

Training, Employment and 'Employability'

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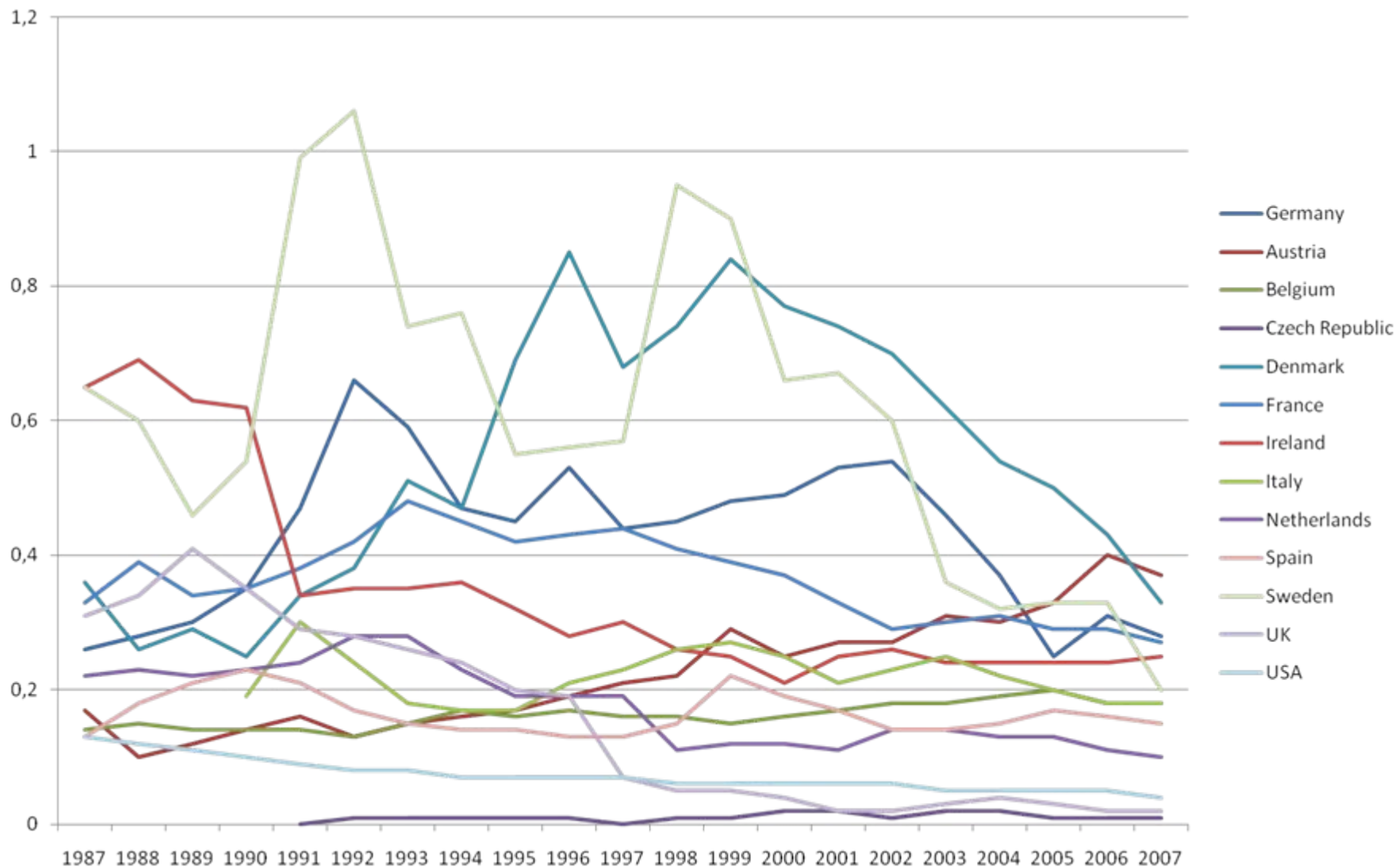
Responding to the crisis

- Within the European Union vocational education and training (VET) have long been regarded as central pillars of social and economic policy.
- VET is seen as a means by which organizations might secure the competitive advantages of 'flexibility' and 'adaptability', as well as an instrument of active labour market policy that can assist in the promotion of social inclusion by addressing the needs of disadvantaged groups, particularly the unemployed.
- The economic crisis has served to further underline the importance of education and training to 'employability' in the eyes of policy makers. The European Commission (2009: 9) has advocated that
 - ‘For men and women facing difficulties in gaining new employment, the “training first approach” should be considered. For the entire workforce, upskilling and re-skilling is crucial to ensure adaptability and employability in uncertain times’.
- EU member states and non-European countries have introduced new education and training-related measures.

