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**MODERNISATION OF VET: HOW CAN WE MAKE VET AND APPRENTICESHIPS MORE ATTRACTIVE?**

**A Cedefop perspective**

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| **Abstract**   * Attractiveness of vocational education and training (VET) is assessed by – the level of participation in VET and VET’s image compared to general education. **Factors influencing the** **indicators** are labour market conditions, policy priorities and how people see VET benefitting them in terms of their potential earnings and job prospects in their national contexts. * Many measures have been taken to raise VET’s attractiveness, including expanding work-based learning. Evidence indicates that **VET combing school and work-based learning** improves employment prospects, but it **remains underdeveloped**, varying considerably across countries, fields of study and sectors. Only around 1 in 7 of all upper-secondary VET students are in a course combining school and work-based learning, including apprenticeships. * But extending work-based learning to make VET more attractive **requires employer engagement**. Many countries use financial incentives for learners and employers to encourage work-based learning opportunities, but initiatives are underway to encourage attitudinal change. * The **New Skills Agenda** for Europe aims to make VET a first choice by improving work based learning for all. Making VET more attractive requires employers to see it as part of a competitive strategy to meet their changing skill needs; around 53% of adult employees in the EU need to learn new things continuously. Good jobs develop good skills and **employers are educators**. Employer engagement is key to increasing the attractiveness of VET and apprenticeship. |

**1. Attractiveness of VET: Factors and policies**

As the labour market constantly changes, modernisation of vocational education and training (VET) is a vital and ongoing process; it is essential if VET is to continue to transform learners into workers. VET evolves in response to the creation of new jobs, innovation, employers’ and citizens’ aspirations. Its modernisation and attractiveness largely depends on long-standing principles of quality, relevancy, recognition and employability.

The attractiveness of VET is often assessed by two indicators – the level of participation in VET and VET’s esteem – or image – notably in comparison to general education. These indicators are influenced by a complex interplay of different factors concerning VET’s quality, recognition, relevance and employability which affect earnings, employment advantages over lower and higher qualifications, labour market conditions and policy priorities. These factors help shape the views of family members and role models who can be particularly influential when individuals choose their educational pathways.

The extent of influence of each of these factors various across countries. This emphasises the importance of understanding the national context in which VET is placed to explain why, for example, enrolment in upper-secondary VET ranges from 77% of all upper-secondary students in Austria to just 24% in Hungary.

For example, differences in earnings between VET graduates and graduates of general and higher education can depend on the overall wage distribution in a country. Wage differentials are higher in the UK than in Sweden. National labour market conditions also affect the supply and demand for VET and apprenticeships, which for historical reasons tend to be prevalent in crafts and trades and manufacturing. Germany, Slovakia and Austria have relatively strong manufacturing bases and a demand for the skills VET traditionally produces. Other countries, for example Greece, with more service-orientated economies rely more on sectors such as tourism, where VET and apprenticeship are less developed. Indications are that expenditure on vocational and prevocational education is positively related to both participation in and esteem of VET. Consequently, national priorities for education and training expenditure will also influence the attractiveness of VET.

At European and national level various measures have been taken to raise the attractiveness of VET. Many countries, including Belgium, Germany, Cyprus, Poland and Italy, have made changes to smooth access to higher education through the VET route. More than half of EU member states already organise campaigns to attract young people to VET, including TV campaigns in countries such as Denmark and Greece. Skill competitions are also held, for example in Estonia, Spain, Hungary, Portugal and Finland to raise the status of VET.

Improvements to guidance and counselling services have been made by countries including Bulgaria, France, the Netherlands and the UK to bring more people into VET. Some countries have taken steps to acquaint young people with VET at an early stage. For example, Belgium, Bulgaria and Denmark and include VET elements in compulsory lower-secondary education.

The above measures can be seen as seeking to raise the attractiveness of VET by improving its quality and recognition. However, at both European and national levels work has been done to increase the attractiveness of VET by increasing its labour market relevance and in turn the employability and job opportunities of VET students.

Further efforts to modernise and increase the attractiveness of VET include developing and expanding work-based learning. The European Commission, Member States and social partners recommitted themselves to this goal at Riga in July of last year, with good reason. Evidence indicates that VET that combines school and work-based learning, either as part of a dual system or through other arrangements – internships, traineeships, or as placements in school-based VET systems can help to improve employment prospects.

For young people in transition to the labour market many studies show the benefits of work-based learning. In 2014, Cedefop’s European skills and jobs survey looked at skill mismatch among adult employees (aged 24 to 65) across the EU. The survey found that people whose studies involved work-based learning are not only more likely to find a job, but to find a better, more skill-intensive job. In countries that combine school and work-based learning, youth unemployment tends to be below the EU average.

And the numbers talk. In 2014 in the EU, the average employment rate of upper-secondary level VET graduates aged 20 to 34 was 76.9%, compared to 70.6% for those who had studied general education.

**2. Challenges: work-based learning still underdeveloped**

Attractiveness increases when VET qualifications have currency on the labour market. However, enrolment in initial vocational education and training does not mean enrolment in a course that combines school and work based learning. Almost all initial VET in Denmark combines school and work-based learning, with the work-based content counting for at least 25% of the curriculum, compared to only 4% in Belgium and 3% in Spain.

