

Competing for Skills: Vocational Education and Training in the 21st Century

- DISCUSSION PAPER

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Introduction*

The worldwide economic downturn has accelerated the pace and increased the severity of labour market challenges that the global economy now faces. Not only must countries struggle to reposition their labour force for the jobs of tomorrow, they must do so in an environment of high unemployment and financial instability. As such, vocational education and training (VET) policy, particularly that which is targeted at both reskilling and upskilling the incumbent workforce, has taken on heightened significance. A robust and responsive VET system can play an integral role in fuelling an economic recovery. As such, the objectives of this discussion paper are to explore recent international developments in VET policy and distill key cross-cutting trends.

Country Reviews – Recent Investments in VET

Countries scheduled to present at the *Competing for Skills: Vocational Education and Training in the 21st Century* policy conference were selected for review, as well as a handful of others whose VET systems provided a basis for cross-comparison. Country reviews focus on recent VET program and policy initiatives that target adult learners, recognizing that this group is most affected by the economic downturn and subsequently plays a large role in recovery. Countries selected include: Australia, Canada, France, Germany, Ireland, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States. This paper continues to be a work in progress and provides background to aid in the discussion on the role of VET in the 21st-century economy.

Defining VET

The definition and application of VET varies greatly not only between but also within countries. As such, this discussion paper will not attempt to set any artificial parameters for defining VET. Instead, analysis will target programs and policies which each jurisdiction deems important for meeting their own unique workforce development objectives. Though educational institutions often deliver a majority of VET programming, it is important to acknowledge that many forms of learning occur outside formal learning channels, most notably the workplace.

Links with International VET Conference and OECD Learning for Jobs Project

This paper is designed to both inform and be informed by the Canada/Alberta International Conference on Vocational Education and Training (VET), entitled: *Competing for Skills: Vocational Education and Training in the 21st Century*. This one-day policy conference will bring together leading international experts to discuss how VET systems have responded to recent economic and labour market challenges. The conference and paper will also provide a unique perspective for the ongoing OECD *Learning for Jobs* project.

* The information contained in this discussion paper is from publicly available sources (e.g. news media outlets, government websites and reports, etc.). For a complete list of sources consulted, please see References, p. 16 – 18.

Australia

Context

In Australia, vocational education and training (VET) is linked to the labour market and plays an important role in increasing economic performance and productivity.¹ The responsibility for VET falls under Australia's Department of Education, Employment and Workplace Relations and the state/territorial governments. The policy functions of VET are shared between both levels of government, while funding, administration, and delivery are mainly the responsibility of the states/territories.²

VET is provided through the public and private sectors but the relative contributions of the sectors to the provision of training are unclear.³ VET training programs are delivered by schools, universities and registered training organisations (RTOs). In addition, VET can be provided by publicly funded institutes of Technical and Further Education (TAFE), adult and community education organisations, individual enterprises, and, in some states and territories, by combined TAFE and University bodies.⁴

Recent Investments

The 2008-09 Budget (released May 2008), announced *Skilling Australia for the Future*, the government skills policy which advocates for an investment in lifelong learning to ensure the workforce maintains and improves its skills and provides incentives and training for those currently not participating in the workforce. *Skilling Australia for the Future* has led to the development of:

- The Productivity Places Program, which will deliver 711,000 training places over 5 years in areas of skills shortage to ensure that workers develop the skills they need. Of which 392,000 training places will be allocated to existing workers wanting to gain or upgrade their skills and 319,000 will be allocated to job seekers. This includes 10,000 'structural adjustment places' for workers who have lost their jobs as a result of the economic downturn. For these places priority is given to those from the manufacturing and automotive industries.^{5 6}
- Skills Australia, a statutory body composed of seven experts from various areas such as economics, industry, academia, and education, which provide advice on the current and future demand for skills and investment of public funds in training. Skills Australia will identify to government and industry the changes required in VET services and the labour market to maintain workforce participation and address long term labour shortages and increase productivity.⁷

