



CEDEFOP

European Centre for the Development
of Vocational Training



The future of VET

Challenges and opportunities

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Major challenges

- ❖ **Global economic crisis**
- ❖ **Increasing skill needs → mismatch?**
- ❖ **Environment, climate change**
- ❖ **Demographic decline, ageing of populations**

Opportunities

- **Restructuring of European economies**
- **Upskilling of populations, improve employability and meet labour market needs**
- **“Greening” of jobs and skills at all levels**
- **Shift resources to lifelong learning; improve quality of education and training**



Global economic crisis

- ❖ Deep recession 2009/10 worldwide
- ❖ Major world regions moving in parallel: national shortfalls not offset by growth abroad
- ❖ Sectoral shifts reinforced (e.g. export-oriented manufacturing, construction, transport)
- ❖ Unemployment will rise, employment decline until 2010

- Recession not exceptional in post-war period
- Slow recovery expected by end-2010 if stimulus packages take a grip
- Economic restructuring: “creative destruction” – improved competitiveness?

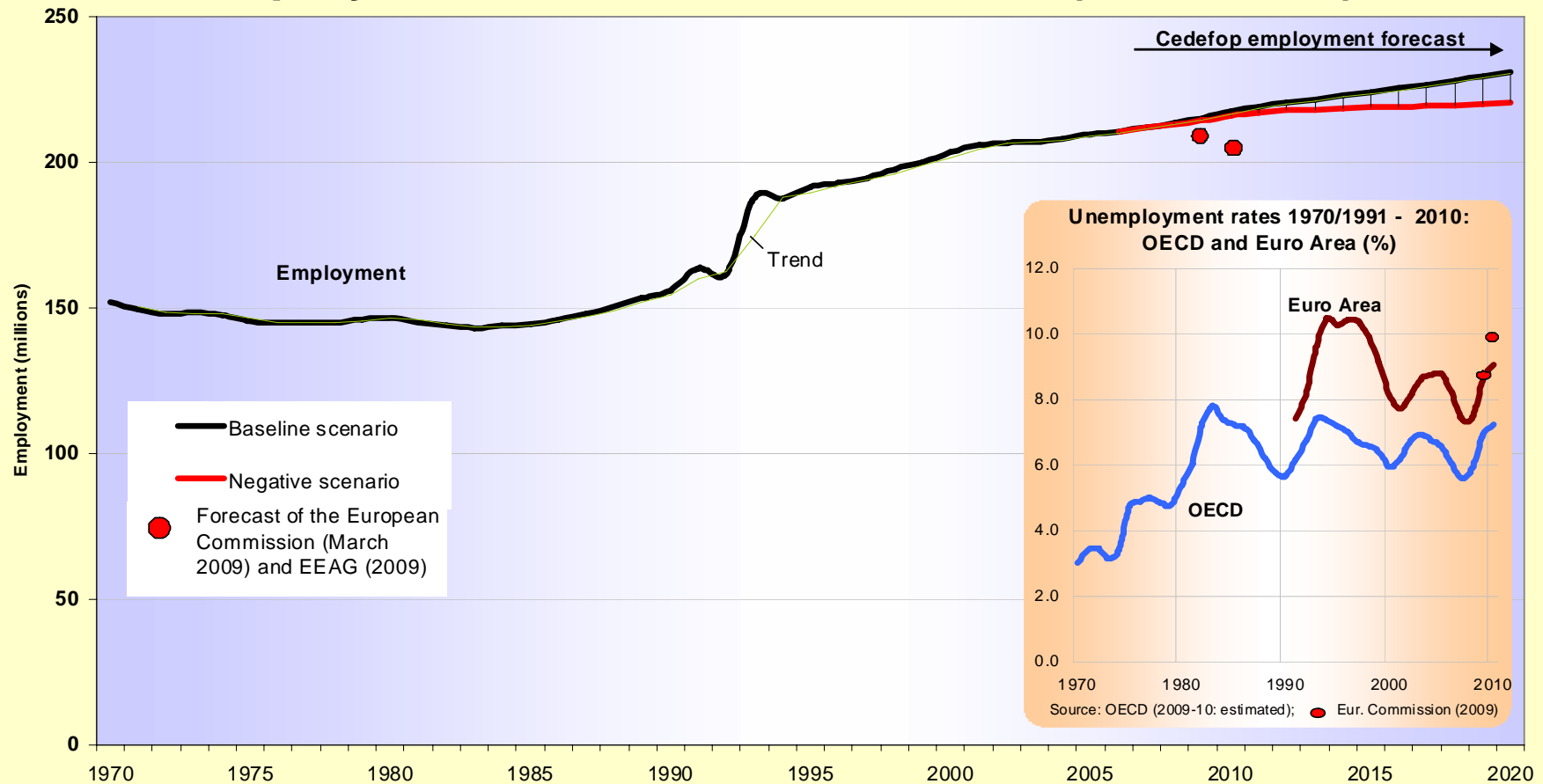
Can education and training (E&T) contribute to recovery?

