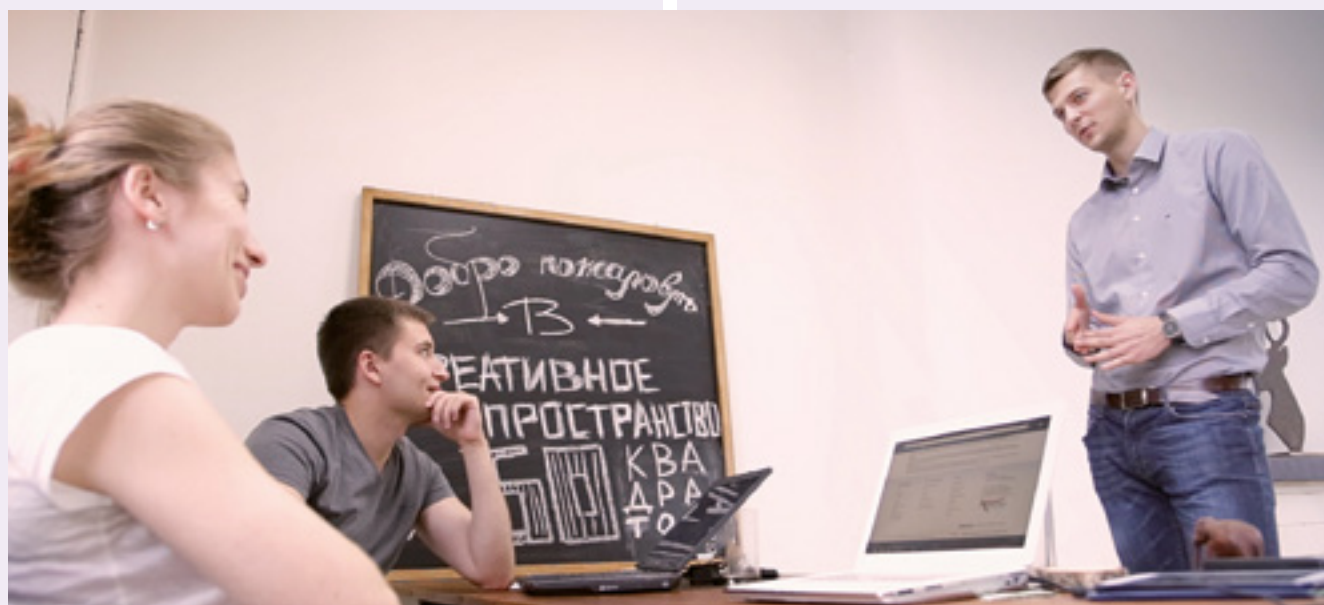
The Belarus story showcases the fact that entrepreneurial communities can be initiated from a top-down lead. Yet it is not how the incubator got started, but what was done with the opportunity presented that makes this an entrepreneurial community. The site has become the centre of a wide-ranging business initiative – part experimental space, part job creation powerhouse – that is helping to open up Minsk, and the whole of Belarus,

to new educational and entrepreneurial endeavours. Furthermore, since its establishment, the incubator has been visited by some 6,000 school students whose teachers take them there to gain exposure to entrepreneurial activity and general business issues.

The incubator has grown into an innovative model of a skills coalition built on multilevel collaborative advantage, substantively engaging and benefiting everyone.

*For me a café was always a place for informal communication, but I never thought of using it as a creative space. This concept was presented to me by Margot, an entrepreneur from the Beesiness-hive, and it opened new perspectives for my business*

**Daria Mitina**, Art Director, Business Café





The incubator fosters start-ups created by young entrepreneurs, investing its time in assisting and guiding them like any business incubator in the world would. The difference here is that many of the services traditionally included in the lease, such as accounting and legal, are not part of the package. Instead, services are sold by tenants that specialise in the relevant fields. This approach, ensuring no competitive overlap is created among tenants, helps start-ups build their portfolio and reduces the cost of a lease for those not requiring such services.

The crucial difference in this case is the incubator's ground-breaking entrepreneurial culture, and its ability to organise its tenants into sector clusters that benefit from the economies of scale obtained through collaborative action. By working collectively on larger projects, start-ups have been able to bid for and win contracts that would otherwise have been out of their reach. The ability of the Belarus community to adopt such an entrepreneurial culture and foster an ecosystem built on collaborative advantage among start-ups has certainly meant the difference between survival and dissolution for many of their tenants. Its creative mind-set, focused on delivering innovative solutions for local skills development, has sparked more inclusive governance. The entrepreneurial community is a welcome partner to local government, as it is able to inform local decision-making with practice-based evidence on fostering youth entrepreneurship.