In light of the economic downturn, the Ministry of Education provided \$400M AUD (\$324M USD) of the Teaching and Learning Capital Fund to TAFE institutes to strengthen their infrastructure enabling them to respond to retraining and emerging green skills needs. In addition, \$100M AUD (\$81M USD) was allocated to community-based training providers. The Securing Apprenticeships and Traineeships program, which provides a \$2800 AUD (\$2,268 USD) incentive to employers and group training organizations who take on apprentices who were laid off by their original employers,

received \$155M AUD (\$126M USD) over 3 years to help ensure the completion of apprenticeships that would otherwise be terminated due to the economic downturn.⁸

In February 2009, Australia created an enhanced Jobs Plan to support current jobs and growth, as well as investments needed to strengthen the economy for the future. This includes an additional \$187M AUD (\$151M USD) to establish 56,000 new skills training places of which 10,000 places will be allocated as 'structural adjustment places' to provide retraining opportunities and support to displaced workers.⁹ In addition, \$511M AUD (\$414M USD) for Training and Learning Bonuses will provide one-off bonuses to eligible student to assist with the costs for the 2009 academic year.¹⁰

Canada

Context

Outcomes of education in Canada are important for both individuals and the country at large. While educational policy is the constitutional responsibility of the provinces and territories (PTs) - who design their systems to meet their own unique needs, applying different methods, lengths of study, and content – adults in Canada obtain their education in multiple ways. While the federal Government of Canada has a role in the labour market, vocational education and training (VET) in Canada is primarily developed and delivered separately in each PT. The federal government supports the development of VET systems and programs by providing funding through transfer payments.

VET in Canada is primarily undertaken at the post-secondary level, and is offered at public community colleges, private vocational colleges, and through apprenticeship programs. The Canadian approach to VET allows for multiple entry points with varying degrees of academic and applied content. While PTs offer some VET options at the secondary school level, most do not offer a separate stream for learners to obtain vocational credentials. Public community colleges are the primary vehicle for adult education and training for the labour force, and offer a comprehensive array of credentials and programs in VET. They are also the key instrument through which apprenticeship technical training programs are delivered. Most PTs administer and issue trades certification and credentials. Generally 80 per cent of an apprenticeship program takes place in the workplace, with the balance (technical training portion) delivered at a training institution.

Each PT provides ongoing financial support for administering their apprenticeship programs including technical training. PTs also support apprenticeship through investments in scholarships and youth incentive programs, and investments targeted at under-represented groups including women and Aboriginal Canadians.

A complementary system of VET programs is offered at private vocational colleges—privately owned/operated educational institutions that are required to be registered and/or licensed under appropriate legislation. Private vocational colleges offer VET programs that are generally shorter in duration, may offer more modest learning objectives, and usually operate on a continuous intake cycle.

Recent Investments

The Government of Canada response to the global economic downturn includes a \$8.3B CAD (\$7.6B USD) investment in the *Canada Skills and Transition Strategy* to support workers and their families. Among the targeted expenditures, this strategy will increase funding for training delivered through the Employment Insurance program by \$1B CAD (\$0.9B USD) over two years. Through a new Strategic Training and Transition Fund, the Government of Canada will provide \$500M CAD (\$458M USD) over two years to help meet the different training and support needs of workers.

An additional \$60M CAD (\$55M USD) over three years will go to support the Targeted Initiative for Older Workers to help older unemployed workers access skills upgrading and experience in new fields of work. The *Canada Skills and Transition Strategy* also proposes investing \$40M CAD (\$37M USD) per year for an Apprenticeship Completion Grant of \$2,000 CAD (\$1,800 USD) to reward individuals who successfully complete their apprenticeship training and certification in a designated Red Seal¹ trade. This new Grant complements the existing Apprenticeship Incentive Grant through which registered apprentices are eligible for a \$1,000 CAD (\$900 USD) grant when they complete the early years of apprenticeship training in a designated Red Seal trade, to a maximum of \$2,000 CAD (\$1,800 USD). By combining the two taxable cash grants, apprentices can be eligible for up to \$4,000 CAD (\$3,600 USD) upon certification in a designated Red Seal trade.