- ↪ E&T yield long-term economic and social **benefits** – beyond business cycles
- ↪ E&T measures should be **consistent** with longer-term objectives
- ↪ **Guide** people to new jobs and promote **sectoral mobility**; **upgrade** skills: use periods of unemployment and short-time work for re-training and CVT; **reintegrate** unemployed by VET;
- ↪ Prepare for after the crisis: **keep people** in employment; put E&T, research and innovation high on the agenda ⇨ **competitiveness, social cohesion**



Long-term trends matter for education and training!

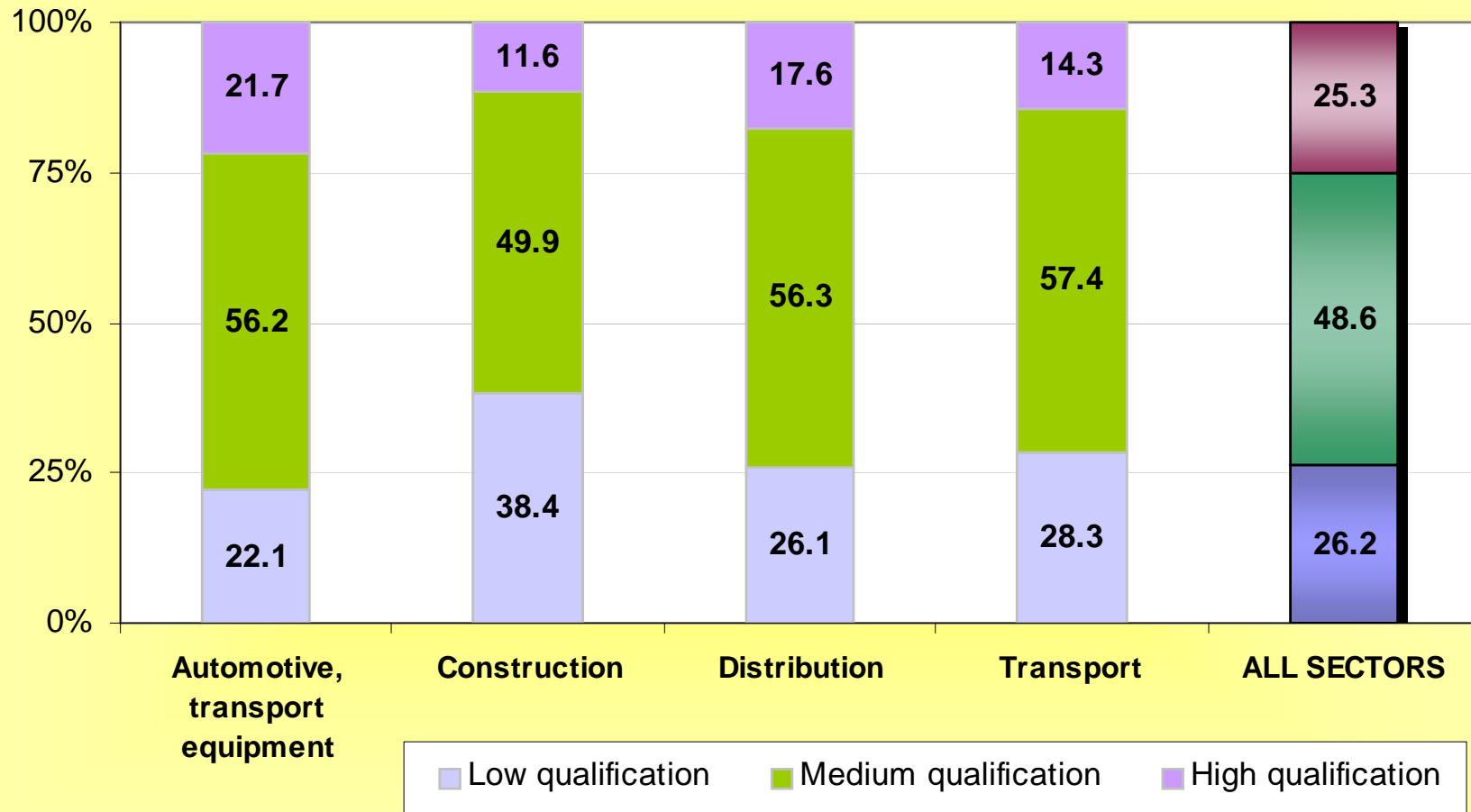
Employment in the EU+ 1970 - 2020 (in millions)



