Vocational education and training and the Great Recession: supporting young people in a time of crisis

Jason Heyes

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European Trade Union Institute
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Executive summary

During the past five years measures to lower short- and long-term unemployment rates have been core features of macroeconomic and labour market policies in most European countries. The high rate of job destruction has severely affected the most disadvantaged groups in the labour market, particularly temporarily employed workers and young people. A slow rate of job creation has made it more unlikely that members of these groups will succeed in finding (first) jobs and in making suitable and sustainable labour market transitions.

Young people aged between 15 and 24 are often in transition from school to work and it is hardly surprising that one ‘exit strategy’ adopted among this group so as to avoid long spells of unemployment has been to return to education or enter on a course of training. Such behaviour represents a means of postponing labour market entry in the hope that conditions will improve, and of meanwhile investing in the acquisition of knowledge and skills likely to improve the chances of finding more suitable jobs with better skills matches.

Training and education policies have, accordingly, received strong support at European and international levels. Emphasis has been placed on Initial Vocational Education and Training (IVET) and apprenticeships – which enable workers to gain a foothold in the labour market – and on Continuous Vocational Education and Training (CVET) which is important for maintaining their employability. In many countries, promoting enrolment in IVET is no straightforward task, however, for young people believe it to be inferior to higher education, while some may also be put off by the frequently complex nature of IVET systems. European level-initiatives have thus been devised to make VET systems more easily comparable, compatible and easy to navigate across countries. The aim has been to stimulate enthusiasm for VET while increasing workers’ mobility – another high priority for youth labour market policies pursued at the European level. Similarly, the principle of allowing young people to alter their choice of educational establishment, or to combine general skills’ acquisition with occupation-specific educational paths, has been promoted to reduce skills supply segmentation within the labour market.

The crisis brought under the spotlight countries that proved able to avoid large increases in youth unemployment – and these countries turned out to be those with well-established apprenticeship and VET systems. Several European and bilateral initiatives were taken in order to encourage mutual learning (e.g. European Alliance for Apprenticeships).

But how have EU member states responded to the dire economic and social situation and to the international call to improve IVET opportunities for young people? Has the crisis provoked a convergence of strategies across member states? Have the changed circumstances altered the governance of VET institutions, or the actors involved?
The report set outs to answer these questions by providing a detailed overview of several European countries and their VET policies before and after the onset of the crisis.

The report shows that social security reductions for employers hiring apprentices have been widespread as policy makers have sought to encourage VET and the creation of apprenticeships. Yet several countries have seen a substantial reduction in numbers of companies providing training, accompanied by spiralling redundancies among apprentices, indicating low commitment among employers – particularly in market-led VET systems – to providing apprenticeship opportunities. Furthermore, the report draws attention to changes in the governance of VET that are attributable, in the main, to decentralisation and associated opportunities for stronger social partner involvement in local-level VET activities.

The report concludes that, while considerable discussion and activity has been seen at the European and national levels, far more needs to be done to support young workers’ initial transitions from education and training into work, as well as to improve the quality of the job opportunities available to them.
1. Introduction

The economic crisis that erupted in 2008 presented policymakers with a number of substantial challenges. Some of these challenges, such as the failure of key financial institutions and the prospect of a more widespread financial collapse, were relatively short-lived. Others have proved longer-lasting. The widespread increase in unemployment and inactivity among young people aged between 15 and 24 years is a prime example. The average EU27 unemployment rate for people in this age group stood at 15.6 percent in 2007 and reached almost 22.8 percent in 2012 (Eurostat). The percentage of young people who were NEET (not in education, employment or training) increased from 11 to 13 per cent over the period. The prospects for young people have deteriorated to the greatest extent in those EU member states that have experienced the greatest financial distress (e.g. Spain and Ireland), but few EU economies have been immune. NEET rates were greater in 2012 than in 2007 in every EU member state, with the exceptions of Germany, Austria and Malta. The social and economic costs of young people’s detachment from the labour market are considerable. According to estimates provided by Eurofound, the total weekly cost of NEETs to the economies of Europe increased from €2.3 billion in 2008 to almost €3 billion in 2011 (amounting to a total annual cost of €153 billion in the latter year, or 1.2 per cent of GDP) (Eurofound 2012: 87).

One of the most pressing questions currently confronting policymakers is how to integrate young people without jobs, education or training into the labour market and avert the threat of a ‘lost generation’. Vocational education and training (VET) has taken on an additional significance in this regard and many EU member states have taken steps to provide additional financial and institutional support for activities relating to VET, including apprenticeship training and internships. These measures have been implemented alongside other active labour market programmes (ALMPs) for young unemployed people and other unemployed workers. Since 2008, international agencies have regularly stressed the importance of pursuing a training-intensive path to recovery. The OECD (2009a: 19), for example, has recommended that countries should increase expenditure on labour market policies so as to ‘provide workers with the skills that will be needed as the economy recovers, including through the use of compulsory training programmes’ and has argued that training programmes are more appropriate than ‘work first’ measures for vulnerable unemployed workers. In a similar vein, the G20 Labour and Employment Ministers meeting in May 2012 concluded that countries should promote and strengthen apprenticeship systems and share experiences relating to the design and implementation of apprenticeships. These views were subsequently endorsed at the June 2012 G20 Leaders Summit (Steedman 2012).
Training activity is sensitive to economic downturns. Organisations facing reduced demand and uncertain futures may be tempted to reduce their costs by cutting training expenditures. Firms also become less inclined to take on apprentices during downswings (Brunello 2009; Felstead and Green 1996). VET therefore becomes most crucial in periods when employer support for apprenticeships and other forms of training is likely to be at its lowest. Additional state actions to support training activity are therefore essential at such times.

This report reviews developments in relation to VET since the start of the crisis. It focuses predominantly on Initial Vocational Education Training (IVET) and labour market measures aimed principally at young people. Developments relating to Continuing Vocational Education and Training (CVET), receive less attention. Furthermore, while apprenticeship and other IVET programmes in certain countries (for example Denmark and the UK) are available to ‘adult’ workers aged 25 or over, young people between the ages of 15-24 years are the typical target group for such programmes and the focus of the report is therefore largely restricted to young people.

Section 2 of the report provides a brief review of relevant literature and the current policy context. Section 3 investigates the extent to which participation rates in VET and employer support for apprenticeships in EU member states have changed since 2008. In Section 4 a more detailed investigation is provided of changes in government policies, institutions and investments relating to vocational training in different EU member states. The report concludes by drawing out the implications of policy shifts and actions at European and national levels for the achievement of EU social policy goals and the labour market transitions of young people.
2. VET in the EU

The term ‘vocational education and training’ (or technical and vocational education and training) can be thought of as referring to the ‘acquisition of knowledge and skills for the world of work’ (Hollander and Yee Mar 2009: 41). This process of acquisition can occur within the education system (mainly at upper-secondary level) and through post-compulsory education and training. VET is, however, subject to a degree of conceptual ambiguity, given that universities also prepare young people for the participation in the world of work (Bosch and Charest 2010: 1). Furthermore, while there is a clear distinction between VET provision and general education in some countries, in others they are more closely linked (Bosch and Charest 2010). Indeed, across the EU there is considerable diversity in relation to national education and training policies and institutions, the relationship between general and vocational education, and the relationship between vocational training and the labour market (Bosch and Charest, 2010). Participation rates and educational outcomes also vary. Participation in ‘lifelong learning’ tends to be consistently high in countries such as Sweden, Denmark and the Netherlands and consistently low in countries such as Romania, Bulgaria and Greece (Heyes and Rainbird 2009).

Numerous efforts have been made to categorise national VET systems. Researchers have tended to focus on the extent to which how responsibilities for VET are distributed among the state, employers and trade unions and the extent to which training takes place in the school or the workplace (e.g. Lynch 1994). For many researchers, the end-point has been to identify national economies as examples of different ‘models’ of VET. Campinos-Dubernet and Grando’s (1988) overview of IVET, for example, distinguished between a ‘competitive vocational model’ (e.g. the UK) and an ‘education model’ (e.g. France and Germany). In the former, the number of young people trained and the quality of training provided depend on the actions of individual employers. In the latter, methods of training are more standardised and training is less susceptible to short-term changes in economic circumstances. In a similar vein, Winterton (2000) categorised the structures and processes of VET in different EU countries according to whether training takes place primarily in schools or workplaces and whether training is regulated by the market or the state. According to Winterton, ‘in terms of its locus, VET is mostly industry-led, with the workplace playing a major role in Britain and Germany, whereas training is education-led and centred on vocational schools in Italy and France’ (Winterton 2000: 31).

A number of comparative studies (for example Ashton and Green 1996, Brown et al. 2001, Whitley 1999) have analysed linkages between national skill
formation and production systems and examined the extent to which decisions relating to training are discussed, negotiated or co-determined by employers and worker representatives. On the basis of such considerations, the UK’s VET system has been identified as an example of a ‘voluntarist’ or ‘market-led’ model of VET, in which decisions relating to training are generally left to employers, with trade unions having little formal involvement (Ashton et al. 2000; ILO 1998). By contrast, training systems in countries such as Austria, Germany, Denmark and the Netherlands, where employers and unions have a formal role in the regulation of training, have been defined as ‘corporatist’ or ‘co-operative’ (ILO 1998: 69). Corporatist training systems tend to be associated with relatively strong apprenticeship programmes, relatively high levels of participation in other forms of ‘lifelong learning’, and skill-intensive production methods (Bosch and Charest, 2010). Market-led systems, by contrast, encourage an emphasis on relatively low-level general skills and under-investment in training (Ashton and Green 1996).

The relationship between training, employment and competitiveness has been at the centre of European social policy debates for the past three decades. European strategies for competitiveness and growth, as enshrined in the Lisbon Agenda and Europe 2020 initiatives, have emphasised that the EU’s ability to adapt in the face of globalisation, technological change and the growth of knowledge-intensive occupations will require increased investment in skills and knowledge and improved ‘lifelong learning’ opportunities. Various education and training initiatives have been launched in an effort to boost education and training. These have included the ‘Education and Training 2010’ work programme adopted in the early 2000s and directed at making the European approach to education and training a ‘world reference’ and, more recently, the New Skills for New Jobs initiative, which was launched in 2008 and is intended to bring about an improved match between the supply and demand for skills 1.

The European Commission has also claimed that education and training are the principal means by which workers can achieve employment security, an assumption that underpins the European Commission’s concept of flexicurity, which has come to dominate its employment policy prescriptions (see Burroni and Keune 2011; Heyes 2011). Skills development and flexicurity-oriented reforms are central to the European Commission’s Agenda for New Skills and Jobs, which was launched in 2010 with the aim of facilitating the achievement of the EU’s employment target for 2020 (75 per cent of all 20-64 year olds to be in employment) and also includes measures to improve job creation and job quality 2.

