



Learning in a crisis

Despite the recession Member States and social partners seem committed to developing skills

The economic crisis is a stark reminder that lifelong learning needs to support individuals throughout the economic cycle – the booms and the busts.

The European Union (EU) has seen unemployment rise by 5.4 million to 21.8 million between March 2008 and August 2009, but the recession has not struck evenly. Unemployment in the 16-country euro area, at 15 million, is at a 10-year high. Spain alone has seen around 2.7 million job losses. In Estonia, unemployment went from 3.7% to 13.3% in less than 18 months. In Latvia and Lithuania unemployment tripled while in Ireland it more than doubled to 12.5% over the same period.

No sector seems immune. Construction has been hard hit in almost all Member States. The automotive sector in Germany, Ireland, Hungary, Romania, Slovakia and Sweden has suffered sharp falls in sales and output. Greece, Cyprus and Austria report reductions in tourism and the UK's banking and finance sector has taken a severe tumble.

Although recessions bring temptation to cut back investment in people, training is even more important in a downturn. The economy that emerges from a recession is never quite the same one that went into it. Products change and firms become more efficient as competition intensifies and profit margins fall. Change requires new skills.

How is Europe coping in the crisis?

So how is Europe managing its skills during the current crisis? Evidence of a survey of Member States carried out by the Swedish Presidency and European Commission with the help of Cedefop (see box) and subsequent debate, indicates that great efforts are being made to preserve and even improve Europe's skills.

Some Member States have increased education and training budgets, or at least maintained their levels despite falls in tax revenue. The European Commission, in its Communication on a shared commitment for employment, backed up its call for

investment in training and skills by providing EUR 19 billion from the European Social Fund in 2009-10 to support the recovery. The usual cofinancing conditions were relaxed to make it easier and quicker to invest the money.

Swedish EU Presidency: continuing the debate on modernising vocational education and training

In April 2009, the Swedish Presidency asked Directors General for vocational education and training (VET) for information on the main VET initiatives for adults in response to the economic crisis. In parallel, Cedefop asked its reference network (ReferNet) to respond to a similar set of questions. This note paper draws on the analysis of the two surveys and other Cedefop and international sources.



Based on the survey responses, the Swedish Presidency invited some countries to present their measures at its the conference *The role of vocational education and training in meeting the challenges of today and tomorrow* held on 12-13 November 2009.

The conference continued the debate on modernising VET. It looked at VET policies to meet short and long-term economic and social challenges. It also examined key aspects that will shape the future of VET, such as skills development, work-based learning, individual pathways, guidance, validation of non-formal learning and entrepreneurship. Presentations from the conference can be found at http://www.se2009.eu/en/meetings_news/2009/11/12/1.23798

Enterprises are also playing their part. Despite the downturn many enterprises in France, for example, are committed to investing more in training than they are legally obliged to under their levy rules.

So, where is the money going?



Retaining people and skills – combining training and work

The survey points to a consensus among governments and social partners to try to keep people in work. Enterprises often had problems in finding skilled workers before the crisis and are keen to keep the skills they need for the recovery. Many Member States are following 'flexicurity' principles by providing public funds, supported by the European Social Fund, to enable firms to combine short-term work with training.

In Cyprus, subsidies are available for employers in the tourism sector for training if they retain employees instead of laying them off. Ireland has a similar scheme for its automobile sector. The government assures 80% of the wages of workers participating in training as long as enterprises do not make people redundant at least until 2010.

For other workers in vulnerable jobs, Ireland has introduced a pilot scheme to support companies where personnel work for three and train for two days in the week. Hungary is introducing a similar programme to cover all sectors. The government covers the costs of training for employees for up to two and a half days a week. At the start of 2009, Germany set up a fund to train workers on short-time. Support ranges between 25% and 80% of the training course costs, depending on the type of training, company size and the participants. In March 2009, Romania also introduced subsidies of 60% to 80% of eligible costs, depending on company size, for employees to train at the workplace. Finland, too, has increased the share of public funding for cofinanced training measures to update employees' skills. Slovakia is also supporting people at risk of redundancy by helping fund training to enable employers to adapt to changes in production and new technologies.

A shift to work-based learning

Member States are also using resources to help young, older and unemployed people who are often badly affected by recessions as recruitment falls.

Unsurprisingly, enrolment in further and higher education has increased in Europe as young people put off looking for a job. The Netherlands and Finland are among those Member States that have increased funding for places in basic vocational education.