*Business incubators should exist across Belarus in order to lead by example, and enable young people to be part of the entrepreneurial movement. At the same time, for the government, this is an investment towards the growth of small businesses – in order for the middle class to be clearly established*

**Marina Saevich**, Head of the Department of Entrepreneurship, Partyzanski District of Minsk



## JORDAN

*Anybody who has a closer look at entrepreneurship here in Jordan and in Amman specifically can see that it's booming. The government is usually in full support. NGOs, government bodies, they are all in support*

**Rania Ghosheh**, Partner and Legal Advisor, MENA Apps, Co-founder Arabreneur,  
Managing Director for Jordan and Palestine chapters of Girls in Tech, Amman



The Jordanian entrepreneurial community's vision is to see Amman become a bustling centre for ICT start-ups. The partners see the potential to reduce unemployment in Jordan through better use of its tech-savvy young population, 90% of whom are enrolled in secondary education, along with a highly-skilled diaspora of around 500,000, many of whom are ICT professionals.



In the Middle East and North Africa region, 70% of the population is under 34 and a great many are highly tech-savvy. Yet in Jordan, the Information and Communication Technology (ICT) sector is not part of public vocational education and training provision. A lack of qualified labour is causing ICT businesses to expend significant resources on training, leading to fierce competition for qualified personnel.

The Amman entrepreneurial community builds local ICT innovation capability, which it sees as a key driver of local and national competitiveness. It spots, equips, funds, supports and promotes selected innovative start-ups from idea to maturity, in a holistic collective effort. Since the start of the partnership, 18 start-ups have been established with more than 40% women entrepreneurs, and, since 2011, over 50 jobs a year have been created. Standing in the way of the entrepreneurial community's vision is a skills gap that significantly increases the cost of doing business for the partners and the start-ups they help.

In Amman there is no VET provision in the ICT sector. All relevant programmes are taught at universities that produce graduates with skills that do not meet market demand, yet no change is foreseen in ICT education and training in the short to mid-term. There is also little dialogue between the businesses and education and training providers in a sector that is in continuous evolution, with changes in products and professional profiles requiring updating of curricula for initial and

*Currently there is a gap between the training provision and the skills requirements of employers. I have to start a training programme whenever I hire a graduate. It takes 4 to 6 months of training for a graduate to become functional in the workplace*

**Rami Ejailat**, Business Owner, Experts 911





continuing education. As a result, the ICT training offer in Amman does not produce graduates with the relevant technical skills and abilities to enter or re-enter the workforce, and the cost of training is borne by the start-ups. This weakens their position in relation to multinationals with whom they must compete to retain talent.

There is potentially great added value in establishing clear, systemic coordination and planning in the provision of ICT education and training. More collaborative approaches to VET governance involving the entrepreneurial community for a detailed understanding of real market demand based on concrete evidence would contribute to producing skills that meet the needs of the market and promote a dynamic domestic ICT sector. Opening up governance approaches would allow the leading sector specialists, all of whom are engaged in the entrepreneurial community, to get involved in training. This could happen, for example, through voluntary teaching at vocational schools, or through provision of practical training in one of the many companies that form the partners and beneficiaries of this community.

*This region has untapped potential for home-grown innovative solutions and services. My ambition is to kick-start this engine and to have a 'start-up factory', a vibrant ecosystem. Accepting failure is key for success*

**Dr Abdul Malik Al Jaber**, Founder and Chairman of MENA Apps, Chairman of the Board of Middle East Payment Services (MEPS)

## 7. Impactful

**Entrepreneurial communities impact the socio-economic development of their territories by enhancing existing skills and generating new ones, by actively identifying assets, by promoting innovation through better performance and competitiveness of the local formal economy – and by seeking ways to influence how they are governed.**

Entrepreneurial communities mobilise local actors and capital, and voluntarily invest resources in skills development. However, they deliver more than just skills and economic benefits. Their actions help attract and retain crucial enterprises, from farms to bigger businesses and investors. Their active networking and collaboration ensure that vocational education and training providers produce graduates with relevant skills who find jobs. Their support to entrepreneurial learning ensures promising local entrepreneurs are discovered, educated, financed and supported throughout their business lifecycle.

Just two years ago, finding a job would have been a near-impossible dream for young people living with a disability in Tbilisi, the capital of Georgia. This is no longer the case. The Mermisi College, one of six vocational schools to pilot the government's inclusive education programme, has, together with its partners, broken the silence and stigma that surround disability. The entrepreneurial community has successfully connected over 250 local businesses through formal agreements to train and employ students from the college, irrespective of their disability. The sizeable web of partnerships of the Georgia entrepreneurial community goes beyond the government's inclusive education

*Inclusive education was a project five or six years ago. Now inclusive education is part of the system. It will not finish*

**Marika Zakareishvili**, Director of Inclusive Education Project, Ministry of Education and Science, Georgia





programme to ensure a skills match and school-to-work integration that does not look at disability. Tracer studies indicate that 74% of the graduates have successfully integrated into the labour force, with some specialisations reaching as high as 95% integration. In some professions students living with a disability are outcompeting their fellow students for jobs due to better motivation and social skills. Yet the actions of entrepreneurial

