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Vocational training in five countries and its links with education and the labour market

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Vocational education and training

- **Traditional Meaning:**
 - **Work related preparation for specific jobs or occupations**
 - **Educational level less than a bachelor's degree (above this level professional education which is regarded as general education)**
 - **Preparation for immediate work not for subsequent education**

Vocational training in the past

- Only small minority of young people went to university
- Many countries (like US or UK) had developed vocational training systems
- Strong links between work and study - Access to well-paid occupations with high social prestige, access to “middle-class”
- Often high influence of social partners depending on the IR-System (Craft or Industrial unions)

Decline of vocational training

- Expansion of higher education
- High supply of well-qualified labour
 - ➔ less investment of companies in training
- Weak links between vocational training and general education
 - ➔ few opportunities for further study
- Weakening of trade unions and employer associations and subsequently weakening of links with the labour market
- Vocational training did not keep pace with **structural change** (no extension to services or no adaptation to flexible work systems)

Effects of the decline of vocational training

- **Shortage of vocationally qualified labour in the intermediate tier of workers with both practical and theoretical skills**
- **Bachelor degree required for middle management positions - less career possibilities for vocational qualified workers**
- **Universities are stepping into the breach – are providing courses with strong vocational content**
- **Many governments try to revitalize vocational training**

Research question

- Will there be a renaissance of vocational training?
- How can the links with the labour market established? Is this possible without the social partners playing a strong role?
- Is vocational training and general education better linked than in the past?
- **Project: Comparison of training systems in ten countries** (D, DK, F, USA, UK, CAN, AUS, Morocco, South Korea, Mexico)
- Here some results from: D, DK, USA, CAN, South Korea

Traditional typologies of training and education systems

- Reflect the situation in the 80's
- Example: Finegold/Soskice
 - Low (UK) and high skill (D) equilibrium
- Dynamics of change only understandable within the architecture of institutions
- Change: not rational redesign, but result of conflicts, negotiations, contradictory actions (Ashton/Green; Thelen 2004)

Exotic blooms:

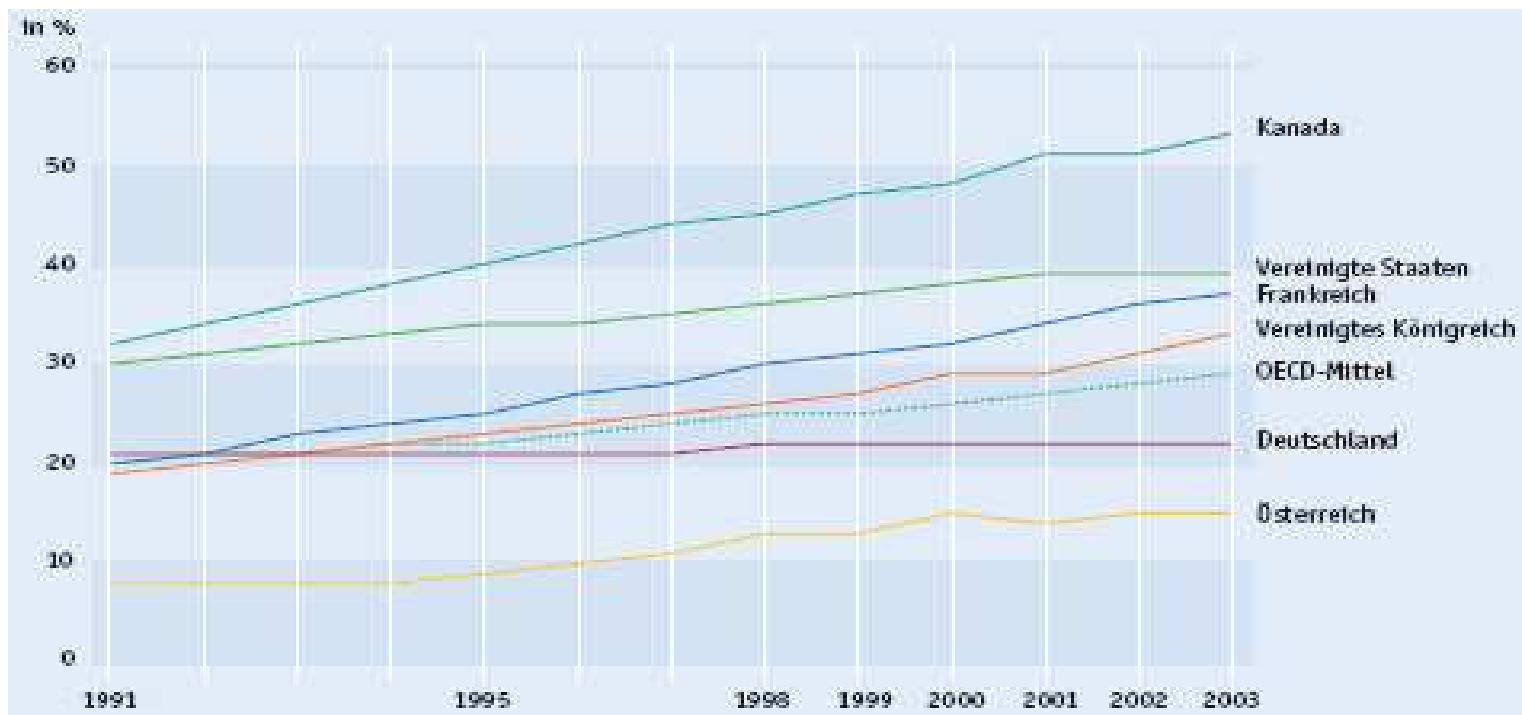
The dual systems of vocational training (D, DK) (I)

