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### **BusinessEurope priorities for reforms to vocational education and training systems**

#### **Introduction**

This note provides BusinessEurope's insights and priorities for the reform of national vocational education and training (VET) systems through a coordinated framework at EU level, while simultaneously respecting member state competences in the field of education and training. These priorities have been developed in view of the Commission's action plan for the implementation of the European Pillar of Social Rights and relate to principles one (education, training life-long learning) and four (active support to employment).

#### **Proposed action**

BusinessEurope calls on the European Commission to include in its Action Plan to implement the European Pillar of Social Rights support to member states that enables them to undertake the following priority actions, taking into account the context of their national labour markets and education training systems:

- Enhance the quality and effectiveness of VET provision, both initial and continuous, through involving employers in the timely updating of curricula and qualifications in order to better take into account changing labour market needs. Benchmarking and mutual learning approaches should be better utilised to this effect.
- Fully utilise financial resources, particularly those available through the Recovery and Resilience Facility, to invest in skills provision and attainment. The national recovery and resilience plans should identify investments in skills as one of the priorities and be devised and implemented in cooperation with social partners. Particular attention should be paid to the attainment of STEM and digital skills, as well as the infrastructure that would facilitate online and blended learning.
- It is important that the reform of VET systems is undertaken in full consultation with, and the active involvement of, employers, taking into account national practices. This includes promoting the role of employers in the design and delivery of VET, and giving sufficient flexibility to public authorities and social partners at the national and regional level to orient the structure and content of training programmes to the needs of employers and workers within their labour market context. Appropriate support and incentives (financial and non-financial) should also be envisaged to help companies and social partners to fulfil this role.

#### **EU level context and the way forward**

The overarching context for a coordinated approach to reforms at the EU level, including in the area of labour markets and VET, is the European semester process. The undertaking of reforms identified through the semester can be further supported by the Structural Reform



Support Programme and the EU's financial instruments. In the area of education and training, the new Recovery and Resilience Facility (RRF) and the focus of the flagship area on up and re-skilling, especially as concerns digital skills, is helpful in this respect. It is also welcome that the Commission Communication on "Achieving the European Education Area by 2025" identified that funding available through the RRF will provide "major support to education reforms and investments in education, from infrastructure and construction to trainings, digital devices or the funding for open educational resources." Likewise, there is money available for investing in education and training through the European Social Fund+ (ESF+) as part of the EU's multi-annual financial framework for the period 2021-2027.

In turn, the specific context for VET policies at the EU level is provided by the recently published EU Skills Agenda and its accompanying Council recommendation, as well as initiatives that aim to provide strategic orientation to the EU's VET policy and cooperation in education and training more broadly. Namely, this concerns the Osnabruck Declaration and the communication on a European Education Area.

BusinessEurope views the role of the new Skills Agenda as contributing to putting in place an EU framework that supports reforms, mutual learning and exchanges. One element of the Skills Agenda is the proposed Council recommendation on VET, which aims to renew and modernise the EU's VET policy. BusinessEurope recognises the value of the European semester and the strategic orientation that is provided by initiatives such as the Skills Agenda, Osnabruck Declaration, European Education Area and European Research Area to provide a framework within which member states undertake reforms to their education and training systems. Such reforms should be underpinned by the full involvement of relevant stakeholders, especially social partners, taking into account national labour market and education and training circumstances, in order to design and implement reforms in the most effective way over the medium and long term. In this respect, BusinessEurope sees particular relevance in reforms that aim to enhance the labour market relevance of VET; develop and strengthen apprenticeship systems; and promote VET as a first choice education and training option. To achieve this there needs to be a strong degree of coherence between the strategic framework and the EU's relevant financial tools, Notably the RRF, ESF+ and the REACT-EU fund in the shorter term.

### **Specific policy context**

#### Enhancing the labour market relevance of VET

##### a) A joined-up approach

The aim of enhancing the coherence between EU level VET policies and strategies and the funding instruments should be to create stronger ties between labour markets and education and training systems through putting more emphasis on learning outcomes and employability in order to foster education to work transitions, to guide up-skilling and re-skilling and to overcome skills mismatches and labour shortages. In this respect, EU level benchmarks could play a positive role to support member states' reform agendas.