Sources: employment: Cedefop 2008 (EU25 + Norway and Switzerland); European Commission (March 2009); unemployment: OECD



Qualification structures in selected sectors, 2006, EU-27 (%)



Source: Cedefop



Increasing skill requirements

Challenges

- ❖ High number of **low skilled** people (at present 78 million adults in the EU)
- ❖ **Skill mismatch** likely to continue and aggravate: shortages, skill gaps, overqualification, obsolescence of skills
- ❖ **Polarisation of jobs?** (earnings, job content)
- ❖ Skill needs in **enterprises**: short-term view; training needs analysis not common and benefits of training often unknown
- ❖ **Regional distortions** may grow with structural change and brain-drain

Opportunities

- Establish comprehensive systems of skill **anticipation**, in partnership with all actors on the labour market → early warning, identify areas of intervention
- Implement **European tools**; provide **guidance**, establish permeable lifelong learning **pathways**, ensure E&T **access & equity**, and validation of **prior learning**
- Explore new **financing instruments** to increase incentives for people and employers to train
- Back up **structural change** by active labour market policies, flexicurity, use of ESF



Enduring increase and renewal of skills needed in the labour market

- ❖ **Higher qualifications** required in all economic sectors and occupations: 50% of jobs in 2020 need upper secondary - mostly vocational - qualifications
- ❖ **New skills** emerging to meet changing demands, e.g. in sectoral chains, tourism, health care, nano/biotechnology, environmental jobs, ...
- ❖ **Low skilled** people increasingly at risk of unemployment and precarious jobs
- ❖ And: cumulative **replacement** needs, as more and more workers will retire



