



Second edition, July 2013

Vassiliou: Young Europeans need answers from us

EU Commissioner for Education, Culture, Multilingualism and Youth, Androulla Vassiliou, talks to the Cedefop journal about the latest European initiatives to alleviate youth unemployment and refocus education and training

Several recent Commission initiatives focus on education and training as important means to alleviate youth unemployment. How can these work in times of budget constraints?

The recent political communication of the European Commission to the Member States called 'Rethinking Education' is focused on one message: we must make sure that education and training systems equip young people with the skills and qualifications they need to find a job. We must help them make the transition from school to work, which proves to be particularly difficult if students gain only limited practical experience during their studies.

Combatting youth unemployment is a top priority for the EU. This is the reason why in the next multiannual financial framework (2014-20) EUR 6 billion have been earmarked in the EU budget for a Youth Employment Initiative, half of which will come from the European Social Fund. But this is not enough.

Furthermore, the Commission has proposed a new European programme for education, training, youth and sport — Erasmus for All — for the period 2014-20, involving a substantial increase in funding (approximately 40% compared with the budget of the current lifelong learning programme). This would allow to significantly increase the funds allocated for the development of knowledge and skills for young people.

It is crucial that Member States also ensure adequate funding of education and training systems, that they consider this a priority and strengthen it whenever the budgetary situation allows it. Keeping up — let alone increasing — public investment in education is a challenging task in the difficult financial context. The empirical evidence shows that Member States are handling this challenge in different ways. In some Member States public expenditure for education is more or less stable, while a few managed to strengthen this type of investment. However, the development in some Member States is a reason for concern, as their level of the education expenditure is already low and is further decreasing. It is therefore important to ensure



that the funds allocated to education and training are used in the most efficient way. That is the reason why the Commission, not only has recommended financing education and training, but also rethinking and reforming systems.

What do you aspire to achieve with the Youth Guarantee initiative and the European Alliance for Apprenticeships?

Many young Europeans are asking if they will ever find a job or have the same quality of life as their parents. They need answers from us. Under the Youth Guarantee, Member States should put in place measures to ensure that young people up to the age of 25 receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving school or becoming unemployed. Six billion euros have been earmarked for the Youth Employment Initiative, reserved for regions with higher than 25% youth unemployment. Now, it is up to the Member States to translate the Youth Guarantee into concrete action as swiftly as possible and to invest also their own money to avoid higher costs in the future.

The European Alliance for Apprenticeships is an example of the great value of working together in partnership. It is a joint effort of Member States, social partners, business, other relevant actors and the European Commission

for the development of more and of high-quality apprenticeships across Europe. Together we can work towards the goal of excellence in work-based learning in vocational education and training (VET), not just in a few European countries but in all of them.

More work-based learning opportunities require more placements in enterprises. How do you plan to engage businesses more actively? And what about getting more young people on board?

The most convincing answer for engaging companies is to demonstrate that apprentices are a business case, i.e. that in the medium term the benefits exceed costs. Therefore we will advance analysis on the costs and benefits of apprenticeship schemes. We will prepare an extensive analytical report on this issue, also in cooperation with the OECD and Cedefop. Secondly, we intend to highlight companies that have committed to introducing new or to improving apprenticeship schemes in countries where work-based learning in companies and cooperation between enterprises and VET schools is not yet common practice.

Attracting young people to vocational training and in particular apprenticeships is crucial. In many countries, VET is seen as a second choice option compared to general and higher education. In some countries, apprenticeships continue to be seen by learners and parents as a 'last resort' educational option if a more academic pathway is not available. We have to change the mindsets towards apprenticeship-type learning.

Targeted campaigns on career guidance by appropriate multipliers, such as the European Lifelong Guidance Policy Network, the Public Employment Services, European VET provider associations, chambers of commerce and industry, craft chambers and youth and parents' representatives should give young people and their parents the possibility to make informed choices in favour of taking up apprenticeships. We'll also engage apprentices themselves to act as Ambassadors for Apprentices.