*The support of the Entrepreneurial House is fundamental. Based on its advice, the Ungheni Free Economic Zone was created. Now the area is a prosperous area for business and the largest employer in Ungheni*

**Alexandru Ambros**, Mayor, Ungheni City Council, Moldova

communities have far-reaching implications that are harder to predict. In the case of Moldova, the entrepreneurial community's hard work and networking led to the creation of the Free Economic Zone in Ungheni. Currently the Free Economic Zone is the most vibrantly diversified free economic zone in Moldova. It hosts 35 residents of whom approximately half are from outside Moldova, including 10 from the EU. The zone produces a range of products, and has attracted overall investment of US\$55 million. It provides employment for more than 2,500 people with various skills, as well as business opportunities for local enterprises, joint ventures with foreign investment participation, and other legal entities.

The Free Economic Zone would not exist without the push from the entrepreneurial community, nor could it now flourish if it did not have local suppliers that the entrepreneurial community has had a hand in supporting. Nothing succeeds like success. The opportunities created by meaningful cooperation in local governance on skills, entrepreneurship and jobs are limitless, and the outcomes of breaking down silos are, at the end of the day, dictated by the market. They are beyond anyone's control. What authorities can do is foster an environment where entrepreneurial communities can continue to innovate and build on the opportunities they create.



## GEORGIA

*At first the employers were reluctant to take on students with disabilities. I had to go and personally persuade them that our students deserve a chance for an internship. This is no longer the case. Nowadays the employers themselves approach us for internships*

**Nona Gudushauri**, Principal, Mermisi Community College, Nazdaladevi District, Tbilisi



The Georgia entrepreneurial community, based in a district of Tbilisi, exemplifies the way a policy of inclusive education is getting off the ground. A local vocational education and training facility has created a positive learning environment where students with and without disabilities, and from varying age groups and educational backgrounds, not only learn together, but also participate in initial and continuing vocational education and training, work-based learning, and apprenticeships together.



Georgia is eager to demonstrate progress in educational reforms and to align policies and practices with the EU agenda centred on education for all and social inclusion. The aim of the government is to mainstream inclusive education so that it becomes an integral part of vocational education and training across the country's vocational education providers. The focus is on on-the-job learning to equip students with the necessary skills to find employment. In the regional context, the approach to inclusive education is breaking boundaries and shifting paradigms.

*Students from the Mermisi College that worked with us were all well prepared. I would encourage all employers to work with college students because our country is developing and we need to support our young people*

**Natela Tsukhurkaidze**, Kartuli Samosi Ltd

Through country peer learning with Norway, Mermisi College is one of six vocational schools spearheading the transition towards inclusive initial vocational education and training. The effort is part of an inclusive education programme, initiated by the Ministry of Education and Science in 2013, in line with the Strategic Plan for Vocational Education and Training 2013-2020. Today Mermisi College delivers, in close cooperation with employers, 34 programmes to its 700 students, in the form of initial and continuing vocational education and training. Of the 700 students, 52 are part of the inclusive education programme, a 350% increase from 2013 and the highest number among vocational education and training providers in Georgia. What attracts students to the college is its high success rate in integrating students into the world of work. Tracer studies indicate that 74% of the graduates have successfully integrated into the labour force, with some specialisations reaching as high as 95% integration. The key to Mermisi's success is its relationships with the local district and with 250 local businesses through education-business cooperation.

The entrepreneurial community has translated the national policy on inclusive education into action by turning what some might perceive as barriers into opportunities. The students, whose ages range from 15 to 68, all come from different backgrounds. The district provides modest support to the college in terms of small infrastructure improvements. However, the main collaborative advantage among the partners comes from





the district linking the college and its 72 teachers to local employers, which then enables the college to connect students to work-based learning and apprenticeship opportunities. Equipped with information on local businesses, the main obstacle facing the Director of the Mermisi College is breaking through the stigma and convincing employers to hire students living with disabilities.

Tbilisi's entrepreneurial community is fighting against the stereotypes of those living with a disability. This is essential, as stigmatisation is the main barrier to their employment. The entrepreneurial community engages with and educates employers to secure work placements for students, including those living with a disability, which is critical for their integration into the world of work following graduation. A person living with a disability must meet the minimum job qualifications set by the employer and possess the relevant skills, experience and education, and meet medical, safety, physical and other requirements. Employers too make reasonable accommodations to the students while Mermisi College ensures that a teacher is always at hand during the integration period.

Following initial difficulties in obtaining the first partnership agreements with local businesses, today the results are there for everyone to see. Not only are employers satisfied with their experience, but they have also discovered the benefits of hiring employees with disabilities. In addition to relevant skills, employers

*We are in dialogue with employer associations and the employers themselves - who are our first partners. We are preparing for them skilled persons with different abilities and disabilities. Our task is to find the right position, the right occupations*

**Marika Zakareishvili**, Director of Inclusive Education Project, Ministry of Education and Science

report high levels of motivation and dedication as well as excellent social skills. Faced with the sizeable task of coordinating over 250 partnership agreements with local businesses that are mostly small to medium size, the hard work of the Mermisi College is paying off.