An essential part of Canada's training efforts is fostering partnerships with Aboriginal groups and the private and public sectors to ensure that Aboriginal Canadians get the skills and training they need to play a larger role in the labour market, and to help them make the most of employment opportunities. An additional investment of \$100M CAD (\$92M USD) over three years in the Aboriginal Skills and Employment Partnership program is intended to help Aboriginal people access long-term skilled employment. A new, 2-year Aboriginal Skills and Training Strategic Investment Fund has also been created to help Aboriginal people get the training they require for skilled jobs—\$75M CAD (\$69M USD) will be invested in this initiative.¹¹

France

Context

The aim of vocational training schemes in France is to maintain or improve vocational qualifications, adapt people to changes in techniques and working conditions and promote social and professional advancement. Under France's Individual Training Right benefit (*Droit Individuel à la Formation*) every employee acquires a training-time credit

¹ The Red Seal Program is intended to provide greater mobility across Canada for skilled workers. Through the program, apprentices who have completed their training and certified journeypersons, are able to obtain a Red Seal endorsement on their Certificates of Qualification and Apprenticeship by successfully completing an Interprovincial Standards Examination. Red Seal allows qualified tradespersons to practice the trade in any province or territory in Canada where the trade is designated without having to write further examinations. There are currently 50 national Red Seal trades which account for 88% of registered apprentices in Canada.

which allows all employees to pursue vocational training.¹² The central and regional governments along with firms and social partners all work together in defining vocational training. Although the central government passes legislation in this area, it is the regional governments that are responsible for the delivery of vocational training. “*Le ministere en charge de l’emploi et de la cohesion sociale*” plays a role in the Governance and financing of VET and works in partnership with “*Le ministere de l’education national*” in the development of vocational training policies.¹³

Trade associations and labour unions help to develop continuing vocational training policy and co-operate in its implementation. Vocational education services are administered through a network of education centers called GRETA (*GRoupements d’ETAbissements*) – where there is at least one GRETA in each county.¹⁴

In France, the national training levy of July 1971 is described as the “train or pay” system. The law obliges companies with more than 10 employees to devote a certain percentage of their annual payroll to training. The training levy covers all private companies, public organizations and the self-employed, and varies depending on the size of the organization and the sector – ranging from 0.15% for self-employed to 3.8% for public sector.¹⁵ The funding for vocational training in France - 1.8% of the country’s gross national product- is provided by industry (40%), the State (49%), the regional authorities (9%) and households (2%). France’s investment in training amounts to approximately €7B (\$37.9 USD)¹⁶; it includes the pay, allowances and social security charges of persons in training and also the provision of services linked to the teaching costs of the training.¹⁷

Recent Investments

In May 2009, the Secretary of State for Employment under the Minister of the Economy, Industry and Employment outlined the government’s strategy on employment in light of the economic crisis. Some of the main elements include €900M (\$1.26B USD) to stimulate job creation, access to training as well as re-employment strategies for job seekers.¹⁸ A reform to the vocational training agreement between employers and unions was also announced to design a system in which training is utilized as a means to counter the labour market challenges brought on by the economic crisis. This reform included an investment of €1.2B (\$1.7B USD) that aims to improve training in small and medium-size businesses (SMEs), improving the skills of job seekers and the integration of younger workers into the workforce.¹⁹

Germany

Context

In Germany, the federal government retains the power to enact legislation governing vocational education and training (VET) provided outside of school, while the state governments or *Länder* are responsible for administering school-based VET programmes.²⁰

German VET is guided by the requirements of the labour market, and by the need for learners to acquire skills and knowledge that enable them to be successful in the

workplace. Training programs are therefore designed “as broad[ly] as possible and as specific as necessary.”²¹ In Germany, more than half of all young people (aged 15-25) participate in a dual VET system, which combines training in vocational school (up to two days a week) with training in the workplace (three or four days a week).²² Learners who successfully complete a dual program are entitled to practice as qualified skilled workers in one of approximately 350 recognized training occupations.²³ VET is also provided separately from the dual system in full-time vocational schools, vocational/trade and technical grammar schools, and medical professional schools.