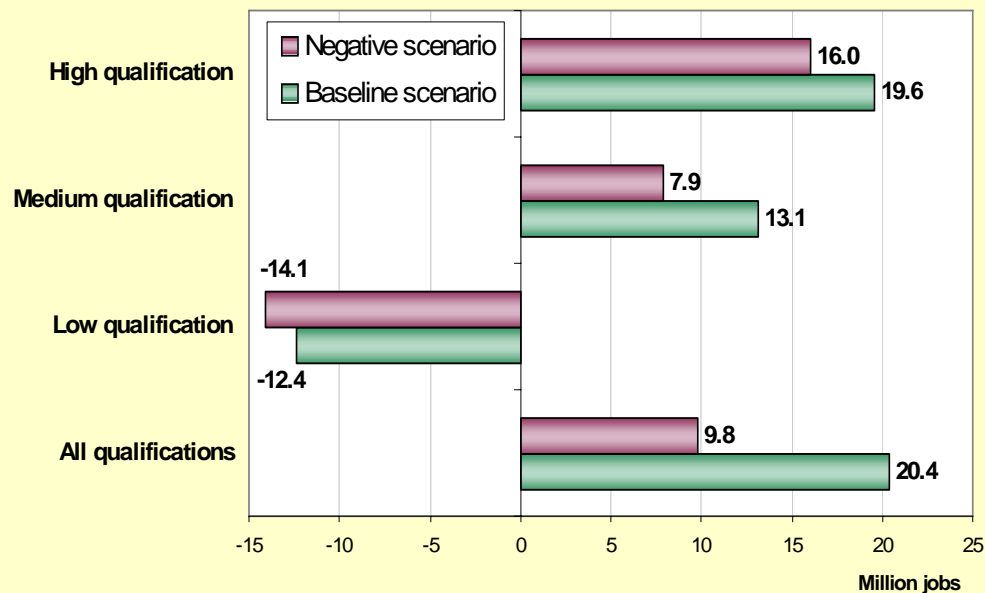
- Motivate young people to **complete** at least upper secondary education
- Convince **employers** on long-term need to train and develop competences
- Provide **incentives** for adults and companies to participate in/provide CVT
- Promote **mobility** of students and workers as a rule; remove barriers
- **Re-train & upskill** people affected by structural change and economic crisis



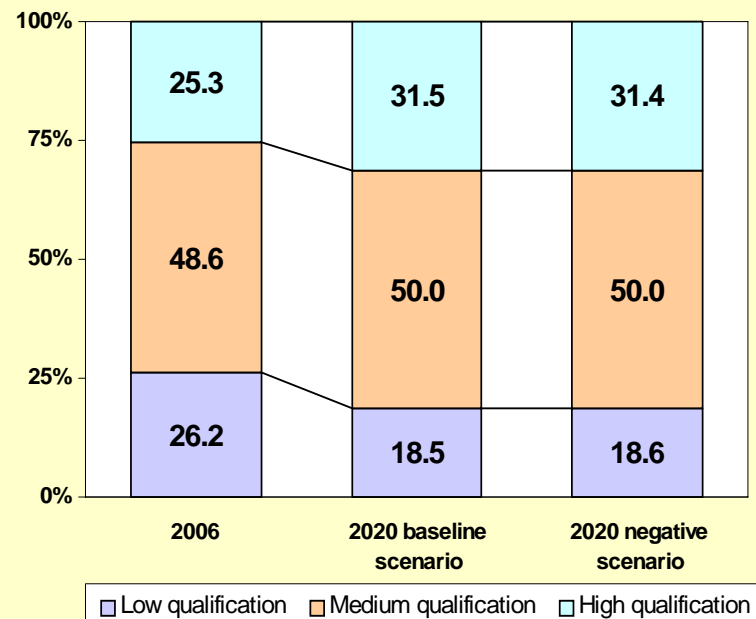
Future qualification structures: stable in different scenarios

- ❖ Increasing skill requirements: structures are **stable** also in negative scenario
- ❖ Cedefop's input for the **New Skills for New Jobs** initiative of the EU
- ❖ Regular **update** of forecast; complements: skill **supply** forecast, **employers** survey on skill needs, reinforced **cooperation** with countries (Skillsnet network)

Net employment change 2006 - 2020 by qualifications - baseline and negative scenario, million jobs, EU 25+



Qualification requirements 2006 and 2020, EU25+ (%)