Vocational education and training and labour market policy

- Studies have sought to describe and account for differences in the extent of VET provision, the relationship between skills supply and employers' production strategies and the implications of different sites of learning for skill development.
- Studies have also drawn attention to the extent to which decisions relating to training are discussed, negotiated or co-determined by employers and worker representatives, as opposed to being taken by employers unilaterally. The UK and US 'training systems' have been labelled 'voluntarist' or 'market-led' model of VET, in that decisions relating to training are generally left to employers, with trade unions having little formal involvement (ILO 1998, Ashton *et al* 2000).
- By contrast, training systems in countries such as Austria, Germany, Denmark and the Netherlands, where employers and unions both have a formal role in the regulation of training, have been defined as 'corporatist' or 'co-operative' (ILO 1998: 69).
- Vocational training is often identified as one of the core components of 'active' labour market policies (ALMPS) designed to assist unemployed workers in gaining new employment.
- Training schemes are regarded as the 'classic elements' of Scandinavian ALMPs (Meager 2009).
- However, expenditure on training has tended to fall across many OECD countries.
- It is possible that the reduction is a reflection of the extent to which national governments have embraced policies of a 'work first' nature.

Public expenditure on training as a percentage of GDP



The education and skills dimensions of employment and unemployment since 2007

- Unemployment among adult workers tends to be more common among those with lower levels of education attainment. Differences have been magnified since the beginning of the crisis.
- Young people have been disproportionately affected by the crisis.
- However, as in the case of adult workers, the experiences of individual member states have differed in relation to youth unemployment.
- Those countries, such as the Netherlands, Austria and Belgium, that have experienced relatively modest increases in adult unemployment have also experienced comparatively mild increases in youth unemployment.
- Increases in unemployment among young workers have tended to be most substantial in countries, such as Spain, Ireland and Latvia that have also witnessed large increases in unemployment among older workers.
- Countries that have relatively high unemployment rates for the lowest qualified adults have relatively low rates of youth unemployment.

Percentage rates of adult unemployment in selected EU member states, according to workers' level of education (Q3 2009)