Continuing VET in Germany, either further vocational training or vocational retraining targeted towards adults, usually takes on three general forms: training provided by firms to employees, training provided and subsidized by the government, and training provided by private providers to individuals who are pursuing education for personal development.²⁴ Demand for continuing VET has increased as more emphasis has been placed on qualification renewal, continuous skills development, and lifelong learning. The changing labour market has reinforced this demand as increasingly initial VET alone does not provide guaranteed job security.²⁵

Recent Investments

In response to the global economic downturn, Germany will allocate €2B (\$2.8B USD) in 2009 and 2010 for further training and upgrading.²⁶ The primary targets of this investment are workers on short-time², young workers with no professional qualifications, and young people who have been seeking a place as a trainee for an extended period of time.²⁷

The emphasis on short-time work is a particularly innovative strategy currently deployed in Germany. In support of this practice, the Federal Employment Agency has agreed to pay half of the employer’s social insurance contributions for employees on short-time in 2009 and 2010.²⁸ If workers are provided further training/upskilling during the period, the full social insurance contribution will be paid.²⁹ By encouraging further training to take place parallel to normal employment, improved qualifications will mean employers and employees are better able to emerge from the current crisis. The practice also encourages businesses to retain workers rather than to pursue layoffs, thus preventing further job loss.

Republic of Ireland

Context

Vocational education and training (VET) in Ireland is seen as one of the main pillars for building and maintaining a skilled workforce³⁰. VET policy is covered by two Government Departments; 1) the Department of Education and Science (DES), which is responsible for policies and the development of national programs for VET in schools, colleges and higher levels and; 2) the Department of Enterprise, Trade and Employment

² Short-time working refers to the practice whereby, to avoid layoffs, firms reduce the number of hours worked by employees. The firm decreases its overall use of labour while retaining the majority of its skilled workers. Loss of wages is partially offset by benefits paid to workers by the Federal Employment Agency (via the employer).

(DETE) which is responsible for policies to upgrade the skills and competencies of the adult population within a framework of lifelong learning.

In recent years (2001 - 2006), the Government's main human resources priorities have focused on education and training, including to: provide a framework to progress lifelong learning strategies within the VET system, target those with low educational and vocational qualifications, and ensure the development of a highly skilled workforce³¹.

There have been several significant developments aimed at designing a more coherent and efficient framework for VET. To link VET to the needs of the labour market, policy on vocational training is set out in the annual National Reform Programme (formerly the Employment Action Plan). Under this Program, Irish labour market policy during 2005-2008 focused on:

- Sustaining a high level of employment and low unemployment;
- Ensuring an adequate supply of labour to meet the needs of the economy;
- Maintaining a strong focus on education and training, including lifelong learning, to ensure the development of a high skilled, adaptable workforce.

Recent Investments

In April 2009, Ireland released a supplementary budget of approximately €128M (\$178M USD), outlining the Government's commitment to provide further and higher education to 6,910 unemployed persons, 1500 for Post Leaving Certificates, 3,500 in full and part time third level places, 930 in third level transition courses, and 280 in accelerated certificate programs. In addition, a new program has been introduced that will provide training support for 3,600 apprentices who have been made redundant as a result of the economic downturn.³²

New Zealand

Context

VET in New Zealand is overseen by the national Ministry of Education. The Tertiary Education Commission (TEC), an agency of the Ministry of Education, is the body responsible for VET policy development, implementation and leading the government's relationship with the tertiary education sector. With a few exceptions, the organizations that are responsible for tertiary education and training are partly or mostly funded by the government³³.

At the tertiary level, VET is mainly offered at institutes of technology, private training establishments and the workplace. The term 'tertiary education' in New Zealand is used to describe all aspects of post-school education and training, in which the Register of Quality Assured Qualifications (the "Register") identifies and maintains the qualifications for senior secondary and tertiary education establishments.³⁴³⁵

The Government has outlined its tertiary education and training goals of increasing trade and professional qualifications at higher levels through the Tertiary Education Strategy 2007-2012. The goals of the Strategy are³⁶:

1. Increasing educational success for young New Zealanders;

2. Increasing literacy and numeracy levels for the workforce;
3. Increasing the achievement of advanced trade, technical and professional qualifications to meet regional and industry needs; and
4. Improving research connections and linkages to create economic opportunities.

Recent Investments

The Government is managing the response to the downturn by paying particular concern on future growth and the creation of new jobs. Initiatives include the Jobs and Growth program³⁷, the Job Support Scheme and the ReStart program to help stimulate and create strong future economic growth. A further \$36M NZD (\$22.8M USD) has been provided to support improvements in numeracy and literacy standards³⁸.