Source: Cedefop 2008



Challenge: Green jobs

- **Contribute to preserving environmental quality**
- **Help protect ecosystems and biodiversity; reduce energy, material and water consumption; de-carbonise the economy; minimise generation of waste and pollution**

Drivers

- ❖ Regulation, legislation, reduction in carbon emissions
- ❖ Scientific and social understanding of climate change
- ❖ Rising costs of energy in the longer term
- ❖ Population growth
- ❖ Trends towards preventive measures
- ❖ Restructuring of companies

Employment shifts

- ❖ **New jobs** (e.g. pollution control devices, energy assessment)
- ❖ **Substitution** of jobs (e.g. fossil fuels >> renewable energy)
- ❖ **Vanishing jobs** (e.g. band packaging materials)
- ❖ But mainly: **Redefinition/enrichment** of existing jobs and occupations



Environmental policies and employment

- ❖ **Environmental policy:** no job killer, but neutral or slightly positive impact on job creation
- ❖ **Environmental technologies:** growing demand for sustainable solutions is expected to create jobs
- ❖ **Structural change:** will shift resources to environmentally-friendly sectors. Employment is likely to increase further.

Examples: pollution management: jobs up by 5% p.a. in the EU; wind power: likely to increase jobs by up to 20% p.a. (Germany) and created 43,000 new jobs (UK); environmental jobs in enterprises: contributed by 85% to total job creation (France); environment protection: contributes to 17% of employment (Wales)

- ❖ **Environmental protection:** positive effects on job quality (higher skills, improvement of physical working conditions)



Skills for the green economy

- ❖ Knowledge of sustainable materials
- ❖ “Carbon foot printing” skills
- ❖ Environmental impact assessment skills
- ❖ Good grasp of “sound” sciences



Role of education and training

- **Understanding** environmental issues and needs
- **“Train the trainers”** – agents of change
- Role of **social partners** in defining “green” competences
- Strengthening **“skill foresight”** mechanisms, include environment
- **EU guidelines** needed to promote “green key competences” in education and training