The competence of the European Commission in relation to VET is constrained. Article 166 3 of the Lisbon Treaty stipulates that member states of the EU retain sole responsibility for the content and organization of vocational training

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2. Despite the similarity of their names, the Agenda for New Skills and Jobs and the New Skills for New Jobs initiative are separate but related developments, with the former having a wider scope.
provision within their national borders, and explicitly rules out an imposed ‘harmonisation of the rules and regulations of the Member States’. One consequence is that the issue of an imposed ‘right’ to training, as enshrined in the Social Charter, has largely disappeared from the policy agenda. The emphasis on rights contained in the Social Charter has been replaced by the introduction of ‘guidelines’ that are intended to inform the policies of national governments in the areas of training, employment and social protection. The abilities of the social partners to bring about substantial improvements are also hamstrung in key respects. While the social partners have since 1991 been able to substitute binding agreements for proposed legislation by the Commission, the Maastricht Protocol on Social Policy states that this does not apply to vocational education and training (an exception which is consistent with Article 166 of the Lisbon Treaty). Furthermore, agreements and joint declarations agreed at inter-sectoral and sector levels are not binding on affiliated organizations.

Given the reliance on the voluntary efforts of national governments and other social actors to bring about change (through the open method of coordination), it is unsurprising that the impact of European initiatives in respect of IVET and CVET in the period before the crisis was limited and patchy (Heyes and Rainbird 2009). This is not to say that EU-level developments have not been important. Since 2002 the European Commission has developed principles and guidelines to enhance the comparability and transferability of qualification and improve training quality. Key ‘common European tools’ include the European Qualifications Framework (EQF), the European Credit System for Vocational Education and Training (ECVET) and the European Quality Assurance Reference Framework for Vocational Education and Training (EQAVET) and European Skills/Competences, Qualification and Occupations (ESCO). These have given orientation to the development and reform of national qualifications frameworks by EU member states. In addition, the Leonardo da Vinci (2007-13) and Erasmus-Plus (since 2013) programmes have provided support for national education and training providers to work in partnership with providers in other EU member states to develop and deliver education and training initiatives that help support progress towards high-level EU targets.

Since the beginning of the crisis, there are signs of a more concerted effort on the part of national governments to substantially improve training provision, particularly for young people. Germany’s success in maintaining a comparatively low rate of youth unemployment has encouraged policy makers in other EU member states to attempt to mimic German policies relating to IVET. In 2012, six EU member states (Italy, Spain, Portugal, Greece, Latvia and Slovakia) set out to reform their initial vocational training systems along German lines. They signed a ‘Memorandum on Cooperation in Vocational Education and Training in Europe’ with Germany, which agreed to provide technical assistance and financial support amounting to €10 million in 2013 and 2014. The aims of the reform programme include improving the quality

and attractiveness of VET, increasing social partner involvement in training and enhancing mobility via a number of related measures, including an exchange programme that will enable 30,000 apprentices to undertake some of their training in Germany, 30 regional training networks, and a ‘peer learning’ online platform, which will provide access to examples and advice. The German government has called upon German firms with subsidiaries in the six EU member states to take the lead in the creation of the apprenticeship networks.

Other initiatives have been developed at European level. In July 2013, the European Commission, the peak-level social partner organisations and the Lithuanian Presidency of the Council of the European Union signed a European Alliance for Apprenticeships, in which they pledged to take action to promote and modernise vocational education and training. The European Commission undertook to raise awareness of good practices and encourage Eurochambres and other stakeholders to implement measures to achieve the aims of the Alliance. The social partners undertook to take steps to raise awareness of the benefits of vocational training, increase the quantity of apprenticeship opportunities and enhance training quality. The European Alliance for Apprenticeships is intended to support the aims of the European Commission’s ‘Youth Guarantee’ recommendation to member states\(^6\), which is intended to ensure that all young people under the age of 25 are offered a job or training opportunities within four months of leaving education or becoming unemployed (European Commission 2012a). All EU member states have been called upon to support the Youth Guarantee by developing ‘partnerships’ (involving, for example, training organizations and employers), implementing more effective active labour market programmes, cutting the non-wage costs of employing young people and using targeted wage and recruitment subsidies to encourage employers to offer apprenticeships, traineeships and job placements. European structural funding has been made available to co-finance Youth Guarantee schemes. The Youth Guarantee has been endorsed by the EU member states, which have been directed to implement measures at the earliest opportunity. In January 2014, €6 billion will become available for those countries most severely affected by youth unemployment. An additional €7 billion will be available from the European Social Fund to support integration measures for young people\(^7\).

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6. The new recommendations are the latest in a series of attempts by the European institutions to encourage member states to ensure more effective school-to-work transitions. In 2005, the European Council agreed that every young unemployed person should be offered a ‘new start’ before reaching six months of being unemployed. In 2008, the Council cut the time period to four months in the case of school leavers. In 2010, the notion of a Youth Guarantee was introduced by the European Parliament, which urged the European Commission, Member States, the social partners and other stakeholders to ensure that every young unemployed person would be offered employment, an apprenticeship, additional training or combined work and training by the time they had been unemployed for four months. The Parliament’s call was followed by European Commission communication entitled Youth on the Move, which called upon the EU member states to implement Youth Guarantees.

The Youth Guarantee was introduced by the European Parliament in 2010 but two years later the extent of action by member states was deemed by the European Commission to have been ‘very limited’ (European Commission 2012a: 7). More recently, however, there have been signs of progress. Six Member States (Czech Republic, Croatia, Lithuania, Luxembourg, Poland and Slovakia) have submitted a draft implementation plan to the Commission for comments. Other member states are working on their own implementation plans, with the exception of the UK, which has chosen not to submit one.

The Commission hopes that the Youth Guarantee will be accompanied in due course by the implementation of a ‘European Quality Framework on Traineeships’, which has been developed in order to curb the exploitation of interns/trainees. The Commission is concerned that organizations that take on young people as interns or ‘trainees’ (as opposed to genuine apprentices) should provide them with opportunities to undertake training and a clear statement of their entitlements. The objectives of the Framework include the conclusion of written agreements between trainees and their employer (and/or a training organization) encompassing the objectives and duration of any training and any associated remuneration (European Commission 2012b). However, the Framework will not be binding and will impose no obligations on member states, other than to provide the Commission with an annual report on their progress.

The European Commission claims that greater social partner involvement in education and training initiatives is an important pre-requisite for effective training reforms. Social dialogue involving the peak-level social partner organisations (ETUC, BUSINESSEUROPE, CEEP and UEAPME) has increased in relation to VET. The social partners have, for example, been involved in consultations relating to the Youth Guarantee, the Alliance for Apprenticeships and the Quality Framework for Traineeships. Although there has not been a consensus regarding the desirability of the framework for traineeships (in broad terms, the ETUC is supportive and the employer organisations are not), the social partners have expressed a willingness to cooperate in European policy initiatives. In summer 2013, the social partner organisations concluded their own framework of actions, in which four priority areas for action were identified: learning, professional transitions, employment and entrepreneurship. In October 2013, the social partners and Androulla Vassiliou, the European Commissioner responsible for education and culture, set out priorities for cooperation in relation to education and training, including improving the quality and attractiveness of VET, lifelong learning, development of curricula, school-to-work transitions and the investment and funding of education and training. Specific areas for cooperation include the European Alliance for Apprenticeships.

The social partners have also taken their own initiatives to promote VET. The ETUC recently undertook a one-year project that was intended to enhance the role of trade unions in relation to workplace learning by developing their capacity to advise workers and engage with employers. A further recent project has examined apprenticeships and work-based learning in a number of EU member states and the role that unions play in the design and delivery of training. On the basis of the comparative research, the ETUC issued a number of recommendations for enhancing the quality of work-based learning provision and improving conditions and entitlements for apprentices.

3. Participation in training since the start of the crisis

This section examines changes in participation in IVET before and after the start of the crisis. Table 1 provides information about the participation rates of young persons aged 15-19 years in formal education and training. The figures capture both IVET and other forms of education and information is given for young people in employment and young people not in employment. Participation by those in employment varies considerably between EU economies, being particularly high in Denmark and the Netherlands and particularly low in most Mediterranean and Central and Eastern European countries. Average participation by young employed persons in formal education and training programmes in the EU28 has decreased slightly since the start of the crisis. Where reductions have occurred they have tended to be modest, although Ireland and the UK provide examples of countries that have witnessed a relatively substantial and sustained reduction. By contrast, participation in formal education and training programmes by young people not in employment has increased in many EU economies since the start of the crisis. It is likely that this is explained by the efforts of policy makers to tackle the consequences of the crisis and also by young people choosing to remain in education and training so as to better equip themselves to deal with unfavourable labour market conditions.

16. The Eurostat definition of formal education is ‘education provided in the system of schools, colleges, universities and other formal educational institutions that normally constitutes a continuous “ladder” of full-time education for children and young people, generally beginning at the age of five to seven and continuing to up to 20 or 25 years old’.

Non Formal Education is defined as ‘any organised and sustained educational activities that do not correspond exactly to the above definition of formal education. Non-formal education may therefore take place both within and outside educational institutions and cater to persons of all ages. Depending on country contexts, it may cover educational programmes to impart adult literacy, basic education for out of school children, life-skills, work-skills, and general culture’.

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Table 1 Participation by people aged 15-19 years in formal education and training programmes
Vocational education and training and the Great Recession: supporting young people in a time of crisis

The information in Table 1 encompasses all forms of formal education and training. Sources of information relating to participation in IVET are limited. The EU-LFS does not provide data that relate specifically to apprenticeships and other forms of IVET, although it is possible to examine participation at ISCED levels 3 and 4 according to the orientation of education and training (general or vocational) and by age. Table 2 provides information about the number of students enrolled in vocationally-oriented programmes at levels 3 and 4 for those countries for which data are available. The proportion of students studying at ISCED level 3 (i.e. upper-secondary level) and enrolled in vocationally-oriented programmes varies across the EU. In some countries, such as Denmark, France, Germany and the UK, the proportion was declining before the start of the crisis. Perceived lower prestige, relative to other forms of secondary education, is likely to have played a part in the decline (Wiborg and Cort 2010; Méhaut 2010).

Table 1  Participation by people aged 15-19 years in formal education and training programmes (cont.)

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Source: Eurostat [edat_lfse_19]

The information in Table 1 encompasses all forms of formal education and training. Sources of information relating to participation in IVET are limited. The EU-LFS does not provide data that relate specifically to apprenticeships and other forms of IVET, although it is possible to examine participation at ISCED levels 3 and 4 according to the orientation of education and training (general or vocational) and by age. Table 2 provides information about the number of students enrolled in vocationally-oriented programmes at levels 3 and 4 for those countries for which data are available. The proportion of students studying at ISCED level 3 (i.e. upper-secondary level) and enrolled in vocationally-oriented programmes varies across the EU. In some countries, such as Denmark, France, Germany and the UK, the proportion was declining before the start of the crisis. Perceived lower prestige, relative to other forms of secondary education, is likely to have played a part in the decline (Wiborg and Cort 2010; Méhaut 2010).