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Employment could recover to pre-crisis levels as early as 2015

Employment in the European Union (EU) has taken a big hit during the ongoing economic crisis. Eurostat estimates that more than 26.5 million men and women (11%) across the 27 Member States (EU-27) were out of work in April 2013, an increase of over 1.6 million compared to April 2012. In the euro area alone, the unemployment rate reached a record 12.2% in April 2013.

The road to economic recovery will influence the labour market and Cedefop in its forecast has considered three scenarios — baseline, optimistic and pessimistic — to show how the market will be affected from now until 2025 in the EU27+ (the 27 Member States plus Iceland, Norway and Switzerland).

Under the most likely scenario — baseline — employment will recover to pre-crisis levels between 2017 and 2018 and under the optimistic one between 2015 and 2016. In contrast, under the negative scenario employment will not reach its pre-crisis level until after 2025.

Each forecast is based on assumptions about confidence and access to credit and their effect on investment and household spending; the speed of economic recovery outside Europe; food, energy and raw material prices and inflation; government policies on tax and spending; and central bank policies on interest rates.

The baseline and optimistic scenarios imply that the EU will meet its benchmark employment rate of 75% for people aged between 20 and 64 in 2020.

A more diverse labour market

Europe's labour force is getting older and many workers will retire between now and 2025, which may result in a fall of labour market participation. However, this will not mean fewer people in or looking for work. Some 3.5 million more will be economically active in the EU27+ as young people are entering the labour market later in their 20s, longer working lives mean that numbers of older workers will rise and more women are expected to want to work.

Job opportunities include newly created jobs and jobs that will need to be filled as people retire or leave the workforce. The baseline scenario of around 114 million job opportunities between 2012 and 2025



rises to over 116 million under the optimistic forecast, but falls sharply under the pessimistic scenario to about 106 million, with the biggest casualty being new jobs.

Most newly created jobs will require higher skills if not necessarily high-level qualifications. In 2025, around 44.1% of people in work are forecast to be in a high-skilled job compared to 41.9% in 2010.

Change of job profiles

Jobs at all skill levels are becoming more complex and less routine. Between now and 2025 the jobs available will be increasingly those not easily replaced by technology, organisational change or outsourcing. They will be jobs requiring people to think, communicate, organise and decide.

Low-skill production-line manufacturing jobs tend to be routine, but the internet is currently also replacing clerical jobs as people apply for or buy things online. Technology is also affecting high-skilled jobs. Many routine financial trades, for example, are already processed by technology. New jobs will be mostly in distribution, transport and business services.

However, under all three scenarios, there will be job opportunities in all occupations arising either from newly created jobs or replacement needs. Most of these opportunities will require medium-level qualifications, many of which are vocational.

Skills shortages

At the same time, numbers of people with high-level qualifications are rising. Young people tend to be more highly qualified than older workers. By 2025, the share of the labour force with high-level qualifications should rise to 39%. People with medium-level qualifications will account for 47% of the labour force but the share with low-level or no qualifications will fall sharply to 14%, compared to 31% in 2000.

Cedefop's different scenarios indicate different types of skill mismatch. These can be tackled through continuing training and by encouraging young people to choose fields of studies where shortages persist, such as ICT, maths and engineering at secondary or tertiary level.

People need the 'right' skills to enter and stay in the labour market. More mobility is needed to reduce both high numbers of unfilled vacancies and high unemployment. Whichever road to recovery Europe takes, the signs all point in the direction of making the best use of people's skills and talents.