A portrait of Dorin Budeanu, a man with short brown hair, wearing a light-colored shirt. He is looking directly at the camera with a neutral expression. The background is slightly blurred, showing what appears to be shelves with various items.

MOLDOVA

*Our dream is that the work and the knowledge we have built here in Ungheni can be shared and used in other regional centres and nationally for the benefit of our entrepreneurs and the Republic of Moldova*

**Dorin Budeanu**, Director, Entrepreneurial House of Ungheni



The Moldova entrepreneurial community is based in Ungheni, a small and dynamic city on the border with Romania. With the lowest rate of urbanisation in Europe, Moldova seeks ways to stimulate the rural economy to provide jobs and promote wealth creation.





As a requirement to access funding from the EU Tacis Cross Border Cooperation Project, the authorities in Ungheni pooled local actors together, building on existing institutions that were operating separately and coordinating them into a hub. By 2003 five organisations had combined to coordinate their approach and become the founding partners of the Entrepreneurial House of Ungheni: the Ungheni Business Incubator, Ungheni Chamber of Commerce and Industry, Ungheni Business Support Centre, the Association of Agricultural Producers, and the international NGO Alliance Française.

When financial assistance was received the necessary time was allocated by all concerned at the appropriate level to discuss options and identify the model that would provide the most sustainable use of the funding. Local authorities involved relevant local actors in collective decision-making on how best to use the funding for long-term success. Everyone around the table, regardless of their individual or institutional status, could express their views, which were acknowledged and weighed, and everyone actively contributed to the planning and its final outcome.

The process was lengthy, but it paid off. Now, over 12 years since the establishment of the Entrepreneurial House of Ungheni, the same five founding members are all still part of the joint initiative.

*The most important result from our collaboration is the exchange on new economic opportunities in the region. This helps attract investment and makes our region more prosperous*

**Lulia Pancu**, Vice President, Regional Council

The greatest success of the community is the respect and the advisory role it has gained with the local and regional authorities. As a result of its advice, the Ungheni Free Economic Zone, the most vibrantly developing and diversified free economic zone in Moldova, was established. It hosts 35 residents, of whom approximately half are from outside Moldova, including 10 from the EU. The zone produces textiles, meat products, dried fruit and nuts, furniture, carpets, plastics, PET bottle pre-forms, and more, with overall investment of US\$55 million. It provides employment for more than 2,500 people with various skills, as well as business opportunities for local enterprises, joint ventures with foreign investment participation, and other legal entities. The Free Economic Zone would not exist without the push from the entrepreneurial community, nor could it now flourish if it did not have local suppliers that the community has had a hand in supporting.

The entrepreneurial community still operates from the common premises provided by the municipality of Ungheni, with all members funding their own activities. In addition to having collectively agreed on a sustainable institutional setup, the founding members were also given full flexibility in how they operate and cover their costs.

These two factors, both resulting from a commitment to flexible inclusive decision making based on the principle of subsidiarity and meaningful partnership, have enabled the community to operate sustainably for over 12 years. This case exemplifies the benefits of collaborative approaches to territorial skills governance and their transformational power over time.

*The Entrepreneurial Community brought all business support services under a single roof all the while acting as a broker, facilitating business contacts and local skills development*

**Dorin Budeanu**, Director, Entrepreneurial House



## 8. Smart

### The potential added value of entrepreneurial communities is translated into action by smart territories.

Entrepreneurial communities deliver more than just skills. Their actions help attract and retain crucial enterprises, from farms and businesses to new industries and investors. Entrepreneurial communities act as catalysts in the local economy, creating and deepening territorial partnership. Their active networking and collaboration ensures that vocational education and training providers produce graduates with relevant skills who find jobs – irrespective of age, gender, or disability. Their support to entrepreneurial learning ensures promising local entrepreneurs are discovered, educated, financed and supported throughout their business lifecycle. These communities are a valuable means of promoting and strengthening the local economy and increasing social cohesion.

Despite their potential, entrepreneurial communities too often remain pockets of innovation. No real progress towards enhanced competitiveness, economic growth, and social cohesion can be achieved unless all the relevant actors are connected to the entrepreneurial community process, and human capital is an integral part of territorial development. The potential added value of entrepreneurial communities is maximised and translated into action by smart territories, where actors jointly respond to skills needs and gaps, leaving no pocket of innovation unexploited.