17. It should be noted that in some countries (e.g. UK) apprentices are formally employed by the organisation in which they train, but generally this is not the case.
18. ISCED 3 relates to the second/final stage of secondary education (i.e. upper-secondary education), preparing for tertiary education and/or providing skills relevant to employment. ISCED 4 covers post-secondary, non-tertiary education. These programmes provide learning experiences that build on secondary education and prepare for labour market entry and/or tertiary education.
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<td>100.0</td>
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<td>100.0</td>
</tr>
<tr>
<td>Austria</td>
<td>72.3</td>
<td>71.8</td>
<td>78.6</td>
<td>78.5</td>
<td>77.9</td>
<td>77.3</td>
<td>77.1</td>
<td>77.3</td>
<td>76.8</td>
<td>76.1</td>
</tr>
<tr>
<td></td>
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<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Poland</td>
<td>60.9</td>
<td>54.3</td>
<td>49.5</td>
<td>45.0</td>
<td>44.0</td>
<td>44.3</td>
<td>46.2</td>
<td>47.2</td>
<td>48.2</td>
<td>48.3</td>
</tr>
<tr>
<td></td>
<td>100.0</td>
<td>100.0</td>
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</tbody>
</table>
A final, and more revealing, source of information is the EU’s CVTS survey which, although focused on continuing vocational training, includes some information about initial vocational training. Figure 1 provides information about the proportion of enterprises providing IVET in 2005 and 2010. Although the proportion of enterprises providing training increased from a very low base in a small number of countries (e.g. Estonia and Slovakia), the average for the EU27 fell over the period. Countries with comparatively high rates of involvement witnessed reductions, with the notable exception of Germany, which saw an increase in the proportion of enterprises involved in initial training.

Figures 2, 3 and 4 provide information about employers’ involvement in IVET according to the size of enterprise. They tell a similar story to Figure 1, although national differences are also apparent. For example, the proportion of medium-sized enterprises (50-249 employees) involved in IVET increased slightly in Austria, while the involvement of small and large enterprises fell slightly. In the UK and France, by contrast, substantial falls have occurred across all sizes of enterprise. In Germany, increases have occurred among small, medium and large enterprises. The same is true of Belgium, although the proportions of enterprises involved in IVET are far smaller.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Students enrolled at ISCED levels 3 and 4 (vocational orientation) as a percentage of all students at those levels, 2002-2011 (cont.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002</td>
</tr>
<tr>
<td>Portugal</td>
<td>ISCED3</td>
</tr>
<tr>
<td></td>
<td>ISCED4</td>
</tr>
<tr>
<td>Romania</td>
<td>ISCED3</td>
</tr>
<tr>
<td></td>
<td>ISCED4</td>
</tr>
<tr>
<td>Slovenia</td>
<td>ISCED3</td>
</tr>
<tr>
<td></td>
<td>ISCED4</td>
</tr>
<tr>
<td>Slovakia</td>
<td>ISCED3</td>
</tr>
<tr>
<td></td>
<td>ISCED4</td>
</tr>
<tr>
<td>Finland</td>
<td>ISCED3</td>
</tr>
<tr>
<td></td>
<td>ISCED4</td>
</tr>
<tr>
<td>Sweden</td>
<td>ISCED3</td>
</tr>
<tr>
<td></td>
<td>ISCED4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>ISCED3</td>
</tr>
<tr>
<td></td>
<td>ISCED4</td>
</tr>
</tbody>
</table>

Source: Eurostat [educ_ipart_s]. EU28 figures are unavailable for ISCED level 3. Information for Croatia, Cyprus, Denmark, the UK and the EU28 average are unavailable for ISCED level 4.
Figure 1  Percentage of enterprises providing initial vocational education and training

![Graph showing percentage of enterprises providing initial vocational education and training for various EU28 countries, with bars for 2005 and 2010.](image)

Figure 2  Percentage of enterprises with 10-49 employees providing initial vocational education and training

![Graph showing percentage of enterprises with 10-49 employees providing initial vocational education and training for various EU28 countries, with bars for 2005 and 2010.](image)

Source for Figures 1-4: Eurostat [trng_cvts86]. Information for Croatia is missing for 2005. Information for Denmark and Ireland is missing for 2010. These countries have therefore been excluded.
Vocational education and training and the Great Recession: supporting young people in a time of crisis

Figure 3 Percentage of enterprises with 50-249 employees providing initial vocational education and training

Figure 4 Percentage of enterprises with 250 or more employees providing initial vocational education and training

Source for Figures 1-4: Eurostat [trng_cvts86]. Information for Croatia is missing for 2005. Information for Denmark and Ireland is missing for 2010. These countries have therefore been excluded.
4. IVET and support for young people: country studies

This section describes how IVET provision and active labour market policies for young people have changed in various EU countries since the start of the crisis. In selecting countries, an attempt has been made to ensure that the different regions of the EU are represented. The amount of available information varies considerably between countries, however, with the result that 'EU15' economies are given a disproportionate amount of attention. Nevertheless, the 'cases' allow for different types of IVET systems to be compared. They also include many of the countries that have been hardest hit by the crisis, such as Greece, Ireland, Spain, Portugal and Lithuania.

4.1. Ireland

4.1.1 Overview of the IVET system

Ireland enjoyed comparatively low levels of aggregate unemployment and youth unemployment throughout the decade prior to 2008 (European Commission 2010: 173). During this period, Ireland placed considerable emphasis on workforce up-skilling and compared favourably among EU member states in terms of government spending on training-focused ALMPs (Heraty and Collings 2006; Meager 2009) and participation rates. In 2000, the Irish government established a National Training Fund, financed by a levy on businesses (0.7 per cent of payroll costs), to support measures for employees, the unemployed and apprentices. Employers and trade unions were involved in the regulation of the apprenticeship system and given a voice in other regulatory and advisory VET bodies, including an ‘Expert Group on Future Skills Needs’ and employer-led learning networks ('Skillsnets') supported by the National Training Fund.

Since 1991 apprenticeships in Ireland have been standards-based and these standards are given statutory underpinning by the 1993 Apprenticeship Act (Steedman 2010: 27). Until the end of 2013, the Statutory Apprenticeship system in Ireland was organised and over-seen by FÁS (The Training & Employment Authority), in co-operation with the Department of Education and Science, employers and unions. Apprenticeships last for four years and involve three off-the-job phases (totalling 40 weeks in all) and four on-the-job phases (Kis 2010). Only 27 trades are covered by formal apprenticeship schemes and most are in traditional industries. Certificates are awarded by Quality and Qualifications Ireland (QQI), a statutory awarding body which was established in 2012, replacing separate awarding bodies for further and higher
education, and also incorporating the National Qualifications Authority of Ireland (NQAI), which was responsible for establishing and maintaining Ireland’s qualifications framework. Apprentices are paid ‘Industrial apprentice wage rates’ by their employer. The wage paid is based on gross wage norms in specific industries and therefore varies by industry and also by employer. During the off-the-job phase of their training, apprentices are paid an allowance (by FÁS, until the end of 2013).  

4.1.2 Developments since 2008  

Ireland’s VET system is undergoing a period of reform. Prior to the crisis responsibility for VET resided with the Department of Enterprise, Trade and Innovation (DETI) and responsibility for further education rested with the Ministry of Education. In 2010, responsibilities for further education and VET were brought together in the same division of the Department of Education and Skills. The Expert Group on Future Skills Needs, which had fed into DETI, now feeds into the Department of Education and Skills.  

Sixteen locally-focused Education and Training Boards (ETBs) were established in 2013, replacing 33 long-established (since 1930) local-level Vocational Education Committees, which had overseen vocational schools and colleges. The ETBs are due to take on the vocational training responsibilities of FÁS (the Training & Employment Authority), which is scheduled to be abolished at the end of 2013 and replaced by a new Further Education and Training Authority (SOLAS). SOLAS will be responsible for the co-ordination and funding of training and further education programmes in Ireland, while the ETBs will have responsibility for delivering programmes. Service Level Agreements (SLAs) will be concluded between the ETBs and SOLAS on an annual basis, with the intention of ensuring that ETBs pursue strategies designed to address national education and training policy priorities. It is intended that SOLAS will help to integrate Ireland’s fragmented system of VET.  

Young people in Ireland were particularly hard hit by the crisis. The youth unemployment rate almost tripled between 2007 and 2009, from 8.9 to 24.4 per cent (European Commission 2010: 173). Young men were particularly badly affected, reflecting the importance of the construction sector to Ireland’s economy (FÁS 2010). The apprenticeship system in Ireland is highly sensitive to changes in employer demand. Demand for apprentices fell substantially following the start of the crisis, declining by 44 per cent in 2008 and a further

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20. For an overview of the development of VET in Ireland up until the 21st century, see Heraty et al. (2000).  
21. The Expert Group on Future Skills Needs includes people with knowledge of different industries and skill requirements and representatives of key ministries.  
59 per cent in 2009 (FÁS 2010: 10). While all major trades were affected the most rapid decrease was in construction, which experienced a 69 per cent reduction in demand for apprentices in 2008 (ibid.).

Alongside the fall in demand for new apprentices, many trainees lost their position. The number of redundant apprentices increased from 3100 to 4500 between the end of 2008 and April 2009 (FÁS 2009b). In response, the government implemented an ‘employer-based redundant apprentice’ scheme, which was designed by FÁS (with support from the employers and trade unions) to help apprentices to complete the on-the-job phase of their training. Under the scheme (now referred to as the ‘redundant apprentice placement scheme’) FÁS places redundant apprentices with an employer in the public or private sector, thereby enabling them to complete a required period of on-the-job development (phases 3, 5 and 7 of the apprenticeship) in order to progress to the next off-the-job phase of their apprenticeship or full qualification. FÁS pays a weekly training allowance directly to apprentices for the duration of the placement (€208 for Phase 3, €280 for Phase 5, and €320 for Phase 7)23. In 2012, 2,250 redundant apprentices were helped to progress their apprenticeship under this scheme (FAS annual report 2012: 23). Thirty-one apprentices were placed with German employers, under the Leonardo da Vinci mobility programme. The scheme is due to run until the end of 2013.

Other schemes were put in place to enable apprentices to demonstrate that they had achieved a level of competence deserving certification. A Competency Determination Mechanism (CDM) allows redundant phase 7 apprentices to be tested so as to demonstrate that they have reached craftsperson status, thereby enabling them to obtain an Advanced Certificate-Craft qualification (FÁS 2012). A Recognition of Prior Learning (RPL) process was also established, enabling apprentices to obtain the Advanced Certificate-Craft qualification by presenting verifiable evidence of trade-related experience to a Redundant Apprentice Accreditation Sub-Committee of the National Apprenticeship Advisory Committee (NAAC).