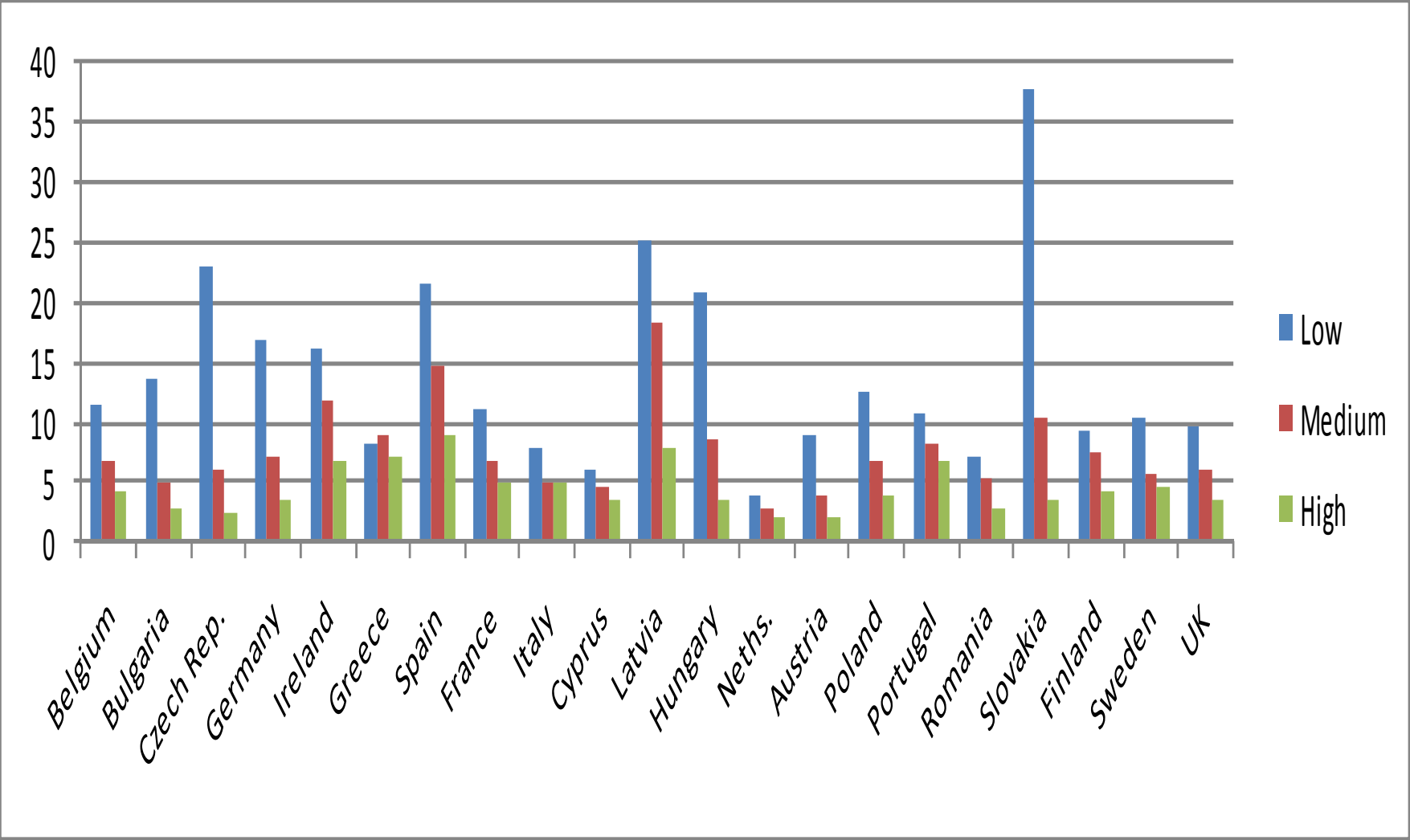
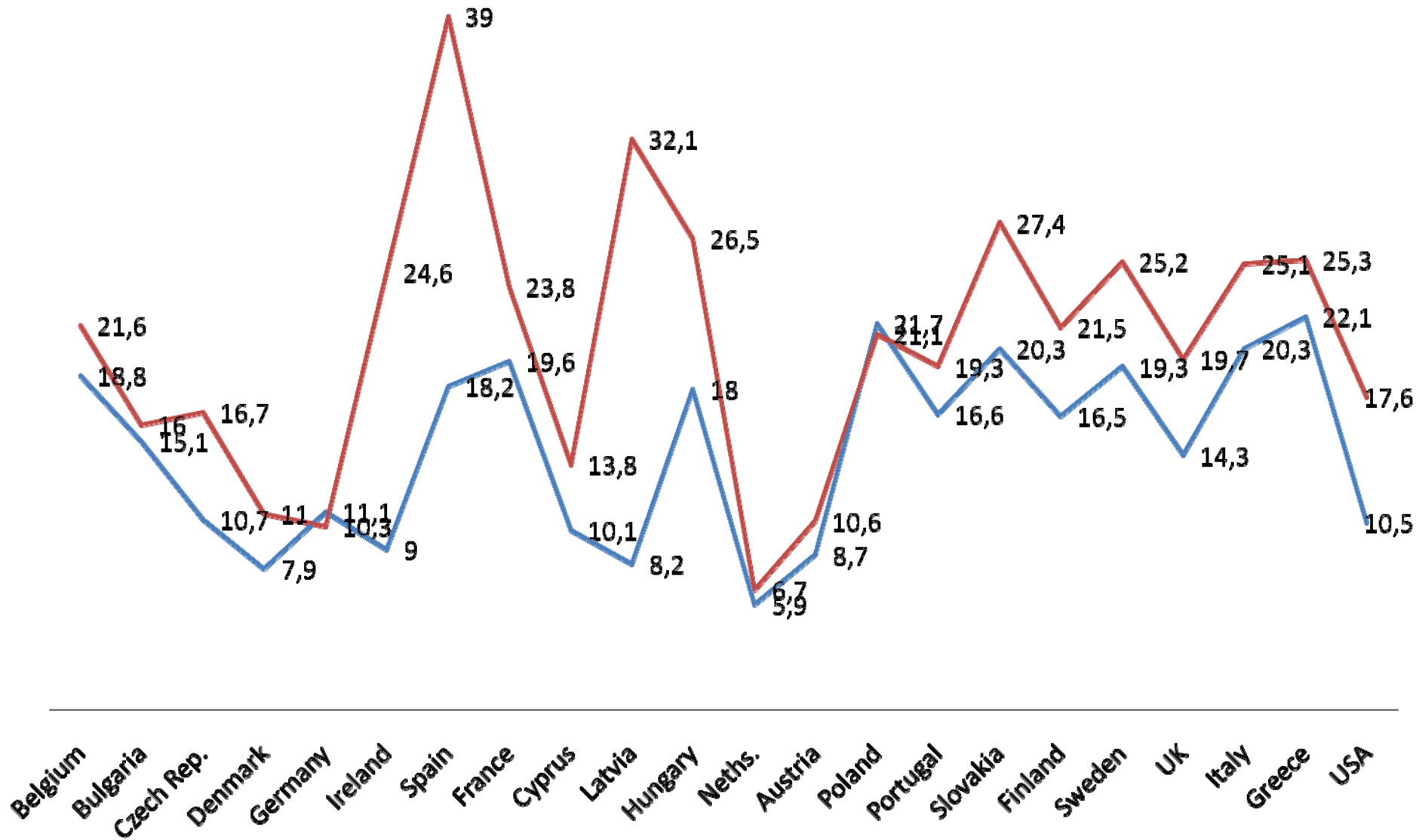