Demographic change

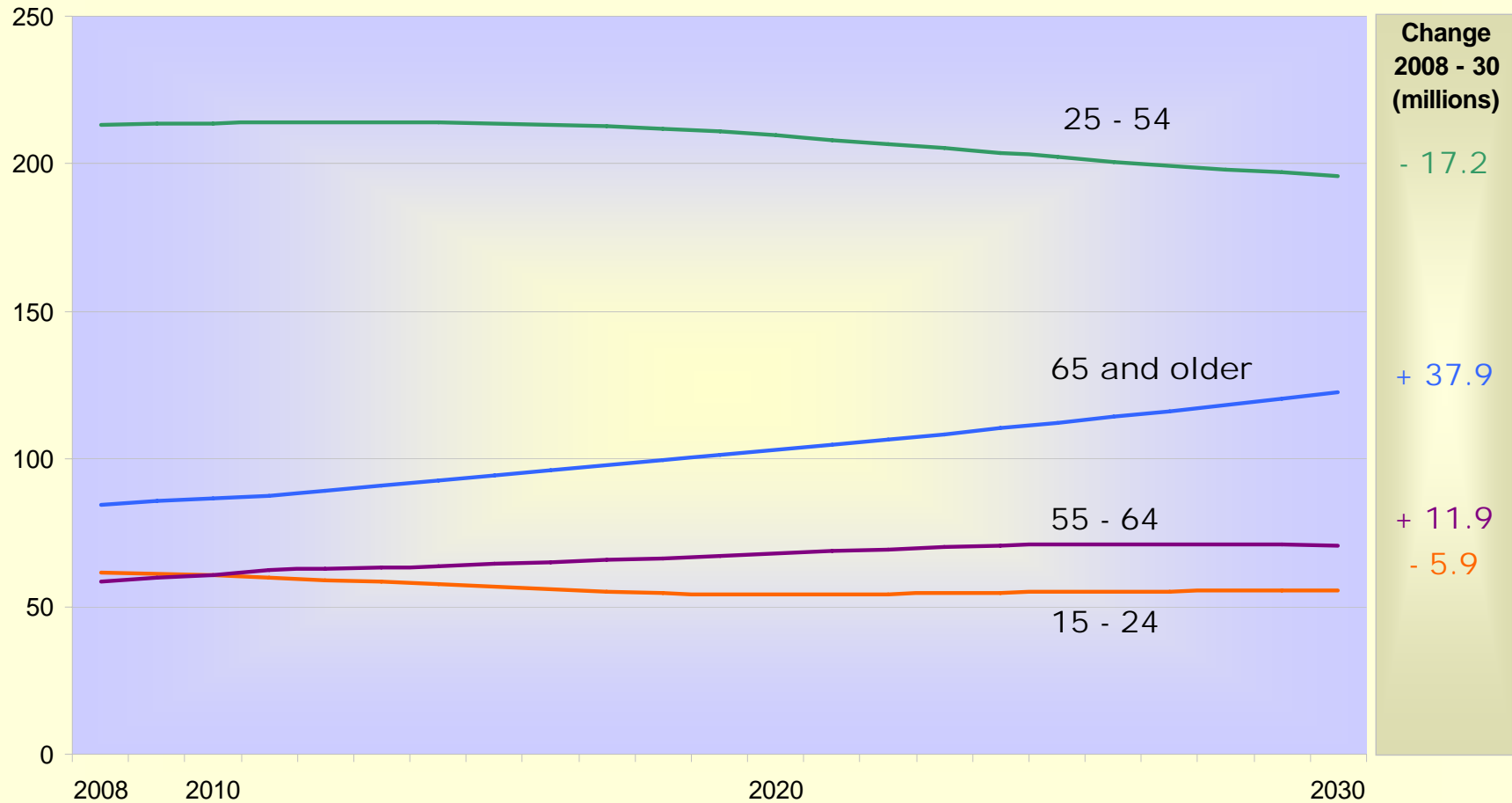
- ❖ Ageing populations worldwide, but Europe the oldest continent
- ❖ Young people and supply of new talents decreasing
- ❖ Older workers and immigration to compensate for demographic downturn?

World region	Median age (years)	Population aged 65+ (%)	Population aged 15 – 24 (%)
2005 ⇒ 2050			
Africa	18.9 ⇒ 27.4	3.4 ⇒ 6.7	20.8 ⇒ 18.1
Asia	27.7 ⇒ 39.9	6.4 ⇒ 17.5	18.2 ⇒ 12.5
Europe	39.0 ⇒ 47.1	15.9 ⇒ 27.6	13.9 ⇒ 10.2
Latin America	25.9 ⇒ 39.9	6.1 ⇒ 18.4	18.8 ⇒ 12.6
Northern America	36.3 ⇒ 41.5	12.4 ⇒ 21.1	14.2 ⇒ 12.0

Source: UN



Population in EU27 by age groups, 2008 - 2030 (millions)