Table 3  Apprenticeship registrations in Ireland, 2007–2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of registrations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>6,763</td>
</tr>
<tr>
<td>2008</td>
<td>3,765</td>
</tr>
<tr>
<td>2009</td>
<td>1,535</td>
</tr>
<tr>
<td>2010</td>
<td>1,204</td>
</tr>
<tr>
<td>2011</td>
<td>1,307</td>
</tr>
<tr>
<td>2012</td>
<td>1,434</td>
</tr>
</tbody>
</table>

Source: FÁS Annual Report 2012

FÁS has also implemented an internship scheme (‘work placement programme’), which offers work for up to nine months. However, employers are not obliged to pay these workers (workers continue to receive welfare benefits), nor are they required to provide vocational training. This has resulted in protests from ICTU, Ireland’s national trade union confederation. The employers’ confederation IBEC has established its own scheme for graduates, based on the FÁS scheme.

4.2 United Kingdom

4.2.1 Overview of the IVET system

The UK’s VET system provides another example of a market-led or ‘voluntarist’ system. Employers and trade unions in the UK play a limited role in the regulation of training and, despite efforts on the part of successive governments and the creation of employer-dominated bodies with a remit to develop solutions to the UK’s skills deficiencies, the history is one of weak employer engagement in training policy initiatives and IVET (Payne and Keep 2011; Rainbird 2010).

Apprenticeships are regulated by the Apprenticeships, Skills, Children and Learning Act 2009. Responsibility for IVET within government rests with the Department for Business, Innovation and Skills (BIS).

There has long been recognition on the part of policy makers that skills development is inadequate to meet the perceived needs the UK economy. There have been a number of official reviews of the causes and consequences of the UK’s under-investment in VET. The most recent of these was the Leitch Review, an enquiry established in the mid-2000s by the then Labour government. The findings and recommendations of the Leitch Review led to the creation of the UK Commission for Employment and Skills (UKCES), a body that was established in 2008 to provide greater strategic coordination of policy relating to skills development. The work of the UKCES is overseen by its Commissioners, who are mainly drawn from the business community. Trade union representation is far more limited: at the time of writing only the general secretaries of the Trades Union Congress and the public sector union UNISON, and the assistant general secretary of the UNITE union, serve as Commissioners. UKCES oversees the activities of 25 Sector Skills Councils, each of which is responsible for developing the occupation skills element of the apprenticeship framework for its sector (Steedman 2012: 14). Apprenticeship funding is provided via a National Apprenticeship Service. Most of those firms that take on apprentices do not provide all of the training required under the framework but instead outsource training to training providers that receive payments from the government (op cit.).
4.2.2 Developments since 2008

Important administrative developments have occurred since the start of the crisis, in particular the abolition of the Learning and Skills Council (LSC) in 2010 (although the decision was taken in 2008 and the abolition was therefore not in response to the crisis). The LSC at national level was responsible for dispensing funds to local LSCs, but was widely-regarded as being unable to delegate effectively (Rainbird 2010: 259). Following its abolition, the LSC’s responsibilities relating to young workers’ further education were transferred to a new Young People’s Learning Agency. This in turn closed in 2012 and its powers were transferred to an Education Funding Agency, which is accountable to the Department for Education. The LSC’s responsibilities in relation to VET were transferred to a Skills Funding Agency, which is an Executive Agency of the Department for Business, Innovation and Skills and provides a specialist National Apprenticeship Service, which is responsible for improving the quality of apprenticeship programmes and boosting the number of apprentices. These developments reflect an attempt on the part of policy makers to rehabilitate apprenticeship training programmes in the UK, which were allowed to wither on the vine during the preceding three decades (see, for example, Gospel 1995). While the system continues to be ‘market-led’, the state has recently come to play a larger part in the promotion and funding of apprenticeship opportunities.

The rate of youth unemployment in the UK increased from 14.3 per cent in 2007 to 19.1 per cent in 2009. During that year, only 8 per cent of employers offered apprenticeships (Steedman 2010: 3). The UK’s (then) Labour government responded to escalating youth unemployment by launching a ‘Young Person’s Guarantee’ initiative, which guaranteed all 18-24 year olds who were NEET a place in employment, education or training. The scheme was supported by a Future Jobs Fund, which was established to allocate £1 billion to create 150,000 jobs, two-thirds of which were intended for young workers. A ‘clearing house’ system was created to match apprentices who were due to be made redundant with employers that wished to hire trainees, thereby enabling apprentices to complete their training, and the UK construction sector’s training body, ConstructionSkills, was provided with £1 million to support construction companies that took on apprentices laid-off during the crisis. An internet-based interactive Apprenticeship Vacancy Matching Service was introduced in 2009. The government also announced plans to boost apprenticeship training, particularly in relation to high-level technical qualifications. A financial commitment of £100 million was announced, directed at creating 160,000 apprenticeship positions in high-tech industries. Plans were also announced for the creation of Apprenticeship Training Agencies. ATAs support employers who would like to take on an apprentice but are unable to so because of the economic climate. The ATA acts as the employer for the apprentice and the apprentice’s host organisation pays the ATA a fee for the apprentices’ services.

The Future Jobs Fund and Young Person’s Guarantee were terminated in mid-2010 following the replacement of the Labour government with a Conservative-Liberal Democrat coalition (the schemes were not evaluated before being abandoned). The coalition government has created new barriers to training and education by axing an educational maintenance allowance that had previously helped young people from low income families to access further education, substantially increasing the cost of a university degree, abandoning the Train to Gain programme of in-work training (which by 2010 had supported training for approximately one million workers), increasing the cost of further education courses and abandoning plans to extend the right to request time-off for education and training to employees of SMEs.

The current government has also made a commitment to increase the number of apprenticeships and has reformed the apprenticeship system. The government has argued that enrolment in apprenticeship training or a university programme should be the ‘norm’ for young people. In late 2010, the government announced a ‘Skills for Sustainable Growth’ strategy, pledging to create an additional 75,000 apprenticeship places by 2014-15 and promising to provide £250 million to this end. It announced that a ‘Growth and Innovation Fund’ would be created, to which the government would contribute up to £50 million per annum and which would support training measures, to be co-funded by employers on a 50:50 basis. Apprentices aged over 24 years would receive loans. In addition, in November 2011 the government announced that firms with fewer than 50 employees would be eligible for a grant of up to £1500 as an incentive to take on apprentices aged 16-24 years. Employers that take on an apprentice are required to ensure that English and maths education is offered as part of the apprenticeship training.

In 2013, plans were announced to reform the apprenticeship system from 2014 so as to increase the influence of employers over the skills developed in apprenticeship programmes and to boost apprentices’ basic skills by ensuring that at least one-fifth of training time is devoted to improving competence in English and mathematics. In addition, a new ‘apprenticeship’ programme was announced, designed to enable unemployed 16-24 year-old workers to attend training for six months so as to improve their basic skills and receive assistance with activities such as writing CVs. Essentially an active labour market programme rather than an apprenticeship programme, the scheme will operate through partnership between employers, the public employment service, training providers and local authorities.

There is evidence that the current government’s strategy has had some success, at least in relation to apprentice numbers. In 2007-8 there were approximately 400,000 apprentices. By 2012-13, the figure had increased to more than

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27. Planet Labor, October 29, 2013, No. 130663 (7900) – www.planetlabor.com
850,000\(^{29}\). However, there is also evidence that the number of apprentices who are paid less than the statutory national minimum wage has increased. It has been estimated that in 2012 almost one-third of apprentices were paid less than the minimum wage to which they were entitled\(^{30}\). Furthermore, the duration of apprenticeship programmes and the standards that apprentices are expected to reach are issues of concern. While the government has recently stipulated that apprenticeships should last at least twelve months, there is considerable scope for programmes that would probably be regarded as being of an unacceptably short duration in other EU member states (e.g. Germany and Austria).

### 4.3 Denmark

#### 4.3.1 Overview of the IVET system

IVET in Denmark is the responsibility of the Ministry of Children and Education. Employers and trade unions play a central role in the regulation of the VET system\(^{31}\). The Minister for Children and Education appoints an Advisory Council for Vocational Training, composed of members nominated by the social partners. The Council makes recommendations for the establishment of new IVET programmes and the discontinuation of programmes that are deemed to no longer be required. Employers and trade unions also have a role on local training committees that advise colleges on labour market needs and the implications for VET (CEDEFOP 2012: 48). The local training committees include representatives of staff, management and students appointed by the colleges. A further important way in which the social partners regulate VET is through national sector trade committees, which they establish together in order to determine the structure, content, duration and assessment methods for IVET programmes, approve enterprises as training providers, monitor training quality and liaise with the Ministry for Children and Education.

Participation in vocational education and training is widespread in Denmark. Danish upper secondary education comprises VET and academic tracks, both of which provide access to tertiary-level programmes. Approximately 30 per cent of young people enter the former and approximately 55 per cent enter the latter (Wiborg and Cort 2010: 85). While the Danish system of IVET shares the inclusiveness and comprehensiveness of systems in other Scandinavian economies, it has a number of distinctive features. It resembles the German ‘dual system’ of VET in combining work-based and school-based education and training (Wiborg and Cort 2010: 86). Trainees sign a training agreement with a company approved by the social partners in order to access over 100 VET programmes. Apprentices receive an initial wage equivalent to 40 per cent of

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\(^{29}\) Planet Labor, October 29, 2013, No. 130663 (7900) – www.planetlabor.com

\(^{30}\) Planet Labor, October 10, 2013, No. 130602 (7832) – www.planetlabor.com

\(^{31}\) http://eng.uvm.dk/Education/Upper-Secondary-Education/Vocational-Education-and-Training-(vet)
the prevailing adult wage, subsequently increasing to 50 per cent (Steedman 2012: 17). Apprenticeships are subsidised by a levy on employers. All public and private enterprises contribute to a centralised fund. They pay a fixed amount for every worker that they employ, regardless of the extent to which the organisation is involved in VET activities. Funds are then distributed to enterprises that take on apprentices. Enterprises’ wage costs are reimbursed while apprentices are undertaking periods of college-based training (Steedman 2012: 10).

The system has been reformed in certain respects in recent years. The objectives have included increasing the coherence and transparency of the system and enabling weaker learners to benefit. In 2006 the government enabled young people to start their apprenticeship with an employer, as opposed to taking a foundation course followed by an apprenticeship training placement, which had until then formed the only route to an apprenticeship32. In 2007 the government introduced an integrated lifelong learning strategy and a national qualifications framework. Measures to assist less able learners and those with lower-level basic qualifications were introduced, including more structured foundation courses (CEDEFOP 2012: 21).