Table 1: Adult (aged 25-64 years) unemployment rates in selected EU member states according to level of education attained: 2007 and 2009 compared.

	Low			Medium			High		
	2007	2009	diff.	2007	2009	diff.	2007	2009	diff.
Belgium	10.4	11.3	0.9	5.9	6.7	0.8	3.2	4.3	1.1
Bulgaria	15.2	13.7	-1.5	4.5	5.0	0.5	2.1	3.0	0.9
Czech Rep	18.2	22.8	4.6	4.0	5.9	1.9	1.9	2.6	0.7
Germany	17.5	16.7	-0.8	7.6	7.3	-0.3	3.8	3.5	-0.3
Ireland	5.7	16.2	10.5	3.7	11.9	8.2	2.5	6.9	4.4
Greece	6.3	8.2	1.9	7.7	9.0	1.3	6.3	7.3	1.0
Spain	8.6	21.6	13.0	6.7	14.8	8.1	4.6	9.1	4.5
France	10.0	11.2	1.2	5.6	6.8	1.2	5.3	5.0	-0.3
Italy	5.7	7.9	2.2	3.8	5.1	1.3	4.2	5.1	0.9
Cyprus	4.0	5.9	1.9	2.8	4.6	1.8	3.5	3.6	0.1
Latvia	10.1	25.0	14.9	4.5	18.4	13.9	3.5	7.8	4.3
Hungary	15.1	20.7	5.6	5.6	8.5	2.9	2.8	3.7	0.9
Neths.	3.5	4.0	0.5	2.5	2.8	0.3	1.6	2.0	0.4
Austria	7.4	8.8	1.4	3.0	3.8	0.8	2.6	2.1	-0.5
Poland	14.9	12.7	-2.2	8.0	6.9	1.1	3.7	3.8	0.1
Portugal	7.8	10.6	2.8	6.7	8.1	1.4	7.1	6.8	-0.3
Romania	5.4	7.0	1.6	4.9	5.5	0.6	2.2	2.9	0.7
Slovakia	42.5	37.8	-4.7	8.3	10.3	2.0	4.0	3.7	-0.3
Finland	9.2	9.3	0.1	5.9	7.5	1.6	3.5	4.2	0.7
Sweden	6.0	10.4	4.4	3.8	6.0	2.2	3.3	4.5	1.2
UK	5.8	9.5	3.7	3.5	7.2	3.7	2.2	3.4	1.2