Apprenticeships in numbers

- Germany
- 1.5 million apprentices
 - 342 study subjects
 - 3 days a week on-the-job training
 - 2 days a week spent in classroom
 - 3 years — the usual duration of an apprenticeship
- Austria
- 128 000 apprentices
 - 200 apprenticeship occupations on average
 - 3 years average duration
 - 80% spent on the job, 20% school-based
 - EUR 650 million a year — government support to the system

Austria: apprenticeship as entry ticket to higher education

Options to move into higher education after apprenticeship have existed for a long time. Since the late 1990s, acquiring the general entry ticket has become easier, with a modular exam that includes validation opportunities. However, it means completing initial training first and fees apply in optional preparatory courses. The Austrian government and social partners started piloting a fast lane for apprentices in 2008 to expand progression opportunities. The pilot qualifies them as a skilled worker and gives them a general entry ticket to higher education at the same time. It allows young apprentices to prepare for higher education entry exams free of charge. Although participation is still rather low, it had more than tripled by 2010 and has since risen further by 30%.

Source: ReferNet Austria



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Youth employment now comes with a guarantee

High youth unemployment across Europe prompted the European Commission, ILO and the OECD to suggest the reinforcement of apprenticeships and the introduction of youth guarantee schemes (see also front page interview with Commissioner Vassiliou). EU Member States have committed themselves to establishing youth guarantees in a **Council recommendation** earlier in the year.

This means that within four months of leaving formal school education and training or becoming jobless every person aged 15 to 24 should receive a good quality job offer, a traineeship, an apprenticeship or another opportunity to continue his/her education and training.

There are already countries with a strong tradition in apprenticeship-type learning, such as Germany, Austria and Denmark. Spreading apprenticeships and similar forms of learning also in countries without such a tradition means providing sufficient numbers of training places by encouraging more enterprises to engage in training. In 2010, around a quarter of European enterprises trained apprentices (see map).

To help develop the system across Europe, a European Alliance for Apprenticeships was launched on 2 July, on the occasion of the world skills competitions in Leipzig.

European social partners adopt framework of actions to avoid a lost generation

On 11 June, a day before Cedefop’s conference, European social partners ETUC, BUSINESSEUROPE, UEAPME and CEEP jointly presented a **framework of actions** to ease transitions between education and work and help raise youth employment.

The framework urges national social partners, public authorities and other stakeholders to work together to ensure high quality learning outcomes, promote vocational education and training and create jobs.

Considering the link between education and training, young people’s expectations and labour market needs, it proposes short-and long-term actions for social partners in four priority areas - learning, transition, employment and entrepreneurship.

This plan, which is the first priority in the European social partners’ 2012-14 work programme, is based on existing and new practices across Europe that could inspire solutions. It also includes recommendations to European Union institutions and Member States.

Annual reports and an overall evaluation report in 2016 are foreseen to assess the actions that have been taken, potentially update the priorities identified and decide on whether additional work is required in one or more of the priority areas.

Apprenticeships outperform university degrees in the UK

Qualified apprentices are 15% more employable than those with other qualifications, including university graduates, according to research commissioned by the British Department for Business.

The percentage rises to 25% for people who have completed so-called ‘higher apprenticeships’, a new programme which combines on-the-job training with education equivalent to bachelor’s or master’s degrees.