4.3.2 Developments since 2008

Between 2008 and 2009, Denmark experienced a fall in real GDP of approximately 5 per cent and a 2.4 per cent reduction in its employment rate (from 78.1 to 75.7 per cent) (European Commission 2010: 170). The rate of unemployment increased from 3.3 to 6 per cent while youth unemployment increased from 7.6 to 11.2 per cent (ibid). Young workers in the construction and manufacturing sectors were particularly affected. Apprentice wages have generally been maintained since the start of the crisis33. However, the number of new apprenticeship contracts declined from 36,900 in 2007 to 26,900 in 2009 (CEDEFOP 2012: 26). In the absence of an apprenticeship contract, young people are unable to progress from a basic training course to a more specialised and advanced course.

Denmark responded by offering a bonus to companies that agreed to offer training placements, launching public information campaigns aimed at encouraging businesses to offer places, and creating new training centres at training colleges (Jørgensen 2012). In November 2011, the government announced plans to increase the number of apprentices aged 25-30 (the age range with the highest rate of unemployment); introduce 800 new

32. Not all trade committees have permitted this alternative route, so for some occupations (e.g. electricians and plumbers) the traditional pathway remains the sole route open to young people.

33. The wages and working conditions of apprentices are determined through collective bargaining, while firms that offer training receive wage compensation through an Employers’ Reimbursement System (Arbejdsgiverenes Elevrefusion, AER) while the student is attending college. All companies, both public and private, contribute a fixed annual amount to this fund for each of their employees.
apprenticeship programmes for adults; provide bonuses of up DKK 70,000 (approximately €9,402) for each training contract; provide 1,500 new jobs for ‘school work practice’ (skolepraktikpladser) for young trainees who have been unable to secure an apprenticeship; and measures to ensure that firms involved in public procurement bids provide apprenticeship places.\(^{34}\)

An under-supply of training places has long been recognised as a weakness of the Danish dual training system. In 2013, the government pledged additional financial support for placements and also undertook to establish work experience centres at VET colleges. These centres will be responsible for facilitating combinations of work-based training and training within the centre, which it is hoped will enable more businesses to offer training opportunities.\(^{35}\)

All VET students will be guaranteed a work experience place, which means that the responsibility for ensuring that students are able to undertake practical training will be transferred from the students to the vocational colleges.

In October 2013 further substantial proposals were put forward by the government, with the support of the social partners, aimed at overhauling VET, making vocational training more attractive to young people and boosting participation rates.\(^{36}\) The reforms, which the government hopes will come into effect in 2015, involve increases in class study time, improving links with employers, developing pathways to enable study at university level and a simplification of the system so as to focus on four key occupational groups (social, health and teaching; trade and services; agriculture and food products; and technology, construction and transportation). All students will take an initial foundation study year, which is intended to enable them to delay choosing a specific pathway until they have acquired information about the possibilities open to them. There will also be additional support for those who are initially unable to meet entrance criteria and for young unemployed people who cannot access regular schooling, a new two-year ‘job-orientated flexible training scheme’ (beskæftigelsesrettet fleksuddannelse) is envisaged, aimed at improving their skills and employability. In addition, the government has asked the social partners to consider ways of boosting the number of internship places available to young people.

In January 2014 new active labour market measures will be implemented, requiring all unskilled unemployed young people under 30 years of age to undertake training as a condition of receiving financial support from the state.\(^{37}\) In place of unemployment benefits, they will receive a training allowance, the value of which will vary according to their circumstances (e.g. whether they have children). Unemployed persons over the age of 30, and young unemployed people with skills, will be required to engage in job-search

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\(^{34}\) Article number from 09.11.2011 Planet Labor, November 9, 2011, No. 110686 – www.planetlabor.com

\(^{35}\) http://www.cedefop.europa.eu/EN/articles/20894.aspx

\(^{36}\) Planet Labor, October 8, 2013, No. 130595 (7832) – www.planetlabor.com

\(^{37}\) Planet Labor, July 2, 2013, No. 130444 – www.planetlabor.com
activities for the first three months and thereafter take up a ‘socially useful’ job (nyttejob) or lose their entitlement to benefits. Sanctions are also being strengthened.

The social partners have played an important role in supporting young people since the start of the crisis. In April 2009, the LO (the Danish Confederation of Trade Unions) and DA (Confederation of Danish Employers) signed a joint agreement setting out their views on changes to VET arrangements that might address crisis-related problems. The LO and DA suggested that: the system of reimbursement be reformed so as to make it easier for organisations to provide internships; apprentices and other trainees be offered an ‘education guarantee’, ensuring that trainees who lose their position due to bankruptcy are enabled to continue their training within vocational schools; improved efforts be made to enable more than one organisation to support a trainee, and trainees be encouraged to seek placements outside of sectors where demand for placements is typically highest (Jørgensen 2012)

A number of employer organisations have taken steps to improve opportunities for apprentices. In 2010, the employers’ organisation for road haulage, Danish Transport and Logistics (DTL), launched a campaign aimed at encouraging hauliers to take on apprentices. The Confederation of Danish Industry (DI) implemented a campaign to encourage companies to help young people complete vocational education and launched a website to this end.

Some companies that have not been party to collective agreements signed by the LO have offered apprentices only basic pay (minimum wages) and have avoided providing other wage benefits. However, in 2011 Denmark’s Supreme Court (Højesteret) established that apprentices were also entitled to other wage benefits, such as paid public holidays. This ruling should result in an improvement in the terms and conditions of many apprentices.

4.4 Germany

4.4.1 Overview of the IVET system

The most important element of VET provision in Germany is the ‘dual system’, which combines education in public vocational school with skills development in the workplace. The dual system is commonly argued to have contributed to the relatively strong performance of the German economy by facilitating production strategies that involve ‘high skills’ (Hall and Soskice 2001). In contrast to many other developed economies, vocational training continues to be held in high-regard as a route into the labour market (Bosch, 2010). In principle, all young people who have completed compulsory education have access to the dual system. Apprentices sign legally-binding contracts with employers, which obliges them to ensure that the training that apprentices

receive conforms to the requirements laid down by national training directives (CEDEFOP 2011a). The school-based and in-company elements of the dual system are funded via different mechanisms. The former is financed by Land and local authority public funds while the latter is financed by enterprises (Hippatch-Schneider et al. 2007: 59). Costs of external assessment and examinations are met by Chambers of Commerce (Steedman 2010: 27).

Employers and trade unions play a central role in determining the content and duration of apprentice training programmes. Changes to training regulations can be initiated by employers’ association, trade unions or the Federal Institute for Vocational Training (BIBB), a federal government institution founded in 1970 to develop policy-research and practice in respect of VET. The basic standards, occupational title and training programme for different occupations are determined via negotiations by employers’ associations and trade unions. The BIBB then coordinates the activities of the federal and Länder government in developing and issuing new training regulations (Bosch 2010: 144). The social partners also play an important role in overseeing training activities within the regions. Regional chambers are responsible for putting in place arrangements to ensure that training activities are effectively supervised and for the examination of apprentices. Trade unions have the right to provide members to examination committees and also sit with employers’ organisations on vocational training committees, which are responsible for approving firms as training providers (op cit.). At sectoral level, employers and trade unions regulate apprenticeships by negotiating the provision of training places and apprentices’ remuneration39 while at company-level managers and worker representatives are responsible for the planning and implementation of in-company training (Hippatch-Schneider et al. 2007).

4.4.2 Developments since 2008

In the initial stages of the crisis, apprenticeship training in Germany appeared relatively healthy. In April 2009, the Federal Government’s ‘Learning Report’ (Berufsbildungsbericht 2009) indicated that in 2008 the supply of apprenticeship places had outstripped demand for the first time since 2001. This was attributed to demographic developments associated with a decline in the birth rate in the early 1990s40. However, the number of apprenticeship places offered was lower in 2009 than in 2008 and as the crisis continued concerns began to develop in relation to apprenticeships.

Since the early 1990s payments have been offered to encourage firms to offer additional apprenticeships (Steedman 2010: 26). The use of subsidies increased after the start of the crisis. In 2008 the Federal government

39. Employers and trade unions negotiate initial apprentice wages that are approximately one-third of the prevailing adult wage in the sector. The wage then increases with age (Steedman 2012: 17).
introduced a bonus designed to encourage firms to accept low-qualified school leavers as apprentices. The intention was that the bonus (of €4000-6000 per apprentice) would lead to the creation of an additional 100,000 apprenticeship placements over two years, but in the event only 15,000 new apprenticeship contracts were signed. In 2009, the bonus was extended to firms that agreed to take on apprentices who had been displaced as a consequence of the economic crisis. In the same year the ‘apprenticeship pact’ (Ausbildungspakt), established in 2004 between the Federal government and the largest employers’ organisations, came under strain when the employers refused to consent to a demand from the Minister for Labour and Social Affairs that a minimum of 600,000 apprenticeship places be offered in 2009-10. The employer federations argued that this was unrealistic in the context of the crisis and demographic changes. The government emphasised that a relatively large number of young people spend more than one year seeking an apprenticeship and eventually undertake lower quality training leading to lower-skilled work. Although the pact was renewed in October 2010 (until 2014, with a commitment to create an average of 60,000 additional apprenticeship positions annually), the difficulties encountered during its negotiation reflect a longer-standing problem relating to the declining propensity of German employers to offer apprenticeship training places (Bosch 2010). Furthermore, the German trade unions have declined to be involved in the pact as they are unhappy with employers’ demands that the duration of training be limited to two years, that employment protections for young people be reduced and that limits on their hours of work be relaxed.

The number of apprenticeship places has continued to decline. The 2013 Apprenticeship Report indicated that the number of apprenticeship contracts signed in 2012 was 2.2 per cent less than the number concluded in 2011. While the Federal Ministry of Education and the German trade unions have called upon employers to improve their efforts, employers have argued that the decline reflects inadequate qualifications held by applicants. The reliance of apprenticeship training activity on the voluntary efforts of employers has encouraged proposals for reforms. For example, in 2010 the trade union IG-Metall proposed the creation of an independent sectoral fund to combat the decline in apprenticeships in the engineering and metalworking sector.

Other changes have occurred that have not been as a direct consequence of the crisis. For example, in 2009 the ‘directive on trainers’ training’ (Ausbilder-Eignungsverordnung), which was suspended in 2003 and which had required those responsible for training apprentices to hold a degree, was reinstated in

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41. Article number from 25.06.2009 Planet Labor, June 25, 2009, No. 090670 – www.planetlabor.com
42. German trade unions have called for longer apprenticeship periods and an end to shorter two-year programmes (Steedman 2012: 12)
44. Article number 7382 from 18.03.2013 Planet Labor, March 18, 2013, No. 130181 – www.planetlabor.com
45. Article number from 08.01.2010 Planet Labor, January 8, 2010, No. 100018 – www.planetlabor.com
the wake of evidence suggesting that its suspension had encouraged an increase in the number of apprenticeship places (the objective of the suspension) but at the expense of quality. Firms have also taken steps to address perceived basic skills deficiencies on the part of apprentices who are beginning their training. According to a survey by the Chambers of Commerce, 54 per cent of businesses have either provided in-house training to upgrade apprentices’ basic skills or have accessed training solutions provided by the Federal Employment Agency. The government has introduced measures to help the integration of young EU migrants, including financial support for internships or apprenticeship training.