*Our aim was that adult education and the financing of it is made an integral component of the municipality's development strategy. We've reached this aim and as from next year we're delighted to say, we will be educating people from Budva for the labour market in Budva and it will be paid for by the municipality of Budva*

**Anita Mitrovic Milic**, Executive Manager, Hotel Education Centre, Budva, Montenegro

In smart territories, the dialogue is inclusive, and focused on identifying new solutions and transforming skills developments at the local level. The involvement of local authorities, often limited in the case of entrepreneurial communities, is critical to success in smart territories. Local authorities exploit their key role in orchestrating the local economic ecosystem. In smart territories the authorities have understood that through joint actions they are able to deliver services leading to improved outcomes for local businesses and citizens that go beyond the remit of any one actor.

The Montenegro entrepreneurial community already had a vision for Budva 15 years ago. The network of partnerships built on collaborative advantage that makes up this community has resulted in a sustained push to foster local tourism. By pulling together the private sector, hospitality sector association, and local and national authorities, the partnership has grown to include more than 90 hotels and 120 restaurants. So while it may be a small town, it generates a big economy. The impact of the partnership is measured by the nearly one thousand jobs created, forming an industry which contributes over 50% of the country's total tourism revenue.

Today, the entrepreneurial community is driving the smart territories concept in Montenegro by demonstrating the transformational power that can be generated when they are able to connect both horizontally, bringing all relevant territorial actors together, and vertically, with national authorities. In the Municipality of Budva, the multilevel approach to governance has resulted in skills and human capital development being an integral component of territorial development in the town's 2013-2017 strategy. The strategy is the first in Montenegro in which local resources are allocated to skills development, as opposed to simply transferred from central government.

In Israel, an entrepreneurial community based in the city of Hadera is spearheading smart territories. The national government has realised the benefits of collaborative multilevel governance and is providing the space for the entrepreneurial community, and other local actors,



*Most of the children in most of the schools today are learning skills that are not the ones they need to be ready for life. I'm thrilled that in our school we've been able to change that. My dream is that all schools in Israel will look like ours*

**Ilana Shtrahl, Director**, Hadera Multidisciplinary School, Israel

to contribute to the skills and employment policy cycle. It also accessed funding for innovative local skills and employment practices, and is now exploiting the channels of communication it has created to collect feed back, and uses the practical knowledge generated to adjust its education and training provision.

This community is driving positive change through a mixture of top-down and bottom-up initiatives. While it does receive financial support from government, it is very much setting the agenda in terms of innovative practice. The government's support is shared between the Ministry of Education and the Ministry of Economy, but the former has been more strongly influenced by the outcomes of the entrepreneurial community's innovations.



## MONTENEGRO

*1999 was a different time in Montenegro, it was a difficult time. But we felt that in hospitality and tourism we had really popular occupations. My father brought the idea of adult education into the picture*

**Anita Mitrovic Milic**, Manager, Hotel Education Centre, Budva



The Montenegro entrepreneurial community in Budva illustrates the power of a single individual with a vision to spark a chain reaction. A virtuous cycle of visionary leadership and innovation has shaped the perception not just of the professions in the hospitality industry, but of the industry as a whole.



The economic transition in Montenegro, which started over 15 years ago, has resulted in increased levels of unemployment as many state-owned enterprises ceased to exist. Many of the previously required skills and competences suddenly became obsolete and, as a result, unemployment soared. But the economic slowdown that followed as the national economy changed gear also opened up new opportunities. New forms of business and industry started to take shape, adding to the momentum for economic growth that follows restructuring. One such industry is hospitality, which has gone on to overhaul local employment prospects in Budva.