Similarities

- Systems are based on notion of broadly defined occupations → not on modules
- Training contract with a company
- Dual learning at workplace and in vocational schools
- Opportunities for upward mobility (master, technician, *Fachwirt*)
- Strong involvement of social partners (Design of occupations, implementation etc.)
- Trade union organization not based on job control
- Strong links with the labour market (recruitment, pay, work organization, careers)
- Vocational training remains attractive: Relatively low shares of graduates in tertiary education

Graduates in tertiary education

Graduates in tertiary education in % of age cohorts 25 to 35 years
1991 to 2003



Exotic blooms:

The dual systems of vocational training (D, DK) (II)

Similarities

→ **Problems:**

- Declining willingness of companies to train
- Falling reputation of VT: VT is losing some of the best young people
- Introduction of flexible work organization

→ **Policy answers: Modernisation of VT:**

- Creation of new occupations, merging highly specialized occupations, change of learning methods (team based training in projects)
- Improvement of links between VT and general education: new possibilities for subsequent education

Exotic blooms:

The dual systems of vocational training (D, DK) (III)

Differences

- **Size of the system** (DK 1/3, D 2/3 of age cohorts)
- **Dual systems are based on different school systems**
(D early tracking of pupils through more elitist education system)
- **DK less and broader occupations**
(DK 85, D 365 occupations)
- **Influence of social partners much stronger in DK**
- **Levy grant system in DK introduced to combat free-riding**

USA and Canada (I)

Apprenticeship systems

- Based on collective agreements
- Not formally integrated into the education system
 - ↳ state plays marginal role
- Decentralized collective bargaining
 - ↳ no strong federal unions or employer associations
- 1980's: Creation of National Skill Standards Board in USA, Labour Force Development Board in Canada
 - ↳ **Failure:** No creation of national standards
- Craft unions locked into fights on demarcations
 - ↳ barriers to flexible work organization, no extension to service sector
- Number of apprentices fell with the decline of unions

USA and Canada (II)

- **Today most vocational training school-based - USA 2000:**
 - ▶ 16,2% of credits earned in US High Schools were vocational,
 - ▶ 45% of undergraduates enrolled in community colleges of those 65% in vocational programmes
- **Vocational programmes in high schools and colleges were designed for immediate work after school → were terminal**

USA and Canada (III)

- **Changes: Increase in the minimum acceptable level of education**
 - ➔ **„College for all ethic“: vocational training in High Schools only acceptable if it also prepares for college**
 - ➔ **Move towards „Bachelor for all ethic“: vocational training in two year College has to prepare for transfer to four year College**
 - ➔ **Increasing number of vocational tracks at bachelor level (25% in Canada)**
 - ➔ **Distinction between vocational and general education blurred**
- **Weak links with labour market: Vocational certificates only signals for skill level (However strong links for professions like doctors and lawyers)**
- **Compensation for the lack of practical learning courses for integration into employment („reverse learning“)**

South-Korea (I)

- Major role of education and training in fast development of South Korea -
- Government led skill formation system
- 2004 public expenditure on education 8,2% of GDP
- Primary education generalized in late 50's, middle school in 1985, high school late 90's
- 2002 65% of 25 – 34 years old at least upper secondary education – top ranked among OECD countries
- Until 1995 “enrollment quota” for higher education
- Access to good jobs only with a university degree

South-Korea (II)

- Vocational Training school based
- Vocational tracks in high schools and colleges
- High state investments in vocational tracks
- Declining share of pupils in vocational tracks
(High schools from 41,2% 1997 to 29,1% 2004)
- Since 1996 vocational training in high schools no longer “terminal”
- Increasing advancement rates to university
(80% of high school graduates go on to university
→ much lower advancement rates from vocational tracks)
- Lack of involvement of employers in vocational training
- No link between vocational training and the labour market: graduates from vocational tracks in High Schools and Colleges enter LM as unskilled workers

South-Korea (III)

- **Korea's strategy of industrialization required trained work force**
 - ▶ **1976 levy exemption system was introduced**
→ 6% participants
 - ▶ **Reform in the 1990's: Employment insurance system (EIS): levy grant system**
 - ▶ **EIS is government controlled → no influence of social partners**
- **State develops standards for vocational training by Human Resources Development Service (HRD) → not accepted in the labour market**
- **Highly dualistic labour market (52% irregular workers)**
- **Decentralized industrial relations**
- **In-company training mostly covers regular workers**
- **Seniority-based wage systems reduces incentives for training**

Conclusions (I)

■ Research questions:

- Renaissance of VT?
- Links with education and the labour market?

● Some answers

- All countries try to raise the status of VT. Countries with school-based systems are experiencing greater difficulties
- Attractiveness of VT depends on links with the labour market
- National corporatism decisive for setting standards → local corporatism necessary for implementation of VT
- When social partners are weak: state has to step into the breach → cannot establish links with labour market

Conclusions (II)

- **New Meaning of Vocational Training**
 - Preparation for immediate work and for subsequent education
 - With raising educational levels differentiation between vocational training and professional education gets blurred → more in school based than in dual systems
 - Some countries: Craft unionism has shifted up a level into professional organizations of doctors, lawyers, teachers etc. → creates links with the labour market

Conclusions (III)

- **Rethinking of traditional typologies**
 - **Typologies have to take into account the architecture of important institutions like**
 - **Vocational training system**
 - **General education systems**
 - **Employment system**