On April 1, 2009, the New Zealand government Tertiary Education Commission (TEC) announced a change in funding for trainees in employment based training who either transfer between employers or lose their jobs. For one year starting April 1, 2009, the funded period between jobs will be extended from six to 12 weeks³⁹. This extension of funding applies only to trainees who are receiving active assistance from Industry Training Organizations or Modern Apprenticeship Coordinators in securing alternate employment. The change in policy will be assessed within the year to determine whether there is a need for its continuation.

Sweden

Context

Lifelong learning is the fundamental principle of the vocational education and training (VET) system in Sweden. Rather than focusing exclusively on young or adult learners, VET is designed to incorporate learners at all stages of professional and educational cycles. Importantly, VET relies on learning that occurs in formal (e.g. secondary school, college, and university), as well as non-formal (e.g. folk high schools and study circles) and informal settings, so as to provide broad access and coverage to learners. The Ministry of Education and Research is responsible for the majority of VET programs.⁴⁰ The government's approach has been to invest in VET to provide more people with the opportunity to participate in training and to improve the competitiveness of the business sector. The Ministry of Employment is responsible for labour market training, while limited apprenticeship training in some sectors is conducted by joint, business-labour training councils.⁴¹

A primary objective within the Swedish system has been to narrow the gap between vocational and general education.⁴² As such, vocational training and general education are not separate in Sweden. Instead, upper secondary school (to which there is a parallel system/format for adult learners) combines a common core of academic subjects with specific vocational training—of the 17 different national programmes, 14 are vocationally oriented.⁴³ Following completion of upper secondary school, additional VET is offered through post-secondary training, supplementary education, and advanced vocational education establishments.⁴⁴ Advanced vocational education in Sweden is at the post-secondary level, and is an alternative to university or college education. It

includes courses designed in consultation with employers to meet specific labour force needs.⁴⁵

Recent Investments

In April of 2009, the Government of Sweden announced a series of measures to respond to the challenges of the global economic downturn. Labour market policy was identified as a key priority. This supplementary budget, designed to respond to the downturn, provided kr2.4B SEK (\$322M USD) to increase spaces in post-secondary vocational training and upper secondary education for adults (adult vocational education) in 2009.⁴⁶ To encourage more people to apply to adult vocational education programmes, a temporary increase to post-secondary student aid for unemployed persons was also proposed for 2009. This measure was allocated approximately kr500M SEK (\$67M USD).⁴⁷

Switzerland

Context

Vocational education and training in Switzerland is a shared responsibility and is jointly funded by the Confederation, Cantons (states) and professional organizations. The Federal Office for Professional Education and Technology (OPET) plays a major role in the strategic management of the VET system. VET programs consist of part-time studies at a vocational school combined with a part-time apprenticeship at a host company. There are also programs based on a full-time curriculum (i.e. no apprenticeship) that are generally offered by trade or commercial schools⁴⁸.

Funding for education and training amounts to €16B (\$22.3B USD) per year and represents approximately 1.4 % of public expenditures⁴⁹. The Cantons are responsible for implementing the programs and provide at least 75% of public funding. Under the Vocational and Professional Education and Training Act (VPETA), the Confederation plans to increase its share of public funding of the VET/ system to one quarter of the total cost. Professional organisations provide both services and funding to the VET system - they do the groundwork, run their own training centres and promote specific occupations. Approximately €2.5 to €3B (\$3.5 – 4.2B USD) are expended on adult learning courses every year; the major part of this sum is paid for by individuals or employers⁵⁰. VET programs in Switzerland closely match the needs of the labour market, both in terms of professional qualifications and the number of available jobs. The close correlation with the labour market contributed to one of the lowest youth unemployment rates among European countries⁵¹.

Recent Investments

Switzerland has committed a budget of 20M CHF (\$184 M USD) for VET research in 2008-2011. Funded by the OPET, national level research is coordinated by “Swiss Leading Houses” whose main mission is to build a competency framework and provide input to mid and long-term policy making so as to improve the quality of training.⁵²

Switzerland has not yet introduced any major policy measures in response to the global economic downturn. As the country’s VET system is closely linked to the labour market,

short term adjustments are not usually made since the focus of VET is geared towards long term industry needs.

United Kingdom

Context

The primary objectives of VET in the United Kingdom (UK) are to ensure that young people are ready for skilled employment or higher education, to increase the skills of adults for employability or higher levels of training, and to increase participation in higher education.⁵³ The Government is currently focusing on increasing the productivity of the workforce and stimulating learning through employers.