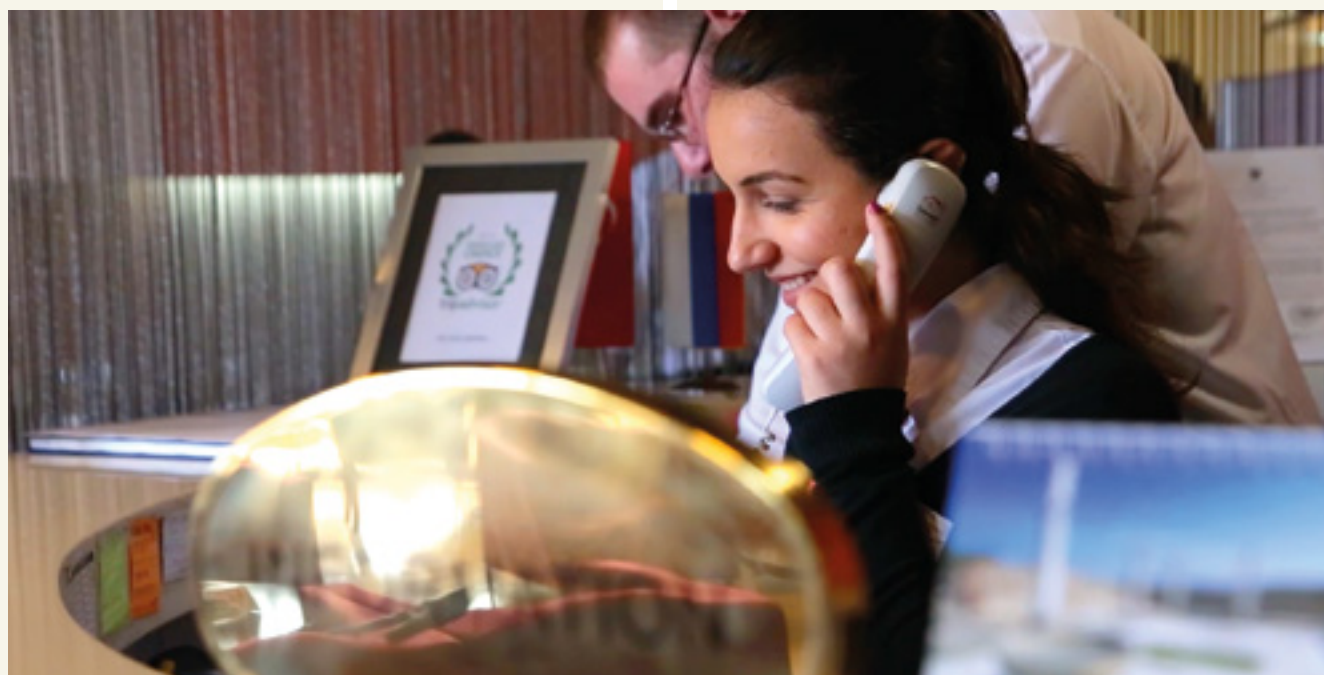
The transition phase provided the background to the entrepreneurial community in the small seaside town of Budva. A visionary leader, an award-winning chef with an intuition for the region's tourism potential, saw an opening to start building the foundation for the nascent tourism industry. In seeking a skilled labour force, he saw the potential in workers who were unemployed or who needed to re-enter the labour force. In order to meet the specific needs of adult learners he set out to establish an adult learning centre combining work-based learning with traditional vocational training on the ground floor of his own home. The entrepreneurial community that started there nearly two decades ago was strengthened when he convinced the National Bureau of Employment to join forces with him. The partnership has since grown to include the Budva Municipality and the Sector Council

for the Tourism Industry. Their goal is to change the appreciation of the professions within the tourism industry as a whole, and overhaul local employment opportunities – not just for young graduates, but also for adults – through skills.

The Hotel Education Centre (HEC), established with funding secured by the National Bureau of Employment in 1998, grew from modest beginnings. Today HEC trains adult learners for all professions required by the hospitality industry through a method

*Small and medium sized businesses don't have power to be in government meetings. This is why it is better to have that catch point between the market and the real sector at the local level*

**Zlatibor Milic**, President, Montenegro Tourism Association





that combines theoretical and practical learning. Students at HEC are independent applicants, directed by the industry, or sent by the National Bureau of Employment as a part of a package of active labour market policies. The results of the entrepreneurial community are staggering: following a six-month training programme and an apprenticeship, over 80% of students secure employment and 15% start a business.

The municipality of Budva is no longer an aspiring tourist resort, but a high-end tourism destination in full expansion. The number of tourists visiting Budva each summer is nearing one million, and numbers continue to rise. New hotels are opening at a rapid rate and are competing for competent human resources from within and outside Montenegro. Businesses are investing significant resources in training and attracting qualified personnel, and the Hotel Education Centre, with its limited capacity, has become the point of reference for businesses of all sizes. In addition to private investment in training, in 2015, for the first time in Montenegro, a local municipality has allocated a budget for adult learning.

The Montenegro entrepreneurial community showcases how a network of partners, connected to the National Bureau of Employment, has maximised and utilised the opportunities for local economic growth. By applying a

human capital-centred approach, employment prospects in Budva have been transformed. The wealth of knowledge generated by this partnership of nearly two decades has made an important contribution to shaping the adult education system and policies, as well as the professions in the hospitality industry and industry as a whole.

*In a time where there was no adult education law, the partnership with the Hotel Education Centre provided us with useful experience and a good reference model that we used when drafting a national law*

**Vukica Jelic**, Director of Employment Services,  
National Bureau of Employment

A portrait of a woman with blonde, wavy hair, smiling. She is wearing a dark top. The background is a blurred indoor setting with green and yellow lights.