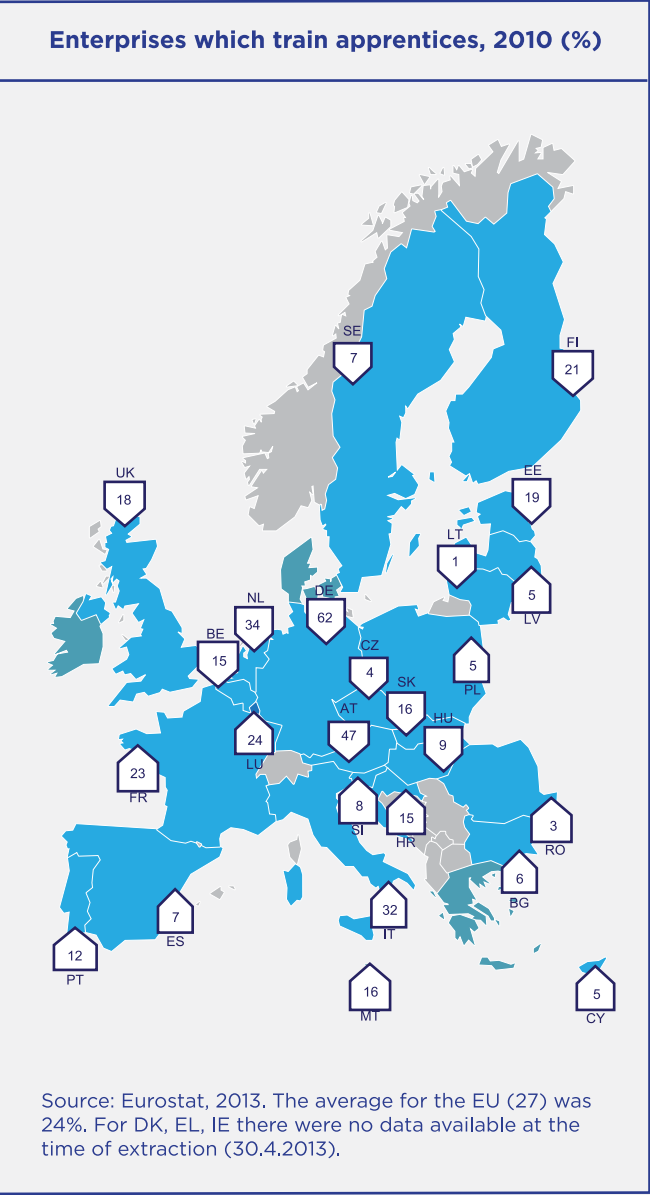
In a survey of 500 employers in England earlier this year, higher apprentices came out on top, with a rating of 7.98 out of 10, while university graduates followed with 7.58.

Some 3 700 fresh school leavers and people already in employment started higher apprenticeships in England during the 2011/12 academic year – a growth of 68% on the previous year. In 2013, the scheme is available in 41 subjects.

David Way, executive director of the UK’s National Apprenticeship Service, said that higher apprenticeships ‘can provide young people with a nationally recognised work-based route into professions that have traditionally been the preserve of graduates’.

In a European context, Britain is fighting to catch up with those countries traditionally leading the way in the field of apprenticeships. Figures released in January show that it managed to increase the number of people who started an apprenticeship by 86.1% between 2009 and 2011.

Currently, over 100 000 employers are offering apprenticeships in over 1 400 job roles. Skills Minister Matthew Hancock is convinced this is the way forward: ‘Apprenticeships deliver and offer the ideal opportunity for ambitious young people and adults to get ahead while earning a wage – and for employers to recruit the brightest and best recruits.’





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Skills and people

IOANNA LAMBROU

High-school student, 17
(Thessaloniki, Greece)



I'm disappointed with the Greek education system. It encourages you to learn everything by heart, not really absorb it. Critical thinking should be encouraged and developed. I don't think that a 17-year-old is ready to decide what they want to do

with their lives. Careers education is important since a lot of students don't know what their talents are and they cannot find out in school. High school should not be just a stepping stone to university. People's future should not be decided just by how well they do in exams. I am not sure yet what I want to do. Psychology is one option, teaching children with special needs could be another; the latter offering good employment prospects.

MARIA KANAOUROU

Postgraduate student in
Education Leadership
(Cyprus European University)

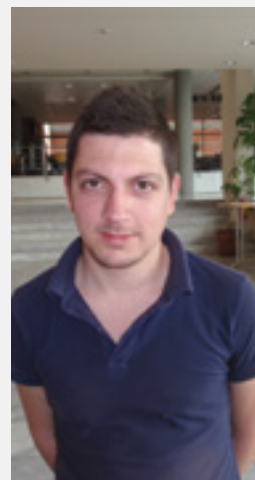


There is room for improvement in the education system. As it is, it gives guidelines for the future but it fails to deal with the substance. A dialogue should be started so that students' opinions are taken into account. I've chosen this particular

postgraduate course because it offers practical training and will give me the necessary skills to do my job. This is a very difficult period when it comes to employment. I'm hoping to get a teaching job eventually. In the meantime, I've enrolled in a programme offered by the employment bureau in Cyprus, which gives vocational training in administration. This way I'm acquiring different skills, which I hope will help me find a job.