The UK has a devolved system in place for education and training policy and the management of public funding, with unique systems and structures existing in England, Scotland, Northern Ireland, and Wales. For example, in England VET is overseen by the Department for Innovation, Universities, Skills and Science, whereas in Wales VET falls under the Department for Children, Education, Lifelong Learning and Skills. Public funding for VET has been devolved to national Funding Councils, such as the Learning and Skills Council for Further Education in England and the Scottish Funding Council in Scotland.⁵⁴

VET is provided by both the public and private sectors. Institutions such as schools, further and higher education institutions, approved training providers, professional institutions, training companies or individual employers, adult education centres run by local education authorities and Workers' Educational Associations all provide VET programming.⁵⁵

Recent Investments

Since 2005, recent initiatives have targeted efforts towards those with low level skills, those studying to achieve a first or higher qualification rather than a lower or equivalent one, and those currently unemployed.⁵⁶ Free training is now provided for young people up to age 25 to achieve Level 3 and Skills Accounts give individuals greater choice and control over their own learning and allows for the creation of a Skills Voucher that outlines the possible funding sources for a particular course (pilot in England only).⁵⁷ For employers, Train to Gain helps employers improve the skills of their employees and business performance through subsidised training for basic skills, individuals studying for their first full Level 2 qualification, apprenticeships, leadership and management training, and sector specific training.⁵⁸

In addition, other recent innovations in VET include:

- The Foundation Degree which is a vocational higher education qualification
- A network of employer led Sector Skills Councils to oversee the development of skills and qualification policy for their occupational sectors
- The development of a National Qualifications and Credit Framework for England, Wales, and Northern Ireland to improve coherence and flexibility across post-19 vocational qualifications.⁵⁹

In response to the economic downturn, the United Kingdom has announced or implemented a variety of stimuli to increase training and employment. The Department for Work and Pensions has been allotted £1.3B GBP (\$2.1B USD), some of which will be used to strengthen pre-redundancy training programs and enable rapid re-employment. The Train to Gain programs will be expanded to provide more training and support to individuals in pre-redundancy situations to help them develop the skills needed for new employment opportunities (£350M GBP, \$576M USD). Aid will be given to get 500,000 new people into jobs or training and provide employers with a monetary incentive for every person they recruit and train who has been unemployed for more than six months. There is also guaranteed job training and work placements for all individuals 18-24 years old who have been unemployed for 12 months. To increase the number of training spaces available, £83M GBP (\$136M USD) will be offered to colleges and other training providers to create approximately 75,000 new spaces. Another £140M GBP (\$230M USD) will be used to create an additional 35,000 apprenticeship places within the private and public sector bringing the total number of expected new apprentices to approximately 250,000 over the next year. Assistance will also be provided for sectors such as environmental technology, advanced manufacturing, healthcare and education.^{60 61 62 63}

The United States

Context

VET in the United States is commonly referred to as *career and technical education* (CTE). CTE spans secondary, postsecondary, and adult education levels. Educational policy in the U.S. is decentralized to the 50 states and the majority of VET takes place within formal educational institutions, such as high schools, vocational schools, community colleges and technology and career centres.

Community colleges are the major providers of VET in the US, and generally receive a significant degree of latitude from states in creating their own curricula and programs, with the role of state governments being one of oversight, coordination and regulation of standards and credentials. The benefit of this approach is that community colleges can tailor their programs and courses to be more responsive to regional labour market and economic realities.

The US apprenticeship system is relatively small and disaggregated.⁶⁴ In 25 of the 50 states there is a federally recognized state apprenticeship agency which is directly responsible for registering apprenticeship programs that meet federal and state standards; while in the remaining 25 states, apprenticeship programs are overseen by the Federal government's National Apprenticeship System.⁶⁵

US employers also provide a very significant amount of investment in workforce development. The American Society of Training and Development, the world's largest association dedicated to workplace learning, estimated that in 2006 employers in the US spent \$129.6B USD on employee learning and development.⁶⁶

The re-authorization of the Carl Perkins Act in 2006 has brought about two key changes in the direction of VET policy in the US: workplace learning has been emphasized in

order to provide students with in-depth and relevant career exploration opportunities which aim to connect the educational system to the labour market, and the rebranding of vocational education to career and technical education.⁶⁷

Recent Investments

The US Recovery Act (February 17, 2009) is intended to preserve and create jobs and assist those most impacted by the recession. An additional \$4B USD of workforce funding was provided in the Act, and increased employment and training services have been designed to assist workers with re-skilling and re-establishing themselves in careers.