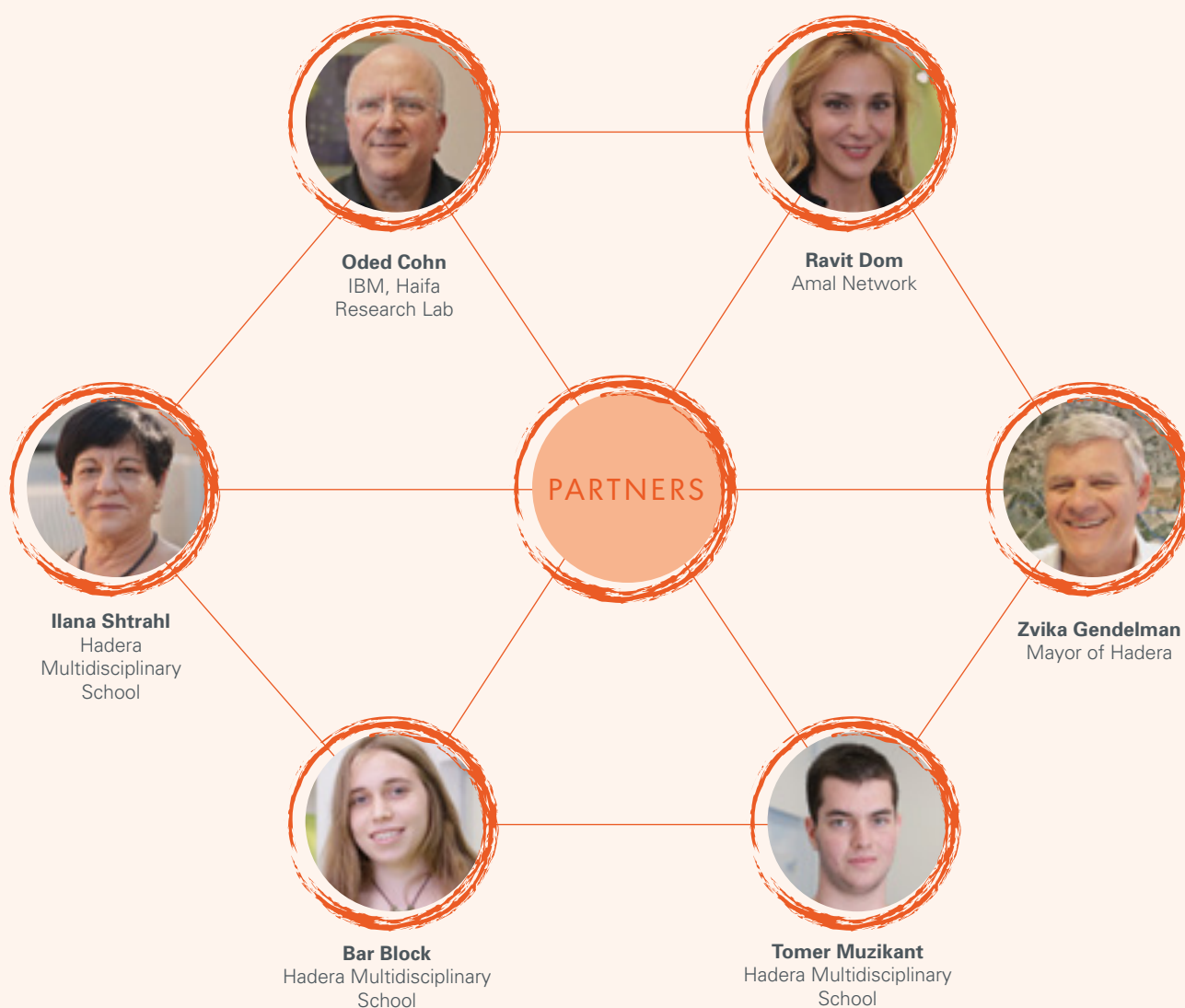
ISRAEL

*They know that if they dare, if they try and if they make a mistake they learn from the mistake and they continue until they succeed*

**Ravit Dom**, General Manager, Amal Network, Hadera



**The Israel Entrepreneurial Community** aims to impart innovative and creative thinking skills in the Hadera Multi-disciplinary School. Students have opportunities to experience the real-life local business cycle in research and innovation, which in turn helps them adapt to the real world of work in Hadera.



The Israel entrepreneurial community is an example of good multilevel governance and transformational change in action. The national government has realised the benefits of multilevel governance and is providing space for the entrepreneurial community, and other local actors, to contribute to the skills and employment policy cycle, from design to implementation. It also accessed funding for innovative local skills and employment practices, and is now exploiting the channels of communication it has set up to collect feedback, and using the practical knowledge generated to adjust its education and training provision.

At any given time there is a shortage of some 5,000 employees with high-tech skills in the Israeli labour market. This skills gap remains a problem despite the growth of the country's high-tech start-up sector, and it has led to a resurgence in vocational education. Around 40% of young people took vocational-based pathways after high school until the 1980s, when government policy began to emphasise higher education. Enrolment in universities grew significantly, to the point where the numbers entering the VET system had fallen to just 25%. However, in the last five years, the balance has shifted back towards vocational schools as they have gained a reputation for high-quality, high-tech vocational courses.

In May 2013, the Amal education network established an entrepreneurship centre at the Hadera multi-disciplinary high school. The centre currently includes 70 students between ages 15 and 18, each of whom is required to attend twice a week. At the centre students go through the entire business cycle from idea generation to production, marketing, and sales. Parents are active partners, connecting the Centre to local businesses and multi-national corporations who donate the time of senior executives, as well as funding. The topics the students work on stem from the centre's collaboration with a local kindergarten that supports children with special needs. Each student or group of students studies a particular child's needs and problems.