Several Member States have also increased funding to help those recently made redundant during the crisis and those who were trying to find a job before it hit. In France, government and social partners agreed, in April 2009, to spend EUR 100 million to expand existing training and other programmes for unskilled and unemployed people. Sweden has increased short and long-term funding to ensure sufficient VET training places for adults. The focus is on individuals as they, rather than companies or sectors, choose the training courses. The UK, to help the most vulnerable, is making access to training easier by relaxing entry requirements.

Many measures centre on work-based learning. Belgium, Portugal, Slovenia and Finland, are among those who have increased funding to encourage employers to take on young people. Apprenticeships are a priority for financing from the European Social Fund. Member States are helping apprentices to continue or finish their apprenticeships by finding other employers or by moving them to school-based vocational education and training (VET) programmes. Ireland introduced a scheme in 2008 to provide redundant apprentices with on-the-job training with approved employers on a rotation basis. There is also a trend to use apprenticeships more extensively for different groups of learners. In Finland, apprenticeship training is available for those with higher education degrees.

In Austria, qualification and skills training grants provide tailored training opportunities at the workplace to people older than 45. Belgium offers financial incentives for long-term unemployed people to gain work experience in public services, non-profit or non-commercial organisations. Slovenia also has incentives for employers who employ for a year people who have been out of work for at least three months. In Belgium Flanders sector agreements 2007-09 foresee a commitment to offer placements in enterprises for VET teacher development.

Skills for recovery and beyond

Some of these measures, especially for those still in work, can be seen as short-term responses to the crisis. In the longer term there is a clear trend in Europe towards knowledge- and skill- intensive occupations. Across all sectors more jobs will require medium and high-level qualifications.

There are encouraging signs that Member States are taking a longer-term approach and ensuring that measures to respond to the crisis are in line with national skill development strategies. In France, for example, car makers and their suppliers are combining working time and training with state support and using the crisis to accelerate structural changes and update employees' skills to take full advantage of the recovery.

It is not just a case of the level of skills, but also their type. The UK, along with other Member States, is encouraging development of skills in science, technology, engineering, and mathematics. However, even technical jobs require a broad skill base. Some Member States, such as the Czech Republic, France, Italy, Portugal and Slovakia emphasise the importance of generic skills – communication (in more than one language), IT skills, problem-solving, etc. – that can be used across several sectors and occupations. In other cases, emphasis is on occupational skills training. Sweden's short and longer-term skills strategy aims to reinforce vocational skills at upper secondary and post-secondary/tertiary levels. A balance is also needed between 'upskilling', raising the level of skills, widening skills across occupations and 'reskilling' making people more adaptable and able to move across sectors.

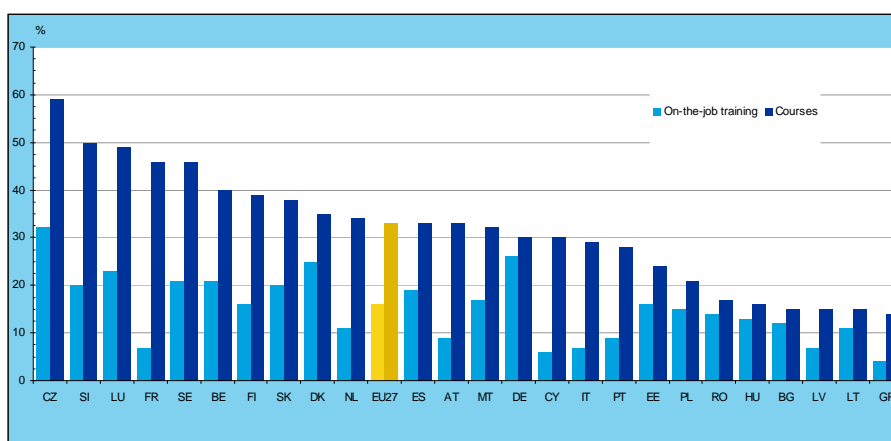
There is a growing interest in skills for entrepreneurship. Belgium, Greece, Italy, Poland and Slovakia provide targeted training measures to support self-employment. France currently provides courses for directors of small and medium-sized enterprises to help them devise strategies to cope with the crisis. Member States are also aware of the importance of 'green skills' which may, like IT, become essential to many jobs at all qualification levels. Greece, for example, provides training for unemployed people, including a work-based element, in 'green professions' such as renewable energy sources of energy, waste management and landscape restoration. Finding the right balance of skills is important for flexibility but not easy. To keep up with developments and guarantee that continuing training courses respond to actual needs, Sweden authorises certain courses only for a limited number of years.