The stimulus package covers a myriad of training services, including: occupational skills training, on-the-job training, programs that combine workplace training and instruction such as registered apprenticeship, private sector training programs, skills upgrading and retraining, entrepreneurship training, job readiness training, adult education, and literacy.⁶⁸ Almost half of the non-college positions to be created under the stimulus package will require employer-provided classroom training for periods ranging from only a month to more than four years. A third will require at least six months of informal on-the-job training, and at least one quarter will require some kind of apprenticeship.

The Act provides \$750M USD in grants targeting worker training and placement in high growth and emerging industry sectors. Two-thirds of the funding is to be used for research, labour exchange, and job training projects that prepare workers for careers in energy efficiency and renewable energy industries. For remaining funds, priority will be given to projects that prepare workers for careers in the health care sector.⁶⁹

VET Policy Responses to the Economic Downturn and Planning for Recovery

	Australia	Canada	France	Germany	Ireland	New Zealand	Switzerland	Sweden	United Kingdom	United States
Targets										
• Unemployed persons	✓	✓	✓		✓	✓			✓	✓
• Youth			✓	✓	✓	✓			✓	✓
• Incumbent workforce	✓	✓		✓					✓	✓
• Underrepresented groups		✓								✓
• Regions										
• Sectors	✓				✓				✓	✓
Types of Investment										
• Grant funding	✓	✓	✓		✓	✓	✓		✓	✓
• Student financial aid	✓							✓		✓
• Training space increase	✓				✓			✓	✓	
• Wage subsidy	✓			✓					✓	
Key Goals										
• Retraining	✓	✓			✓	✓		✓	✓	✓
• Retention				✓	✓	✓				
• Up-skilling	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
• New jobs		✓	✓	✓		✓			✓	✓
Primary Delivery Channel(s)										
• Firms/Employers			✓	✓						
• Individuals		✓							✓	
• Educational Institutions/Providers	✓				✓	✓	✓	✓		✓
New or Existing Initiative(s)	New & Existing	New & Existing	New & Existing	New & Existing	Existing	New & Existing	Existing	Existing	New & Existing	New & Existing

Conclusion

The current global economic downturn has served as a prime opportunity to invest in workforce development. As this paper has sought to demonstrate, countries from across the OECD have positioned VET policies as key components of their economic recovery strategies and have designed them to help meet the expected labour market demands of the post-recession economy. There is, however, no one-size-fits-all approach and responses vary considerably across countries, accounting for unique labour market challenges and distinct VET systems. That said, as is typical with effective stimulus spending, many recent VET policy responses have adopted the "Three T" approach - that is - responses that are timely, temporary and targeted.⁷⁰

To respond to the immediate pressures associated with the global economic downturn, many countries enhanced existing policies and programs, operating within a one to three year time frame. Investments in new initiatives have targeted policy levers that typically require minimal program operational infrastructure— such as training bonuses and grants to individuals.

Many of the VET investments implemented by the countries profiled in this paper target the incumbent workforce with considerable focus on the workplace. These VET responses encourage upskilling and retraining of un- and under-employed adults, particularly in traditional sectors such as manufacturing and construction which have been significantly impacted by the downturn. These approaches, with their focus on the workplace, promote labour market attachment and employer engagement. In addition, several of these investments are delivered by regional governments and/or agencies ensuring demand-driven, targeted responses to local labour market challenges.

While youth in school have been less affected by the economic downturn, the opportunity to develop a cohort of skilled workers that will help drive economic recovery and future prosperity is significant. Recognizing this fact, youth are a targeted demographic for numerous VET policy responses, including investment in apprenticeship programs, post-secondary education, and pre-employment training.

This paper will be revised to reflect the discussion at the Canada/Alberta International Conference on Vocational Education and Training and will provide further input into the ongoing OECD *Learning for Jobs* project.

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