*After a year and a half in this centre I've learnt a lot. Now I know exactly where to go and exactly how to bring an idea to life*

**Tomer Muzikant**, Student, Hadera Multidisciplinary School





They then choose one of these options for their business project:

1. Developing external medical aids: designing and producing a game or other device for a child with special needs using a 3D printer located at the centre;
2. Developing an application for a tablet computer: developing games for tablets with iDigital (representing Apple in Israel) and IBM.

Since the opening of the entrepreneurship centre, not only has the level of participation of all students attending the school increased, but teaching methods are changing and aligning with the dynamic innovative approaches of the centre, which draw on real needs in the world of work. Students are more motivated, which is reflected in better test results.

The results of the Hadera model are contributing to shaping the VET system. The contribution was made possible by the multilevel governance process that enables local actors engaged in the entrepreneurial community from local authorities, schools, the private sector and non-governmental organisations to feed the lessons learned back into the policy cycle.

The Israel entrepreneurial community is an example of how a grass-roots initiative can spark transformational change when the added value of evidence from practice is recognised. The spill-overs from entrepreneurial communities potentially reach far beyond their immediate goals.

*Early exposure to science and technology is important. Yet encouraging students to pick a technology path is only a part of it. What's truly important, is to help create a generation of young people who believe in change*

**Oded Cohn**, Vice President and Director,  
IBM Haifa Research Lab

## 9. Summing up

People are any community's primary asset, resource and selling point. Yet the degree to which actors at local level can influence decisions that concern them varies, and involving them meaningfully is easier said than done.

Entrepreneurial communities exploit local assets and create opportunities for skills, jobs and local development. They do not come about because of the absence of policy frameworks. Funding does not drive their existence, but it can spark their creation. When governance processes allow for and actively create the space for dialogue and bottom-up policy making, communities get together to exploit local assets. Within vertical and horizontal dialogue, they can not only flourish and influence development at the local level, but have spill-over effects that benefit the wider community.

*Sometimes people don't act because they don't have ownership in the process. By the authorities giving the grassroots level the means and the support to resolve their own problems, local actors are empowered. As policy makers we learn a lot by being exposed to how people on the ground, at the grassroots level, confront issues and how they come up with solutions, and then reflecting on this during policy making*

**Joao Santos**, Acting Head of Unit, Vocational Training and Adult Education, DG Employment, Social Affairs and Inclusion, European Commission

*If you would like to help the economic and social situation in the ETF partner countries, it cannot be a top-down approach but rather it will be more inclusive if it is through a bottom-up approach*

**Sherif Younis**, Financial & Trade Advisor,  
Union for the Mediterranean

Entrepreneurial communities have an impact on the socio-economic development of their territory by enhancing existing skills and generating new ones, by actively identifying local assets and promoting local innovation through better performance and competitiveness of the formal economy – and by seeking ways to influence their governance.

When entrepreneurial communities are met at the local level with good governance mechanisms that allow them to bridge approaches and information, they have



the potential to reduce the distance of local authorities from other actors within their ecosystem. They provide valuable information that can support the government in aligning the delivery of public services with local needs and priorities and ensuring timely and fit-for-purpose territorial responses.

Governments are in many cases already enabling the work of territorial partnerships, perhaps unintentionally, by not setting barriers. Nevertheless, a more systematic use of the opportunities that arise from territorial partnerships requires explicit accountability mechanisms for participatory governance at all levels.

*It is essential for business to engage in skills creation because business needs skilled workers who are creative. Skills are changing and we need a close cooperation with vocational schools and curriculum makers for relevant skills and a competitive private sector*

**Friederike Sözen**, Eurochambers

The lessons learnt from the entrepreneurial communities offer insight for territorial actors to be inspired by and recognize the opportunities provided by networks and partnerships for the transformation of skills and development at the local level. Initiatives can take place despite the limits of the governance framework and can in fact be seen as an opportunity to spark transformational change from the bottom-up.

These processes can only achieve system change and impact, when good governance, and effective and efficient multilevel vertical and horizontal dialogue and subsidiarity are implemented. Dialogue among actors, coalitions, networks, sectoral and cross sectoral partnerships are to be supported and promoted.



Only through partnerships is it possible to create and exploit opportunities, lead innovation and make the best of its spill-over effects, where skills are the engine for change and at the heart of social and economic cohesion.

- Multilevel governance is everywhere
- Collaboration does not require money
- Innovation starts from mind-sets
- Impact is measured in economic diversification, the size of the middle class and social cohesion
- Power to transform skills, employment and entrepreneurship prospects

Policies that are understood and connected, get implemented.

*Local communities – cities and regions – have a historical role as initiators and pioneers of educational services and systems*

**Luc van den Brande**, Vice President, Committee of the Regions, Belgium



The ETF is an EU agency that helps transition and developing countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policy.