4.5 Sweden

4.5.1 Overview of the IVET system

The widely-applied distinction between IVET and continuing vocational education and training (CVET) is less applicable in Sweden than in many other EU economies as the qualifications that young people can obtain through IVET are also available to adult learners, reflecting the degree to which the principle of ‘lifelong learning’ has informed Sweden’s approach to VET (CEDEFOP 2009: 23). Initial vocational education and training for young people forms part of an integrated system of upper secondary schooling (CEDEFOP 2009: 19). Participation rates in IVET are high in Sweden. Almost all of those young people who complete their compulsory schooling proceed to upper secondary school and approximately half of them pursue an IVET route (CEDEFOP 2009: 15). IVET has been less highly-regarded than higher education and, as has happened elsewhere in Europe, reforms have been introduced enabling those who undertake IVET to proceed to higher education. In 2002, for example, the Swedish government introduced a programme of advanced vocational education to facilitate progress to higher education, although universities have proved reluctant to award university credit to those who complete advanced vocational programmes (op cit.).

Since the early 1990s, VET in Sweden has been reformed so as to decentralise responsibilities to regional and local bodies, particularly municipalities. There have been calls, however, for the government to take steps to improve quality assurance. One response by the government has been the creation of an Agency for Higher Vocational Education in July 2009, which has unified administrative responsibility for VET. The new agency is working with employers to develop new programmes that are more responsive to changing skill demands (CEDEFOP 2009: 17).

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Employers and trade unions play a role in IVET through their participation on advisory committees for vocational education and training programmes in upper secondary schools (CEDEFOP 2009: 22). In addition, at sector level joint employer and trade union training boards certify many occupations. However, they are not formally-involved in the development of VET policy (Steedman 2010: 30)

4.5.2 Developments since 2008

The harmonised unemployment rate of young people (aged 15–24) in August 2011 was 23 per cent in Sweden compared with the EU27 average of 20.9 per cent (Kullander and Bodensten 2011)\(^49\). Since 2006 the Swedish government has proposed measures to boost labour market participation and employment, particularly among young workers. These efforts intensified following the start of the crisis.

Sweden has also sought to address weaknesses associated with its IVET provision and a perceived under-emphasis on vocational training in Sweden’s education system. Reforms to the upper secondary school system implemented in 2011 included a new apprenticeship programme. This was the first broad-based apprenticeship programme in Sweden for four decades. Its introduction was not a direct response to the economic crisis: the reform was planned before the crisis began and pilot programme were run in 2008 (CEDEFOP 2009: 28)\(^50\). The new programme requires apprentices to spend at least half of their time in work-based training. Employers that agree to hire and supervise apprentices are paid an allowance to cover the costs of taking on apprentices and training supervisors. Government funding has been provided to allow for 18,000 apprentices to be trained in the first three years of the programme (op cit.). In November 2013, the government introduced a bill designed to make apprenticeship training more attractive and reduce drop-out rates. The bill, which has the support of the social partners, is intended to make it possible for those undertaking apprenticeship training while in secondary education to be hired as an employee and therefore to enjoy the benefits that are available to employees, without sacrificing their work-study entitlements\(^51\).

In 2009, the government announced that it would invest €810 million in educational programmes, vocational training courses and labour market activation measures for unemployed people. €434 million was earmarked for the expansion of existing education programmes so as to facilitate 23,000 new enrolments in education programmes, comprising 10,000 at higher education level, 10,000 in municipal adult education programmes (Kommunal

\(^{49}\) Motivating factors in the introduction of apprenticeship were a perception that upper-secondary vocational schooling had not been effective in preparing young people for work and that the equipment and tuition in schools was in some cases inadequate (Steedman 2010: 30). The OECD had advocated the introduction of an apprenticeship system (OECD 2008).

\(^{50}\) Planet Labor, November 20, 2013, No. 130720 (7957) – www.planetlabor.com
vuxenutbildning, Komvux) and 3,000 in the newly-established Swedish National Agency for Higher Vocational Education (Myndigheten för Yrkeshögskolan). This body is responsible for supervising higher vocational education in Sweden, including advanced vocational training schools for adults.

The reforms introduced in 2009 also included a substantial reduction in employers’ social security contributions relating to worker under the age of 26 years. Moreover, a Job Guarantee was introduced for unemployed young people. The scheme starts three months after first registration at the Swedish Employment Services and involves a phase of intensive coaching and careers advice followed by a phase of labour market measures such as internships and education lasting up to three months (Kullander and Johansson 2010). The government’s plans also included an extra 1,000 places in short-term education programmes and an additional 1,000 places at adult education centres (Folkhögskolor) (Lovén 2009). In 2010 the Job Guarantee programme was augmented by further measures including Lyft (‘boost’), which offers unemployed workers temporary employment in the public or voluntary sectors, and work placement, vocational training and coaching schemes (Anxo 2010; Kullander and Johansson 2010).

The social partners have also implemented new initiatives. In 2010 the industrial workers trade union (IF Metall) and several employer organisations signed an agreement to create a ‘vocational introduction’ scheme aimed at workers under the age of 25 years. The scheme is designed to encourage employers to offer apprenticeships to untrained young people as a way of replacing older workers who are due to retire. Participants are entitled to receive at least 75 per cent of the lowest salary negotiated by the social partners and access to training. Contracts normally last for a maximum of 12 months, but can be extended for a further 12 months. While the employer is not obliged to offer the trainee permanent employment, penalties can be applied if the employer fails to provide an adequate introduction to the trade (Kullander and Holmgren 2010). Similar agreements were signed in 2012 by employers and trade unions for the commerce sector and for local authorities. The latter was intended to provide workers aged 19-25 years with work and education and was focused primarily on the health and social care sectors (Johansson and Nordlöw 2013). However, the employers’ association has stated that the success of the initiative will depend on finance being provided by the government (op cit.).

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52. [http://www.eurofound.europa.eu/eiro/studies/tm1101019s/se1101019q.htm](http://www.eurofound.europa.eu/eiro/studies/tm1101019s/se1101019q.htm)
55. [http://www.eurofound.europa.eu/eiro/2013/03/articles/se1303019i.htm](http://www.eurofound.europa.eu/eiro/2013/03/articles/se1303019i.htm)
4.6 France

4.6.1 Overview of the IVET system

Responsibility for IVET largely resides with the Ministry of National Education. Its activities are supported by a National Council for Lifelong Vocational Training, established in 2004 to promote cooperation between relevant national bodies, advise on regulations relating to VET and advise Parliament on the use of financial resources relating to lifelong learning and apprenticeships (CEDEFOP 2008: 21). Since the 1980s, responsibility for administering VET programmes has been decentralised to France’s 26 regions. Regions have established vocational training coordination committees, which include representatives from regional government, regional chambers and the social partners. The committees are responsible for policy analysis, research, monitoring and evaluation of programmes (CEDEFOP 2008: 22). The regions also involve the social partners in the drawing-up of regional training plans, which are intended to shape the provision of IVET and CVET in each region in line with anticipated changes in skill requirements. Employer bodies and trade unions are represented on the boards of apprentice training centres (CEDEFOP 2008: 24). The growing importance of regional actors has been associated with an increasing emphasis on ‘vocationalism’ within France’s essentially meritocratic model of education (Méhaut 2010).

Initial training is delivered either through vocational lycées (mainly school-based and the most common form of initial training) or apprenticeships, which are mainly work-based and practice-focused. Apprentices have a contract of employment with an employer and their training takes place in the workplace and in apprentice training centres. Funding for apprenticeship is provided via an apprenticeship tax paid by private sector employers, in addition to contributions from the national government and the regions (CEDEFOP 2008: 31). Firms that take on apprentices receive payments from the regional authorities (Steedman 2010: 23).

Apprenticeships have for a long time been regarded as an inferior path to employment when compared with higher education. However, there are signs that the attractiveness of apprenticeship training has increased over the past two decades. Until the early 1990s, apprenticeships offered few opportunities for progression into further or higher education, but apprenticeship training has since been extended to new sectors, and pathways have developed that enable apprentices to obtain degree-level qualifications (Méhaut 2010: 118). Reforms in the 1990s led to the introduction of the baccaulaureat technologique (technological baccalaureate), baccaulaureat professionnel (vocational baccalaureate), higher-level technical courses (Bac + 2) and a tertiary vocational diplomas (Bac + 3) (CEDEFOP 2008). A Social Cohesion Plan, adopted in 2005, set out to improve the status and attractiveness of apprenticeships and established a target of 500,000 young people in

56. Employer and employee representatives manage the collection of the tax (Steedman 2010: 19).
apprenticeships, to be reached by 2009 (op cit.). Regional councils have recently adopted locally binding 'quality charters' to set benchmarks and standards of provision in respect of apprenticeships. These documents are co-signed by vocational bodies representing particular sectors, or by training organisations that enter into contractual agreements with the region.

4.6.2 Developments since 2008

The youth unemployment rate in France was relatively high before the crisis began, but did not increase substantially thereafter. In 2006 the rate stood at 21.6 per cent. It then dipped before reaching 23.8 per cent in 2012 (Eurostat). New initiatives introduced in 2009 provided temporary incentives for firms to take on young people with training contracts or transfer former internees to open-ended contracts. Firms were offered €3,000 for hiring a former intern aged under the age of 26 (and with at least 8 weeks’ internship experience with the company) on a permanent contract. Financial incentives (a subsidy of €1,000-2,000) were also offered for firms recruiting young people on a ‘professionalisation contract’ and for taking on apprentices. Firms with fewer than 50 employees were offered a recruitment bonus of €1,800 for each apprentice taken on between April 24 2009 and June 30 2010, on the proviso that the total number of apprentices supported by the firm increased. In addition, firms were provided with relief from apprentices' social security contributions 57.

In 2009 the French employers and trade unions signed a national interprofessional agreement on vocational training, which was intended to lead to the training of an additional 500,000 low-skilled workers each year as well as 200,000 unemployed workers 58. The agreement was transposed into law in December 2009. The Act provided for dismissed workers to transport any unused individual training entitlements 59, established the principle that internships should be more closely linked to an educational curriculum, decreed that interns should receive bonuses after two months rather than three, and paved the way for the implementation of “orientation and training” passports in which workers will be able to list knowledge and qualifications acquired during initial training, the outcomes of skills’ assessments and other education and training activities 60.