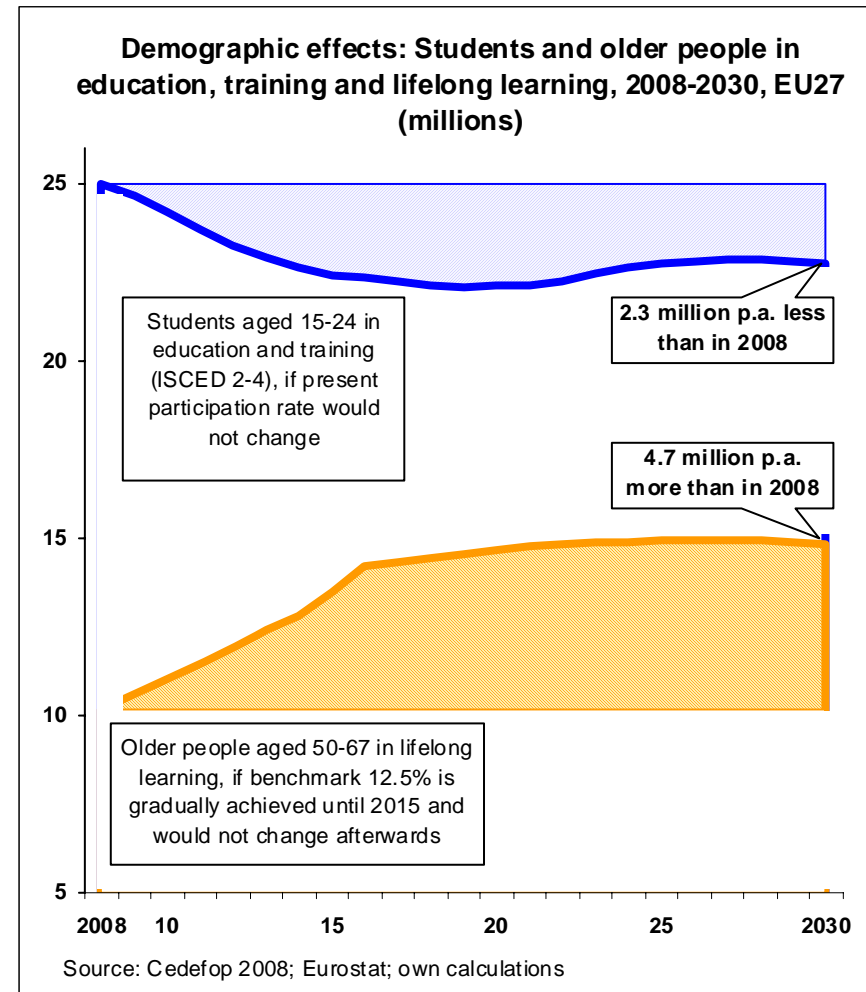


Source: Eurostat (convergence scenario)



