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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

Quelle: Konsortium Bildungsberichterstattung (2006): Bildung in Deutschland, S. 31
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 loosing 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 alt 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 form vocational tracks in High Schools and Colleges enter LM as unskilled workers
South-Korea (III)

- Korea’s strategy of industrialization required trained workforce
  - 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