In 2011 a €500 Million employment programme was announced to help fund subsidized contracts, develop new work/study training programmes for young

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57. Article number from 18.06.2009 Planet Labor, June 18, 2009, No. 090650 – www.planetlabor.com
59. Workers build up rights to undertake training while in employment. The Act allows workers who lose their jobs to retain rights to training built up whilst in employment and use these to access training while unemployed or within two years of joining a new employer.
people and increase the quota of young people on work/study programmes for businesses employing more than 250 workers from 3 to 4 per cent. Firms that do not meet their quota are liable for an additional apprenticeship contribution (contribution supplémentaire à l'apprentissage, CSA) amounting to 0.1 per cent of the payroll. Businesses with more than 4 per cent of work/study trainees will be eligible to receive an annual €400 bonus per contract. The ‘Cherpion’ Law, also introduced in 2011, has strengthened the legal framework regulating internships for graduates. The law prohibits the use of internships where a task could be undertaken by an incumbent employee and seeks to ensure this by preventing employers from offering consecutive internships. The law also requires that a contract be signed by the employer, intern and their educational establishment. The ‘Cherpion Law’ also limits the duration of internships (typically to six months per school year), requires that interns receive a payment (to be determined through a sectoral or professional agreement) if their internship amounts to two months in a single academic year, stipulates that interns be offered training and requires that works councils be given information about the number of interns and their employment conditions (Mongourdin-Denoix, 2011). In addition, apprentices are now permitted to sign an apprenticeship contract with two employers simultaneously and temporary work agencies are also permitted to sign apprenticeship contracts. In 2012, the Council of Ministers adopted an amended Bill that reduced employers' contributions to family contributions and increased the minimum number of apprentices to be taken on by firms employing more than 250 workers from 4 to 5. The bill also introduced provisions to increase the number of ‘student-workers’ from 4 per cent to 5 per cent from 2015. The government hopes that 273,000 new student-workers will result from the measures.

In 2012, the French Council of Ministers adopted a bill introducing ‘generation contracts’, aimed at encouraging firms to employ a worker aged less than 36 years while continuing to employ a worker over 57 years of age. A financial incentive of €4,000 a year is available to firms with fewer than 300 employees (the funding is lost if they lay off an older worker). The intention is that 500,000 young people will be recruited through this programme by 2017. A further initiative, the ‘Jobs for the Future’ programme, is aimed at improving opportunities for under-qualified or unqualified young people to obtain qualifications. The programme, which was launched in 2013 and will involve €2.3 billion of expenditure over a two-year period, is focused on young people aged between 16 and 25, without qualifications and living in unemployment black spots. The government hopes to create 100,000 jobs in 2013 in the public or voluntary sectors and 150,000 jobs in 2014. Young people who enter the

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62. The waiting period amounts to one-third of the duration of the preceding internship.
programme will be required to follow a training programme and the state will pay 75 per cent of their gross wages for three years.

In early 2014, substantial reforms of the French VET system were introduced. The individual training right, which had entitled employees to 20-hours of training per annum, has been replaced by a personal training account (compte personnel de formation, CPF), which will be available to all workers regardless of their employment status. In addition, employers will no longer be able to exert control over how their employees use their training entitlements (although this will apply only to training that takes place outside of working hours). The funding of VET has also been altered. The contributions associated with the statutory training levy now range from 0.55 per cent of payroll costs for firms with fewer than 10 employees, to 1 per cent with firms with more than 50 employees (the previous maximum contribution rate was 1.6 per cent). Measures have also been introduced to strengthen social dialogue on training matters in enterprises with more than 300 employees and provide employees with an opportunity to have a professional development interview every two years.

These new measures were introduced following discussions and disagreements among the social partners and the government. The government wishes to increase the number of apprenticeships by 65,000 by 2017 and wants a larger share of the training levy to be allocated to apprenticeships, a proposal that was opposed by employers. There were also differences of opinion between MEDEF, the employers’ organization for large enterprises, and CGPME, the organization that represents SMEs. The former desired an end to the mandatory training levy and its replacement with contributions negotiated at sectoral level. CGPME feared that this would jeopardize training support for SMEs, which are able to access pooled funds raised via the levy. While the levy has been retained, the CGPME remains unhappy about the amount of financial support that will be available to SMEs.

4.7 Greece

4.7.1 Overview of the IVET system

Responsibility for IVET in Greece resides with Ministry of Education and Religious Affairs, Culture and Sports. The Greek system of VET was substantially reformed in the early 1990s with the creation of a National Vocational and Educational Training System, which ushered in a national accreditation process for vocational education and training, the creation of new Vocational Education and Training Institutes (IEKs) and the formation of a supervisory body to oversee the operation of the new Institutes (Vretakou and

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67. Individuals will be entitled to a maximum of 150 hours over 9 years. The account can only be used to fund training that is deemed to be in accordance with the needs of the economy.
68. Planet Labor, November 26, 2013, No. 130735 (7972) – www.planetlabor.com
Rousseas 2003). The latter body, the Organisation for Vocational education and Training, designs programmes of study for the Institutes and provides accreditation. Its management board includes employer and union representatives. Most post-secondary initial training is provided by the IEKs, which are also responsible for advanced training. Young people who successfully complete their training at a private or public IEK obtain a Vocational Training Certificate. They can then register for qualifying exams that lead to the award of a Vocational Training Diploma. IVET at upper-secondary level is provided by Technical Vocational School and Unified Lykeio (Vretakou and Rousseas 2003).

4.7.2 Developments since 2008

Further reforms of Greece’s IVET system occurred following the start of the crisis. An Act on the Development of Lifelong Learning was passed in 2010, with the ambition of establishing a single framework for all forms of lifelong learning, including IVET. The Act also paved the way for the implementation of a National Organisation for the Certification of Qualifications and Vocational Guidance in 2011, which has led to the merging of various assessment and certification frameworks (CEDEFOP 2012).69

The rate of unemployment among young people in Greece is among the highest in Europe. The rate was above 25 per cent during the decade preceding the crisis. It fell slightly to 22.9 per cent in 2007, but by 2009 had increased again to 25.8 per cent (European Commission 2010: 174). By 2012, the rate had increased to over 55 per cent (Eurostat). Measures to help young people have focused on reducing the cost of employing young people and increasing their opportunities to gain work experience and develop skills. In 2010, a law was passed permitting a cut in the minimum wage for workers under 25 years of age. The minimum wage for workers aged 19-24 years was cut to 84 per cent of the national minimum wage specified by the National General Collective Agreement, while the minimum wage for workers aged 15-18 years of age was cut to 70 per cent of the rate stipulated by the agreement. A new scheme for the ‘acquisition of work experience’ was introduced, aimed at increasing by 10,000 the number of young people gaining work experience. The scheme offers unemployed young people work experience for between 6 and 12 months, during which time the social security contributions relating to the employee are paid by the state while employers pay young people at least 80 per cent of the minimum wage. Employers who offer a young person a job upon completing their work experience become eligible to receive a further subsidy for up to 12 months (Stamati 2010).70

In 2011, a ‘National Action Plan for Youth Employment’ was unveiled, to be implemented by the Ministry of Development and the Ministry of Education.

70. http://www.eurofound.europa.eu/eiro/studies/tn1101019s/gr1101019q.htm
The plan contained measures relating to the improvement of education and vocational training, school-to-work programs and support for young entrepreneurs. The measures were supported via funding totaling €600 million and were intended to assist 350,000 young people. In 2014, the government unveiled a new national apprenticeship programme, which is underpinned by EU funding and is intended to provide corporate apprenticeship contracts to 30,000 young people per annum. The apprenticeship contracts will last one year, during which time the apprentice will receive 70 per cent of the basic wage for the job. At the end of the year the government will offer the employer a subsidy (e.g. a lower social security contribution rate) if they agree to hire the trainee.

3.8 Italy

3.8.1 Overview of the IVET system

The regional authorities play the key role in IVET in Italy. While the Ministry of Education has overall responsibility for developing regulations for school-based vocational education, regional authorities typically control school-based IVET provision. Since the late 1990s, decentralisation has proceeded further, as regions have delegated control to provincial authorities (Allulli et al. 2001).

Young people who have completed their compulsory schooling are able to take either regional full-time vocational training courses or a regional apprenticeship training route. The duration of apprenticeship contracts ranges from 18 months to four years. Apprentices must spend a minimum of 120 hours a year participating in external training courses (Allulli et al. 2001). Vocational training courses offer two main pathways: a three-year course leading to the award of a Professional Operator Certificate (Attestato di qualifica di operatore professionale) and a four-year course, leading to a Professional Technician Diploma (Diploma professionale di tecnico). VET normally commences with a two-year foundation programme. Almost all school-based IVET is funded by the national government. However, the social partners play an important role in managing funds for CVT.

3.8.2 Developments since 2008

In 2010 a ‘youth employment for 2020’ programme aimed at improving the employment and training of young people was launched by the Italian Labour Ministry and Education Ministry. The programme established joint targets and guidelines for the two ministries, including facilitating the transition from school to work, renewing technical education and reforming apprenticeships.

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Job mismatch has been identified as a key problem in Italy and the new programme therefore included provisions for a national survey of employers’ skills needs and improvements in public and private employment services. The programme also set out to address the limited amount of structured training provided to apprentices (only 1 in 5 apprentices follow a structured programme) and establish apprenticeship programmes leading to higher qualifications, including research doctorates.74

Further apprenticeship reforms took place in 2011, when the social contributions of firms recruiting apprentices were reduced and regulations relating to apprenticeships were consolidated into a single text75. The reforms incorporated views provided by employers and trade unions on a draft government text. The changes included a reduction in the maximum duration of contracts for apprenticeship training from 6 to 3 years, an increase in the duration of basic training from 60 to 120 hours and the adoption of the principle that this issue would be regulated by national collective bargaining. The training modalities are regulated at regional level, with input from the social partners. Employers who fail to provide the training that they have committed to while benefiting from social insurance subsidies in respect of an apprentice will be required to re-pay double the difference between the contributions paid and the full contribution rate. Failure to meet the training standards set down in collective agreements can also result in financial penalties ranging from €100 and €600 (€300-€1,500 for a second offense)76.

In 2012 a ‘generational pact’ was introduced, aimed at improving the employment of young people. Under this measure, firms who hire a young worker on an apprenticeship contract or a permanent contract are eligible for full relief on the social contributions relating to an older worker approaching retirement, on the condition that the worker agrees to work part-time (for up to three years before retirement). In addition, efforts are being made to support work-study training through the offer of ‘scholarships’ (these measures have been introduced in anticipation of the EU’s ‘Youth Guarantee’). The measures are being supported by a budget of €1.5 billion and the aim is to create 200,000 jobs77. Measures have also been brought in to improve the regulation of internships. The duration of internships has been restricted to a maximum of six months and they can only be made available to school or college-leavers within 12 months of their graduation.