The bench-learning process that is being introduced to assist apprenticeship reforms at national level is a good practice that could be used as an inspiration to steer and support the necessary reforms to improve training access for adults. Additional data and a more evidence-based approach to policy making could be particularly helpful in VET. For example, it could be useful to benchmark the following:

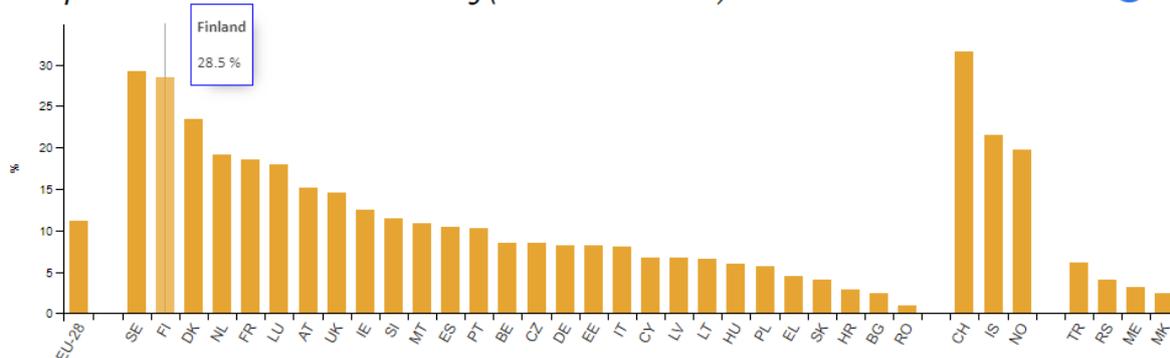


- Timeliness and effectiveness of education and training systems in terms of updating qualifications to changing jobs demands;
- Effectiveness of training provided by governments to inactive and unemployed people to support transitions back to the labour markets;
- Availability and effect of public financial incentives to encourage enterprises and workers to invest and participate in skills training opportunities;
- Governance and responsiveness of training markets and actors to changing labour market needs.

b) Governance and support structures

There is good evidence that access to training, including in the form of continuous VET, in the EU is highest in countries where there is a strong social partnership.

Participation rate in education and training (last 4 weeks - 2018)



Source: Eurostat (online data code: trng\_lfse\_01)



This article provides an overview of adult learning statistics in the [European Union \(EU\)](#), on the basis of data collected through the [labour force survey \(LFS\)](#), supplemented by the [adult education survey \(AES\)](#). Adult learning means the participation of adults aged 25-64 in education and training, also referred to as [lifelong learning](#). For more information about this subject, please also see the article [Adult learning statistics - characteristics of education and training](#).

In general, lifelong learning encompasses all purposeful learning activities, whether formal, non-formal or informal, undertaken on an ongoing basis with the aim of improving knowledge, skills and competences. The intention or aim to learn is the critical point that distinguishes these activities from non-learning activities, such as cultural or sporting activities.

A flexible training market is helpful to identify skills needs because the flexibility presupposes that training providers are able to perceive changing training demands and to respond quickly to new skills needs. This flexibility can only be achieved by an exchange between companies and training providers. Social partners can promote the dialogue between training market and labour market by bundling the interests of their members. Alternatively, social partners can act as an intermediary and communicate the needs of their members to the training providers.

Consequently, within national education and training structures, social partners should have the possibility to be more actively involved, where this is not already the case, in the design and implementation of VET curricula, as they can best assess what skills are needed on the labour markets. Equally, member states, in partnership with VET providers, employers and



social partners, should ensure that teachers and trainers, in schools and enterprises, are adequately trained and able to update their skills and competences to train VET learners in accordance with the latest teaching methods and labour market needs.

In addition, career guidance in education is crucial to help students make informed education and labour market choices. It is also vital for those already in the labour market with a perspective to up and re-skilling. Therefore, public employment services, education and training providers as well as employers have a role to play in providing such advice and support. To be effective, advice should be personalised and holistic, taking into account what skills are in demand, and to match these against an individual's personal circumstances, skills, abilities and preferences.

#### Developing and strengthening apprenticeship systems

Initial VET, notably apprenticeships, plays an important role in the achievement of transversal and subject specific and entrepreneurial skills, but also in STEM and digital skills, which are in high demand by employers. Information from EU-level benchmarks (see above) could be used to help enhance the image of apprenticeships. Such information could be combined with European and national level initiatives to promote the excellence and attractiveness of VET through awareness raising campaigns, including the European Vocational Skills Week. Such campaigns would also benefit from enhanced cooperation with relevant organisations that already undertake such work, notably World Skills Europe.

Member states should make use of available funding streams, notably including the youth employment initiative, to establish or adapt their apprenticeship systems to make them more attractive for employers and to support an easier integration of young people into the labour market. In this respect, ESF resources should support member states in implementing the 2018 Council recommendation on quality and effective apprenticeships. This particularly concerns working towards the aim that at least half of an apprentice's training time should be spent in the workplace, noting that the more time apprentices spend in companies the higher the costs that companies incur which also necessitates a cost-effective approach to the governance of apprenticeship systems.

#### STEM and digital skills

##### a) STEM skills

STEM skills are increasingly required by employers across a broad range of sectors and will have an important role to play in the digital and green transition. For example, the European Centre for the Development of Vocational Training (CEDEFOP) forecasts that by 2025 employment in STEM-related sectors will have increased by around 6,5% compared to 2013. In this respect Europe does have a competitive advantage compared to the US where just 4.4% of undergraduate degrees were in engineering, compared with 13% in Europe. However, the figure jumps to 23% in Asian countries.