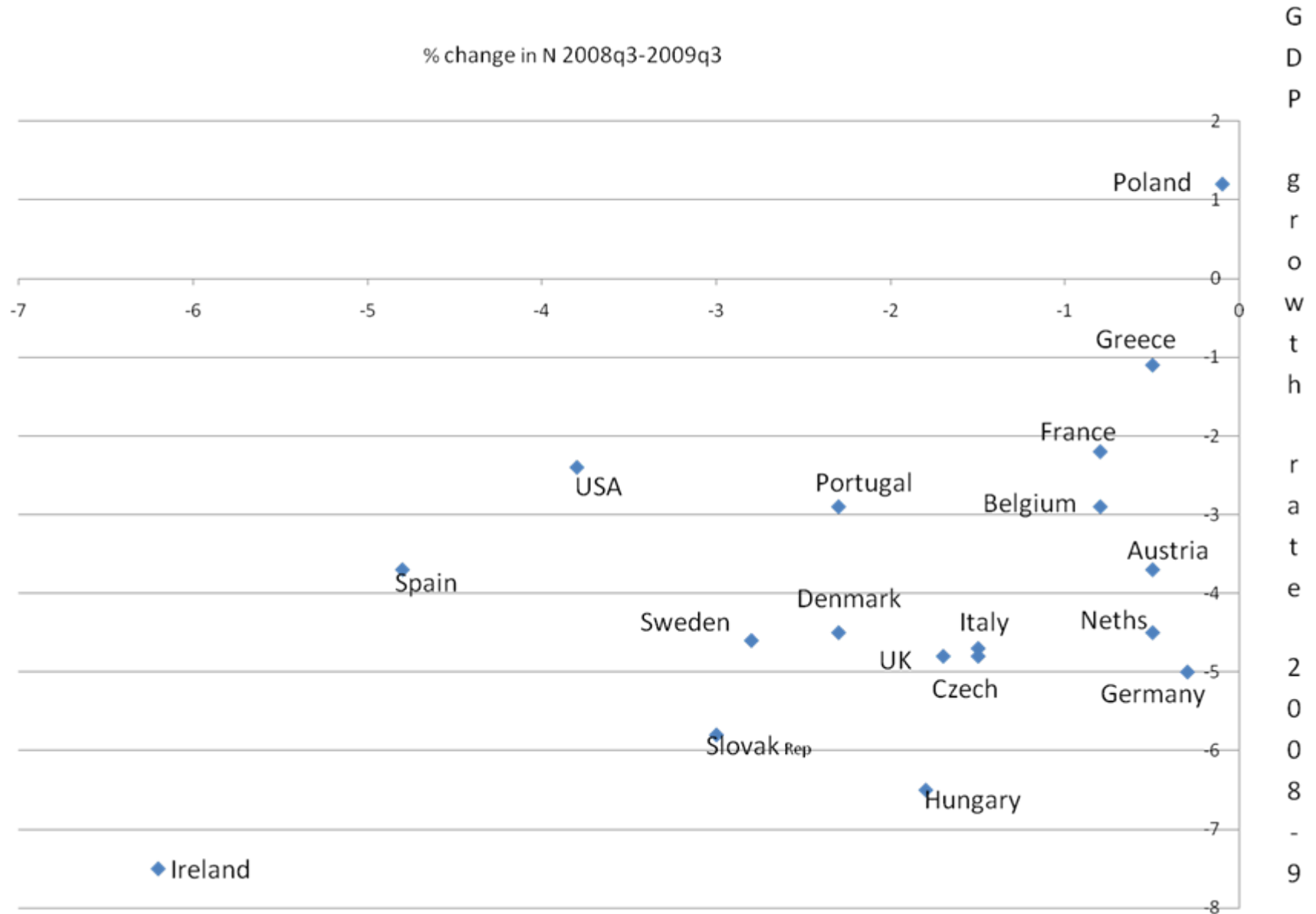
15-24 2007 15-24 2009



Training and the maintenance of employment

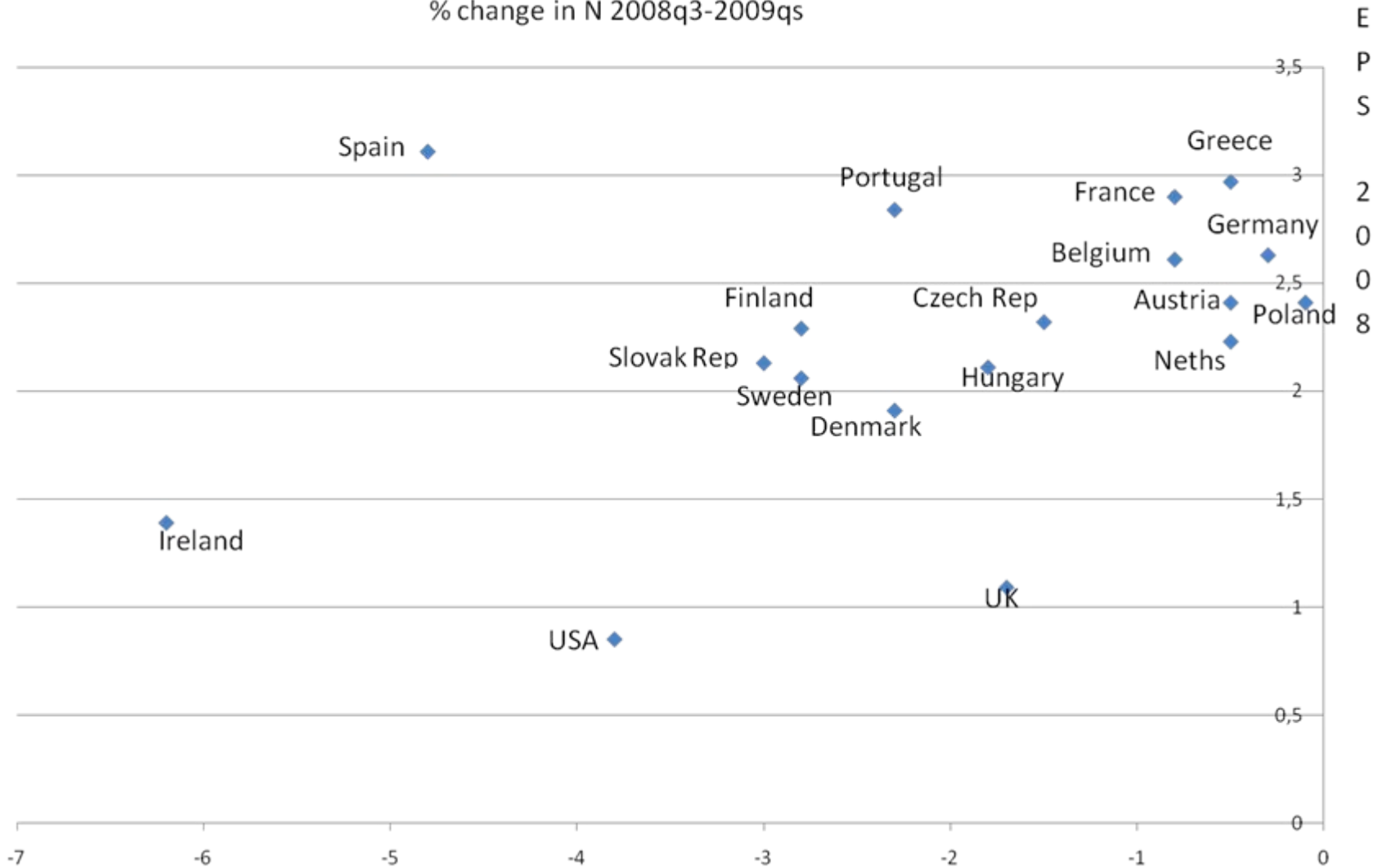
- In a number of countries, short time working schemes have operated in conjunction with measures designed to encourage employers to provide additional training opportunities for partially-unemployed workers.
- In the Netherlands, the Czech Republic and Slovenia, employers are obliged to enable workers to participate in training during periods of short-time working or temporary leave.
- In Austria and Poland, employers are entitled to receive a training subsidy if they provide training courses for workers who are on short-time working.
- In Germany and the Czech Republic, firms that provide training can receive contributions from the government towards their social security costs.
- The government of the Netherlands has made available grants for retraining workers threatened by redundancy, increased tax credits for employers so as to compensate for the costs of retraining workers and reimbursed the costs incurred by those employers that permit low-skilled workers to participate in accreditation of prior learning programmes.

Change in employment and GDP for selected OECD countries, 2008-9



Change in employment 2008-9 for selected OECD countries

% change in N 2008q3-2009qs



Reform and extension of existing provisions

- In a number of countries, existing provisions relating to Continuing Vocational Training have been modified in response to the crisis.
- Austria has revised provisions for unpaid training leave. Since the beginning of the crisis, the length of time for which an employee may receive a training allowance has been extended from 12 to 18 months. The costs associated with the training are borne by employers, although they may claim a public subsidy equivalent to 25-50 per cent of the cost.
- In January 2009, French employers and trade unions signed a national inter-sectoral agreement on the development of training throughout the working life. The agreement has resulted in workers being granted the right to transfer their existing individual right to training should they lose their job as a result of either dismissal or redundancy.
- Also in France, a new joint fund of €900 million has been established to support training for at least 500,000 low-qualified workers per annum and to increase by one-third the number of jobseekers who undertake vocational training (an increase of approximately 200,000). The initiative is funded mainly by the state, although employers will contribute to between 5 and 13 per cent of the costs through the existing vocational training levy.
- Governments have also sought to improve access to existing initial and continuing training programmes. In the UK, for example, the eligibility criteria associated with the government's Train to Gain programme have been reformed so as to allow workers who would previously have been regarded as already sufficiently-qualified to access the programme.