In effect, while around half of all upper-secondary students are in vocational education and training, only around 1 in 7 is in a vocational course that combines school and work-based learning, including apprenticeships.

Cedefop’s European skills and jobs survey found that only around 40% of adult employees have completed education or training involving some work-based learning. As well as countries, provision of work-based learning varies considerably across fields of study. Only 25% of younger (24-34 year-old) graduates in humanities, languages and arts, economics, business and law have participated in work-based learning. Sectors also vary. Some 62% of adult employees in professional, scientific or technical services completed studies only in an educational institution.

Over the next decade, labour market developments indicate that work-based learning will become more important. Future jobs will combine technical and behavioural skills. Technology is taking over routine tasks and employers increasingly require workers to think, organise, communicate and decide to deal with non-routine tasks.

Already many employers are concerned that applicants, particularly young people, lack ‘soft skills’, such communication and problem-solving abilities and that they lack experience and the right work attitude. Such a combination of technical skills and behavioural skills is more likely to be developed through work-based learning; but, currently, only around 25% of enterprises in the EU offer apprenticeships.

**3. Strategies: the role of employer engagement**

It is not possible to develop and extend work-based learning and so make VET and apprenticeships more attractive without the engagement of the social partners and, in particular employers. Their engagement has never been more important; how to encourage it is the challenge for us all.

Many countries use financial incentives for learners and employers, particularly small and medium-sized enterprises to increase demand for and supply of apprenticeships and work-based learning opportunities. The UK has introduced a levy to finance apprenticeships. While in the Czech Republic some regional authorities provide scholarships in training fields where there are shortages of people. However, in addition to financial incentives we need to encourage an attitudinal change among employers and initiatives are already underway.

The EU is playing an important role. The European alliance for apprenticeships is about creating partnerships and Member States learning from each other. Cedefop has carried out reviews of apprenticeship arrangements in several Member States at their request, including Lithuania, Malta, Italy, Slovenia and Greece.

Importantly, these reviews have helped identify new forms of cooperation between governments, employers and unions in managing education and training systems; the status of apprentices and vocational education and training in countries without strong traditions in these areas is being changed. Apprenticeships legislation is changing, for example in Belgium France, Malta and the UK. Other countries such as Denmark and Germany have developed new strategies to strengthen their apprenticeship systems.

In terms of support for employers to develop work-based learning and apprenticeships, earlier this year the ETUC published a Quality Framework for Apprenticeships and work-based learning, which listed 20 quality standards and criteria to meet them.

**4. The New Skills Agenda and way forward: employers as educators**

In June, Commissioner Thyssen launched the new Skills Agenda for Europe a major initiative that will raise the profile of VET, not least in its proposal for skills guarantee for adults as well as young people. Cedefop provides and brokers the knowledge it generates through research and analysis to support VET reform and a role is foreseen for Cedefop in helping to implement the skills guarantee.

The Skills Agenda aims to help the 70 million Europeans - more than the population of France - who lack adequate reading, writing, numeracy and digital skills progress towards an upper-secondary qualification. Vice-President Katainen sees the new Skills Agenda for Europe as a way to ensure “no-one is left behind”. In addition, it aims to make VET a first choice by improving opportunities for work based learning, not only to train young people, but also existing employees.

Cedefop’s European skills and jobs survey illustrates the importance of developing and skills in the workplace. It found that, to avoid skill mismatch, 53% of adult employees in the EU had to learn new things continuously, as their job tasks change. Further, around 83% of adult workers in the EU, whose skills matched their jobs when they were recruited, have seen their jobs become more difficult and some that 26% of EU adult employees lack the skills they need for their job.

To increase the attractiveness of VET, along with financial and technical support, campaigns are needed to persuade employers that VET – through work-based learning and good jobs that develop skills in learning-conducive work environments – is part of a competitive strategy to ensure that employers can meet their changing skill needs.

But we are some way from that point. According to Cedefop’s skills and jobs survey, around 41% of adult employees need only basic literacy skills to do their job and 33% need only basic or no ICT skills at all. Some 25% of adult employees say that they underuse their skills, despite their qualifications matching their job. More worryingly, around 27% say that they are in ‘dead-end jobs’, with higher skills than they need to do their job and only limited potential to develop.

In the EU, around 29% of highly-qualified workers are in for which they are overqualified.

Good jobs develop good skills and employers are educators. Employer engagement is key to modernising and increasing the attractiveness of VET and apprenticeship. In many places the worlds of education and employment have been kept apart; VET and apprenticeship marginalised. Skills for life and skills for jobs are seen as separate; one is a task for schools, the other for the workplace. But good VET systems and good apprenticeship programmes supply lifelong learners and social partner and employer engagement is essential.

We spend more time learning by doing than learning by knowing. Many more can be engaged in this experience if teachers/trainers and employers join their respective environments for young learners, time-share the learning processes and evaluate the learners’ capacity to know and be able to do a job that produces goods and services that are competitive for employers and a sustainable quality of life for workers.