Improving the attainment of STEM skills should be a key priority for up and re-skilling initiatives. These skills help to foster innovation as well as systemic and critical thinking in a number of areas and are not confined to four subjects alone. Therefore, BusinessEurope strongly supports the need to increase the number of STEM graduates and advocates that 25% of all tertiary graduates should study STEM-related subject areas by 2030 (it is currently around 21%). Important for reaching this target is to arouse pupils' and students' interest for STEM



subjects and to increase female participation in tertiary level STEM subjects and their following job/career choice.

#### b) Digital skills

The Skills Agenda rightly identifies digitalisation and the green transition as key focal areas for up and re-skilling initiatives. These developments are having a significant impact on production processes and service provision and it is crucial that workers have the skills needed to adapt to the changing nature of work.

In particular, by 2025, 90% of all jobs are projected to require some level of digital skills. At the same time, around 37% of workers currently lack basic digital skills. Digital skills are increasingly required across all sectors of the economy and in a range of emerging occupations, such as cyber security specialist and big data manager. There are different types of digital skills that are needed, such as what could be termed “digital soft skills” in terms of using the internet, creating a website or an app and basic coding. There are also the “harder digital skills” of computer programming and advanced coding.

Therefore, it is essential that priority is given to investments that support governments (national/local); social partners and companies to make the best possible use of new technologies in education and training, both in terms of the learning process (modern infrastructure/equipment allowing for digital /distant / interactive / intuitive learning methods) and to improve learning outcomes (focusing on training that delivers the skills that are in high demand on our labour markets, notably digital skills, as well as transversal/social/linguistic skills). The Covid pandemic has only served to reinforce the relevance of such investments.

The Council Recommendations that were announced in the new Digital Education Action Plan on improving the provision of digital skills in education and training and on online and distance learning for primary and secondary education could play an important role in facilitating the provision of and access to digital skills and learning. In particular, it would be important that the future proposals include recommendations aimed at encouraging the design of education and training pathways in digital technologies that combine second and third-level education with applied workplace skills, and that involve strong engagement of employers with the school and higher education systems.

#### Transversal skills

VET, notably apprenticeships, plays an important role in the achievement of transversal and entrepreneurial skills, which are also in high demand by employers. These include skills such as creativity, persuasion, leadership, collaboration, adaptability, the ability to analyse and innovate, problem solving, organisational skills and time management.

Learning to learn is also an essential skill that can be developed through VET. People need to be encouraged to feel more responsible for their learning and work trajectories. They need to be given the means to think for themselves and learn continuously in their lives to increase their employability.



## National examples of VET reforms and practices

### Finland

For decades, all the reforms in Finnish VET have aimed to strengthen a learning-outcomes-based approach and work-based learning. The 2018 reform to the VET system saw a decrease in the number of qualifications, while the content of qualifications was broadened to support individual learning pathways and to enable more rapid responses to the changing competence needs in working life. Each student now has the possibility to design an individually appropriate path to finishing an entire qualification or a supplementary skill set. The primary importance is on what the student learns and is able to do.

### France - Reforming initial and continuing vocational training

Introduced in September 2018, the “*Bill for the freedom to choose one’s professional future*” aims to radically transform the French initial and continuing vocational training system. Governance, financing and tools have been redefined. The law places the individual at the centre of the system. It aims to meet the skills needs of businesses better and to promote access to training for all workers, especially the least qualified. The law also includes new arrangements for the governance, financing and rules of apprenticeships. The aim is to develop a training system more reactive to labour market needs and create more opportunities for young people to engage in apprenticeships training.

### Germany - Act on the Promotion of Continuing Vocational Training in Structural Change

This act came into force in May 2020 and strengthens the promotion of initial and continuing vocational training. The support quotas for CVET have been increased depending on the size of the company. The instruments for promoting IVET have been made more flexible: every learner in need of further assistance for successfully completing the vocational training can receive tailored support to their specific challenges.

### Ireland – National skills bulletin

A useful practice in the use of labour market intelligence for updating education and training curricula is the approach in Ireland whereby skills shortages are identified annually in the National Skills Bulletin. The Irish National Skills Council aims to address skills mismatches and labour shortages through gathering research and intelligence via an expert group on Future Skills Needs, the Skills and Labour Market Research Unit, and network of 9 Regional Skills Fora.

### Poland – Upgrading employees’ competencies and qualifications

In 2019, Lewiatan presented a proposal to establish Competitiveness and Qualifications Fund (FPKiK) at the employer level, financed from a part of contributions paid to the Labour Fund and the employer’s own contribution. In Poland, the majority of the working age population has not updated or developed their competences. The initiative is at the stage of discussion within the Social Dialogue Council.

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