Cost-Benefit Analysis and Tools - the Swiss experience

Prof. Dr. Juerg Schweri

Cedefop Workshop, Thessaloniki, 24/25 Nov 2014
Structure of the talk

1. Motivation for Cost-Benefit Analyses in Switzerland
2. Experience from large-scale CB Surveys
3. Experience with a tool for Cost-Benefit simulations
4. Summary
Figure 1.2 VET as a share of upper secondary education, in 2006

1. Motivation for CBA

- Firms are entirely free to offer apprenticeship places
- ~70,000 firms train apprentices (Mueller & Schweri 2012), 2/3 of a cohort opt for apprenticeship training
- About 250 apprenticeship programmes are defined in national training ordinances
- Professional associations have a large influence in developing training ordinances, especially in defining training objectives and curricula

⇒ What are determinants of firms’ willingness to train apprentices, and what is the role of economic incentives?
⇒ How can the stakeholders of the VET system ensure that firms remain willing to train apprentices?
2. Existing large-scale CB surveys of host companies

- Since 2000: four national surveys on costs and benefits by the University of Bern or SFIVET
- Further surveys by SFIVET targeted at specific occupations (ex. nurse training)
- Most recent national survey: Strupler and Wolter (2012)
  - 2400 Swiss host companies (random sample)
  - provided data on costs and benefits for training their apprentices
- Scientific publications: see literature in EENEE Analytical Report No. 16, prepared for the European Commission
Gross cost for host companies (3-year programmes)

Average gross cost per year and apprentice: 28805 CHF (23420 €)

Source: Strupler & Wolter (2012)
Gross cost for host companies (4-year programmes)

Average gross cost per year and apprentice: 28917 CHF (23510 €)

Source: Strupler & Wolter (2012)
Apprentices’ productivity (3-year programmes)

Source: Strupler & Wolter (2012)
Apprentices’ productivity (4-year programmes)

Source: Strupler & Wolter (2012)
Net benefit for training firms (3-year programmes)

Source: Strupler & Wolter (2012)
Net benefit for training firms (4-year programmes)

Source: Strupler & Wolter (2012)
Net benefits by occupations (3y.)

- Dental assistant
- Painter
- Carpenter
- Gardener
- Social care worker
- Plumber
- Medical assistant
- Retail employee
- Health care worker
- Logician
- Other 3-year apprenticeships
- Bricklayer
- Waiter
- Commercial employee
- Automotive mechanic
- Cook

Source: Strupler & Wolter (2012)
Net benefits by occupations (4y.)

- Electrician
- Cabinet maker
- Other 4-year apprenticeships
- Construction designer
- Automotive mechanic
- IT specialist
- Mechanical engineer
- Electronics engineer

Source: Strupler & Wolter (2012)
What can we learn from CB surveys?

- Persons who fill in questionnaire: trainers in firms
- Questions in questionnaire are demanding
- Data quality: extensive plausibility checks
- High variance of net benefits between and within occupations
3. A Tool for Cost-Benefit Analysis

• Developed by SFIVET to support the reform of occupational curricula with an economic analysis: simulate the effect of changes

• The Tool was designed to collect data and show simulations in real time

• Example: reform of the curriculum for opticians
Ex.: simulation (for the occupation optician)
Experience with CBA tool

- Helpful to engage in an intensive discussion process with representatives of professional associations
- Representatives found it easy to understand the results and ideas...
- ... when guided by an expert with good knowledge of the cost-benefit model underlying the tool
- Discussion helps to connect cost-benefit analysis with organizational and educational issues
  => holistic view on training
A CBA tool for firms?

- Needs to be used by somebody with good knowledge of apprenticeship training and the firm’s production processes
- Needs careful explanation of concepts and questions
- Needs to be userfriendly and easy to use
- Needs plausibility checks
- Needs to support a correct interpretation

⇒ additional challenges when used in countries without full-fledged apprenticeship system?
Firms (and professional associations) play a major role in Swiss apprenticeship training.

On average, firms derive net benefits from training.

But large variation in costs and benefits.

CBA tool on occupation level: successful when combined with coaching.

CBA tool for training firms: demands a lot from firms and users.
Thank you for your attention!

www.ehb-schweiz.ch/en
References