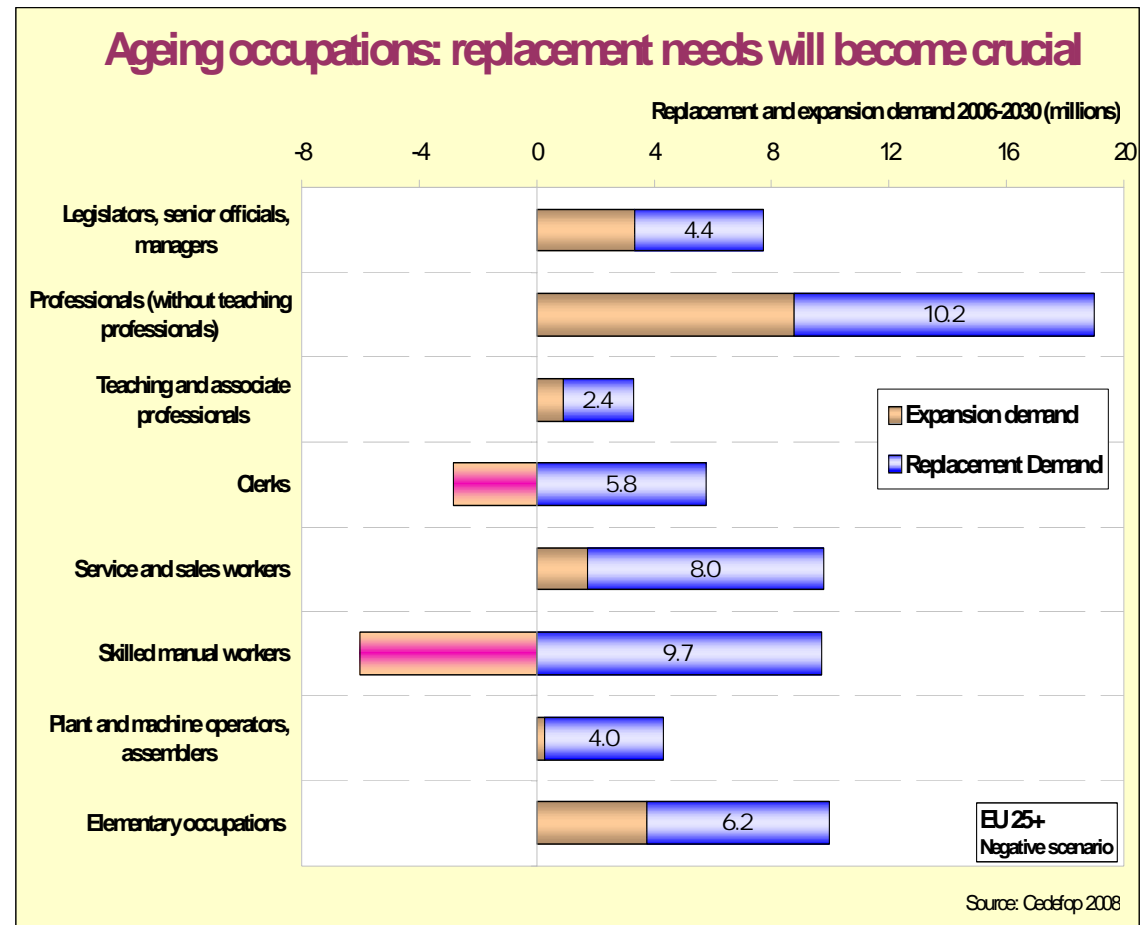
Demographic change

- ❖ Fewer students in secondary and post-secondary E&T
 - ❖ More older people in need for lifelong learning
- ↓
- **Shift** released public and private **budgets** to E&T areas where demographic change requires higher resources (e.g. adult learning)
 - **Improve quality** of initial education and training, e.g. better student - teacher ratios, targeted training for low skilled, migrants and other disadvantaged people





- ❖ Replacement of workers leaving the labour market: > 50 million in 2006-20
- ❖ Decreasing numbers of young talents: increasing shortages in some occupations likely
- New opportunities for young people, but also impact on production and social budgets





VET beyond 2010 – continue and consolidate

Responsiveness to global challenges

- ❖ Increase **competitiveness**: provide high-skilled workforce at vocational & academic levels; foster R&D, innovation and mobility
- ❖ Cope with **demographic change**: don't waste human capital; train the elderly; shift resources to E&T areas affected; improve quality of E&T provision; target disadvantaged and integrate migrants through VET measures
- ❖ **Environment and climate change**: enrich skills in all sectors and occupations

Improve quality, efficiency and attractiveness of VET

- **Governance**. Ensure funding & ownership for VET and CVT; policy learning and partnerships with actors at central & local levels and across educational tracks; reinforce performance management; implement common European tools; work towards coherence of Copenhagen and Bologna processes
- **Attractiveness of VET**. Ensure excellence and equity; create flexible and permeable pathways in the life course including bridges to higher education; empower individuals for learning; provide lifelong guidance and counselling



- ❖ Ensure **quality**: balance trust and control
- ❖ Improve competence development of **VET teachers and trainers**
- ❖ Secure **resource allocation** is coherent with long-term objectives
→ new funding mechanisms and cost-sharing
- ❖ Measure **competences & learning outcomes** (methodologies, content)
- ❖ **Anticipate** skill needs at national, regional, sectoral and company levels; prevent skill mismatch; create European anticipation system
- ❖ Use benchmarks and **monitoring**; improve evidence by better VET **data**

Facit:

- ✉ **Copenhagen process and open method of coordination to continue. But also consolidation: implementing agreed reforms needs time**
- ✉ **Clarify the role of VET in society: Can VET attract high achievers and be “all-inclusive”? → involve all actors; ensure links with employment and prepare VET for new challenges**

Thank you for your attention!



... and see you again in Bruges, December 2010