Measures directed at unemployed workers

- Governments have provided additional resources to facilitate training access for unemployed workers. Certain training programmes have been targeted on vulnerable groups.
- The Irish government has directed support to low-skilled construction workers and expanded free night class training from approximately 8,000 places to 24,000 places in 2009.
- In Norway, increased funding has been made available to provide training for unemployed or marginally-employed immigrants.
- A number of measures that have been introduced across Europe in an attempt to address the needs of young people.
- The French government has attempted to encourage young people to acquire skills by offering a one-off payment of €1,000 to people under 26-years of age if they sign a contract to work and train in a small enterprise.
- In 2009 the UK government launched a 'Young Person's Guarantee' initiative which guarantees all 18-24 year olds who are NEET a place in employment, education or training.

Training related to anticipated future skill requirements.

- The UK government has identified social care as a growth area (given the ageing population) and local authorities are being encouraged to create 50,000 additional jobs in this sector via the offer of subsidies. For each new recruit aged 18-24 that they take on, local authorities receive £1500.
- In addition to creating new jobs in the social care sector, the UK government has also offered recruitment and training subsidies to private sector employers in the hope of creating a further 50,000 jobs for young people in sectors that are forecast to grow, such as hospitality, leisure, retail and tourism.
- The German government has provided funding for older unemployed workers to retrain as nurses so as to meet future anticipated demands in the aged care sector,
- In Austria there has been an expansion of training places so as to enable unemployed workers to train as skilled metalworkers, an occupation for which demand is anticipated to increase.

Measures for apprentices

- In 2009 Germany introduced a training bonus for firms that offer additional apprenticeships. The scheme is designed to help disadvantaged young people who have previously experienced difficulties in securing an apprenticeship and is intended to contribute to the employer's training costs. The bonus is also available to employers who take on apprentices who have lost their position as a result of insolvency.
- In the UK a 'clearing house' system has been created to match apprentices who are due to be made redundant with employers that wish to hire staff. The UK construction sector's training body, ConstructionSkills, has been provided £1 million of funding to support construction companies that take on apprentices who have been laid-off during the crisis. The funding is being used to reinforce the Apprenticeship Matching Service (AMS).
- The crisis has also led to a renewed emphasis on the importance of apprenticeship training in the UK. In response to the growing number of unemployed young people, the UK government has expanded the number of apprenticeship places for school and college leavers and launched a new government-funded National Apprenticeship Service
- The government is considering using public procurement as a means of encouraging training activity by obliging suppliers to the government to employ apprentices.

Training, collective bargaining and social dialogue

- In France, a national framework agreement in the chemical sector, aimed at promoting the use of training programmes as a way of avoiding redundancies.
- A framework agreement concluded in 2009 for the Swedish manufacturing sector allows for workers to be temporarily laid-off from work while keeping their job and at least 80 per cent of their normal salary. The agreement allows for training to be provided in place of time away from work.
- Company-level agreements relating to training have been reached in some countries. In April 2009 an agreement relating to training and partial unemployment was concluded at Peugeot Citroën in France. It was intended to protect workers' pay during time spent undertaking training and introduce new procedures to monitor the implementation of the training programme (Glassner and Keune 2009: 25).
- There have also been examples of national-level employer and trade union organisations encouraging or participating in the reform of VET policies (e.g. in France and Austria).

Conclusion

- Vocational education and training measures have played an important role in governments' responses to the current economic crisis.
- Differences between 'corporatist'/'cooperative' (Germany, Austria, Netherlands) and voluntarist (UK) systems.
- In many countries specific training measures have been introduced for 'vulnerable' workers, such as migrants and (particularly) young people.
- In some countries, government policies in respect of training and job creation have been informed by an analysis of anticipated future skill requirements.
- What about job 'quality?'
- The crisis has served to call into question the benefits, attainability and affordability of flexicurity.