YORGOS HARBIS

Psychology graduate
(Aristotle University of
Thessaloniki, Greece)

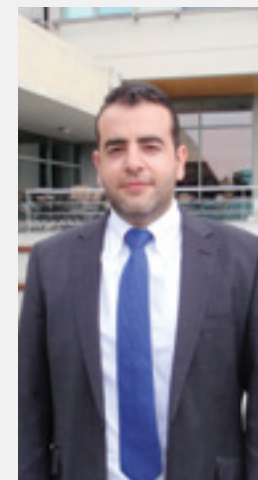


I graduated in 2011 but I still haven't found a job. I believe there is a real mismatch between the number of positions available and the job-seekers with a university degree, especially in sectors such as teaching and law. In

higher education, more importance should be placed on practical studies. Speaking from experience, I graduated from a school where theory was paramount and practical training almost inexistent, which makes it very difficult for me to find a job. In hindsight, I might have chosen a different path. The institution of apprenticeships is a very good one and I hope it is developed across Europe. It gives you more skills. It helps you learn your chosen subject on the job. In Greece, there is widespread belief that young people have to go to university. People are not aware of what the alternatives have to offer. I believe that the role of institutional organs, such as Cedefop and other vocational education centres should be enhanced in order to change things for the better.

KYPRIANOS PHILIPPOU

Chairman,
Youth Board of Latsia Municipality
(Nicosia, Cyprus)



We have very high unemployment in Cyprus at the moment and the education system is in need of a complete overhaul to equip students with the skills that will help them find a job. Personally, I've received extra vocational

training by taking part in courses on my own initiative. My postgraduate school offered practical training too -one of the few to do so- and it has been invaluable. Parents should be given careers education because they influence their children's choice of studies. They favour higher over technological education, which offers more employment possibilities. What we end up with is a plethora of unemployed young people with similar degrees and a lack of skilled workers in other sectors. Europe has established the right to live and work in any Member State, but needs to look at the countries with high unemployment. The big countries, in the spirit of solidarity, should give a boost to their suffering partners. They need to invest where there is a surplus of skilled workers in order to achieve uniform growth across Europe.

Career guidance issues form part of the debate on employment outside Europe as well. 'Stay out of school' on New York-based 'The Daily Show' is a funny example.

You can watch it here:

<http://www.thedailyshow.com/watch/thu-may-9-2013/stay-out-of-school>

The skills mismatch challenge in Europe

Mismatch between skills people have and those required by the labour market in the European Union has risen since 2008 as a result of the economic crisis. It is a key policy concern given that high levels of unemployment tend to coexist with unfilled vacancies in several EU Member States.

Cedefop research has found that about one in three European firms cannot meet their skills needs. The difficulty in finding skilled workers is sometimes related to sectoral reallocation and to poor working conditions. In countries like Greece, Ireland, Spain and Malta workers suffer from a double mismatch in both education and skills.

Overqualification tends to affect young workers as well as third-country nationals. Young vocational education and training (VET) graduates with a strong work-based component in their study programme are found to be less likely to face skills mismatch. Ageing and low-educated workers on the other hand, suffer the risk of their skills becoming obsolete.

To address skills mismatch, policy-makers should focus even more on strengthening the links between education and training and changing labour-market needs, giving incentives for the creation of high-skilled jobs, introducing more training and high performance workplace practices and establishing a closer link between VET and innovation policies within industrial clusters.



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