Combining ways of learning

As part of a longer-term response to the need to develop skills Member States recognise the potential of validating and recognising knowledge, skills and competences that have been learned outside the formal education training system.

Table 1 shows the workplace is a major source of non-formal learning. Not all non-formal learning provided by enterprises is job specific, nor does it all occur at the workplace.

Table 1: Employees participating in non-formal courses and on-the-job training provided by enterprises %



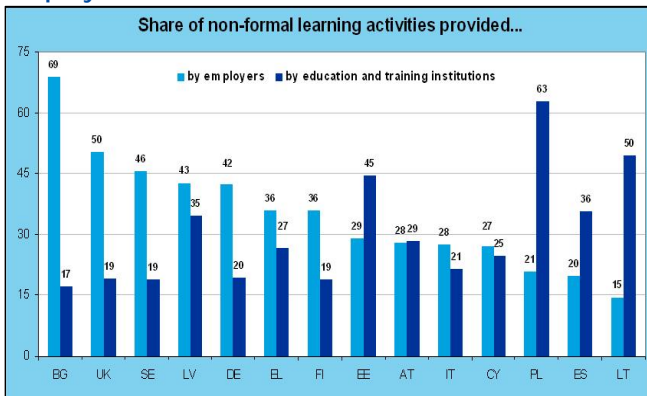
Source: Continuing vocational training survey, 2005

Table 2 shows that in nine of 14 countries where data were available, enterprises provided more non-formal learning than educational institutions. In Bulgaria 69% of non-formal learning activities are provided by employers, the figure is 46% for Sweden.

To capture different types of learning, Member States are increasingly using learning outcomes to set standards, define job profiles and develop curricula. Learning outcomes emphasise what someone can do at the end of any learning experience rather than the duration, place and curricula of the course. The European qualifications framework (EQF), based on learning outcomes will make it easier to validate and recognise various types of learning at various stages. All Member States are developing national qualification frameworks to link to the EQF. France, Ireland, Malta and the UK already have them in place. Through this approach and supported by guidance throughout life, people will be empowered to develop their own learning pathways. Italy and

Slovenia are developing individual training plans which are agreements between employers and employees which combine formal and non-formal learning at different career stages.

Table 2: Share of non-formal learning provided by employers and educational institutions



Source: Adult education survey, 2007

Partnerships for the future

Member States have shown a readiness to develop and implement measures in partnership. The social dialogue has agreed action in many Member States, including Belgium, France and Italy. New partnerships are also emerging, for example between sectors and regional and local authorities, between enterprises and public employment services and, as in the Czech Republic and Malta, between VET providers and enterprises. In Belgium, enterprises employing people working on research projects in partnership with universities, high schools and research institutions can retain part of the taxes on salaries.

Substantial public support is available for enterprises to maintain or create jobs and to recruit people on the condition that their employees participate in training. As well as financial incentives, Member States are relaxing regulations to encourage participation in training, developing alternative training paths and enabling apprentices to complete their training. Although many measures are short-term, indeed some programmes will expire in 2009 or 2010, Member States appear to be keeping an eye on the need for long-term reforms. There also seems to be a growing perception, for example in survey responses from the Czech Republic, France, Sweden and the UK, that VET is an investment rather than an expense. Many enterprises recognise the importance of learning and skills to recovery from the recession.

The spirit of partnerships also seems set to outlast the crisis.

Unfinished business

Where they can, Member States, supported by the European Social Fund are increasing or revising their budgets to finance new or expand existing training measures.

There are signs of recovery, but the full effects of the recession on employment are probably not yet known. Stimulus measures seem to have cushioned the immediate effects, but the time lag probably means there are more job losses to come. The real impact on VET will only be evident later. Although the value of work-based learning is recognised, it is not yet clear if the crisis will decrease or increase the willingness of companies to provide places. Member States still need to strengthen their capacity to forecast skills and match them to the available jobs. Flexible learning pathways, empowering people through choice are still not yet the norm and European tools still have to be implemented.

Current levels of public funding cannot continue forever. Most Member States are increasing expenditure on training, but some are already in the unhappy situation of having to make cuts. Financial constraints may yet discourage investment in human capital. It is unclear yet as to how the crisis will affect education and training. It may prove to be an obstacle, applying the brakes to reform as short-term emergencies crowd out long-term changes. Alternatively, the downturn may turn out to be a catalyst and speed up the work that has already started. It may even force through change that, in more comfortable times, may have been put off.

Only time will tell.