Some employer organisations and trade unions have reached new collective agreements that have had implications for training and young workers. The SME employers’ organisation Cofapi and the trade unions CGIL and Cisl and

75. Article number from 10.05.2011 Planet Labor, May 11, 2011, No. 110314 – www.planetlabor.com
76. Article number from 30.08.2011 Planet Labor, August 30, 2011, No. 110494 – www.planetlabor.com
77. Article number 7667 from 28.06.2013 Planet Labor, June 27, 2013, No. 130435 – www.planetlabor.com
Uil, for example, reached an agreement in 2010 on the management of apprenticeship training in SMEs. The agreement established the need for firms to create training plans for young people engaged in apprenticeship training so as to develop their professional qualifications (one of the types of training introduced by the Biagi Act), to base the plan on Contratto Collettivo Nazionale (CCN) standards, and to file the plan with the ‘Ensemble Nazionale per la Formazione e Ambiente’ (ENFEA). Firms are also obliged to appoint a properly-qualified apprenticeship tutor.

4.9 Portugal

4.9.1 Overview of the IVET system

The Ministry of Labour and Social Solidarity (MTSS) and Ministry for Education play the lead roles in the development and implementation of policies relating to VET in Portugal. In addition, an Institute for Employment and Vocational Training (IEFP) (i.e. the PES) plays an important role in promoting and implementing VET measures, particularly for the unemployed. In 2006, a National Qualifications Agency (ANQ) was created to coordinate the implementation of VET policies and manage a new National Qualifications System, intended to improve the consistency of VET. Vocational courses last for three years. Successful completion results in the award of a Level 3 vocational qualification and a diploma in secondary education, which permits students to progress to study at a more advanced level. The courses are delivered by a network of state schools, which is controlled by the Ministry of Education, and also by privately-run vocational schools. Courses provided under the apprenticeship system are run by the Institute for Employment and Vocational Training (Instituto do Emprego e Formação Profissional). Apprenticeships are available in 14 broad occupational categories. Contracts are drawn up by the apprentice and the training body (da Conceição Afonso and Ferreira 2007). Completion leads either to a Level 2 vocational qualification and a certificate of completion of cycle 3 of basic education, or a Level 3 vocational qualification and a certificate of completion of secondary education.

The social partners have a right to be involved in the elaboration of VET policies through their participation in advisory and social coordination bodies, specifically the Economic and Social Council, the National Vocational Training Council and the National Education Council. The social partners are also represented on official bodies responsible for implementing, monitoring and funding VET policies (da Conceição Afonso and Ferreira 2007).

Portugal has made substantial efforts to enhance the education and skills base of the economy. The Iniciativa Novas Oportunidades (New Opportunities

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Initiative), implemented by the government in 2005, set out to improve secondary education completion rates, increase the number of vocational training routes leading to dual certification of academic and vocational abilities, and increase the qualification levels of adult Portuguese citizens via education and training and accreditation of prior learning. The *Quadro de Referência Estratégico Nacional 2007-2013* (National Strategic Reference Framework – QREN) also included new education and training measures aimed at improving provision in relation to science and technology (Conceição Afonso and Ferreira 2007). In March 2007, the government and employer and trade union organisations signed an agreement defining strategic labour market objectives related to VET and creating a standardised national systems and catalogue of qualifications. The new National Qualifications Framework defines new national qualification levels in accordance with the European Qualifications Framework (EQF).

Portugal has introduced a number of VET-related reforms, some of which commenced before the start of the crisis. A Youth Placement Programme (*Programa Estágios Profissionais*) has been implemented to assist first-time job seekers into work and provide retraining opportunities for workers below the age of 36. A further programme, *INOV-Jovem*, supports placements and helps young graduates to integrate into the labour market. Additional resources were directed at this programme following the start of the crisis.

### 4.9.2 Developments since 2008

The crisis has had a severe impact on young workers. The unemployment rate for workers aged 15-24 years more than doubled between 2007 and 2012, from 16.6 per cent to 37.7 per cent (Eurostat). In late 2008 the government implemented a recovery plan (the Initiative for Investment and Employment), which included measures to support youth employment via the offer of subsidised traineeships. Exemptions from social security contributions were offered to firms that offered permanent contracts to young people looking for initial employment. These measures were supplemented by the 2010 Employment Initiative (IE 2010), which provided for a new placement programme for young people. Firms hiring trainees who completed these placements were exempted from social security contributions relating to these workers. The government also introduced an Initiative for Competitiveness and Employment, which included the implementation of 50,000 occupational traineeships for young people (Naumann 2010). A further plan, announced in 2013, includes measures to consolidate the organisation of initial VET. In addition, the social security coverage of interns has been improved, providing them with the same protections as are provided to employees.

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4.10 Spain

4.10.1 Overview of the IVET system

Responsibility for IVET in Spain resides with the Ministry of Education, Culture and Sport (MECS) while responsibility for VET for the unemployed and CVT rests with the Ministry of Employment and Social Security (although powers are generally delegated to Spain’s Autonomous Communities). The social partners’ involvement in the administration of the VET system is largely restricted to their participation in a National Commission on VET, which is responsible for advising on the development of VET policy. They are also able to express views on CVT and training for unemployed workers via their participation in a Tripartite Foundation for Training in Employment (TFTE).

IVET is organised as part of Spain’s post-compulsory secondary education system, with ‘intermediate’ (upper secondary) and ‘higher’ (tertiary) levels and also some programmes at lower secondary level (Field et al. 2012). IVET is predominantly school-based, although workplace training must be undertaken during the final three months of any intermediate or higher vocational programme (Field et al., 2012). The VET system has been reformed in recent years to improve ‘permeability’ (i.e. to enable graduates of the VET system to progress to higher-level education and training opportunities, including at tertiary level). Training programmes are based on a National Catalogue of Occupational Standards, introduced in 2002.

4.10.2 Developments since 2008

Spain’s youth unemployment rate is among the highest in Europe. The rate increased from 18.2 per cent in 2007 to 37.8 per cent by 2009 (European Commission 2010: 175). By 2012, the rate had increased to more than 50 per cent of those in the 15-24 year age group. Spain’s VET system has been reformed in an effort to improve the status of VET, boost skills, reduce early school leaving and increase the proportion of the workforce holding intermediate level qualifications (Díaz 2009). The reforms, which came into force in 2009, allow for the accreditation of prior learning and work experience and have introduced a network of National Vocational Training Reference Centres, responsible for developing training initiatives and coordinated by the General Vocational Training Council (Consejo General de la Formación Profesional), a tripartite advisory body. The government intended to attract 200,000 new students to middle-level vocational training by enabling training to be combined with the accreditation of work experience and providing 18-24 years old workers with grants to enable them to pursue qualifications while working. The government also plans to promote training contracts targeting young people who have dropped out of the education system in particular, in order to allow them to complete their education. Young people over the age of

16 and who have not completed compulsory education have been given additional entitlements to access VET.

Spain has tried to encourage greater employer interest in apprenticeships by subsidizing the social security costs associated with apprentices. More significantly, a major reform implemented in 2012 paved the way for the implementation of a dual training system. The reform created a framework for carrying out dual training through combinations of workplace, education centre and enterprise-based provision. The reform also provides for contracts of training and learning to be reached by trainees and employers. The contract, which can last between one and three years, applies to young people between the ages of 16 and 25 who lack a recognised qualification. The trainee and firm agree a distribution between working time and training time. The latter cannot be below 25 per cent of total time in the first year and 15 per cent in the second. The salary is set in line with collective agreements. The Spanish government has also temporarily extended apprenticeship training contract opportunities to people between the ages of 25 and 30 years and has resolved to maintain this measure until the unemployment rate in Spain falls below 15 per cent. In addition, training accounts have been introduced for employees, entitling them to 20 hours of training per year, to be paid for by their employer.

In March 2013, the Spanish Government launched a new initiative to tackle youth unemployment. The Strategy for Entrepreneurship and Youth Employment 2013–2016 introduces 100 measures to tackle the issue. In 2013, 15 measures will be implemented, and the remaining 85 are expected to be introduced over the next three years. However, training and employability measures are not at the core of the strategy and the budget for active labour market programmes was cut by 20 per cent in 2012 (Sanz de Miguel 2013).

### 4.11 Poland

#### 4.11.1 Overview of the IVET system

Responsibility for IVET below tertiary level in Poland rests with the Ministry of National Education. VET at higher education level is the responsibility of the Minister of Science and Higher Education. At upper-secondary level, vocational qualifications can be obtained via a 3-year basic course at a vocational school (ZSZ) or a 4-year programme at an upper-secondary technical school (technikum). Approximately 60 per cent of students at basic vocational schools choose to embark on an apprenticeship, which normally takes place in an SME. Apprenticeships, which cover 117 occupations (the most common being hairdresser, carpenter, baker and confectioner), can take the form of occupational training (ISCED 3) leading to qualification as a skilled...
worker or, for those who did not complete lower secondary schooling, more limited training to perform a specific job (ISCED 2). The former involves a mix of theoretical (school-based) and practical (workplace-based) training that typically lasts between 24 and 36 months (CEDEFOP 2011b).

Social partner involvement in VET occurs through the Tripartite Commission on Socioeconomic Issues (Komisja Trojstronna ds. Spoleczno-Gospodarczych), which provides employers and trade unions with a consultative role. The social partners are also represented on the Central Employment Board (Naczelna Rada Zatrudnienia), which provides advice to the Minister of Labour on issues such as training for unemployed workers (CEDEFOP 2011b). At regional level, the social partners are represented on regional commissions, which meet every three months to discuss social and economic issues, including VET (op cit.).

4.11.2 Developments since 2008

Poland has recently implemented a new strategy for raising education and training levels over the period 2007-13. In February 2010, the Ministry of National Education announced that it wished to ensure an increase in the number of people completing vocational education from 12 to 15 per cent by 2013. In order to support this target, plans were announced for vocational training centres, providing adults wishing to obtain vocational qualifications with access to vocational schools and increasing the involvement of employers in the identification of training needs, curriculum development and assessment (CEDEFOP 2011b). Poland has also developed a new national qualifications framework.

Poland appeared to weather the initial stages of the crisis comparatively well. However, the rate of unemployment among young people was considerable even before the crisis began. While substantial improvements had been witnessed in the years preceding the crisis, youth unemployment began to increase again after 2008. By 2012 it had reached 26.5 per cent. In that year, the Ministry of Labour and Social Policy implemented a new ‘Youth and the Labour Market’ programme, which included new active labour market measures, the introduction of ‘career offices’ in schools and universities, improved access to information concerning internship opportunities, and recruitment and mobility incentives. Young unemployed workers will be assigned a personal tutor to help them develop action plans intended to help them obtain a job. Training ‘cheques’, worth approximately €835, have been made available to unemployed young people to help them finance short-duration training courses (the funding support is doubled where the training leads to a qualification). The government has offered a bonus (worth approximately €350) to employers who agree to offer an unemployed young

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person an internship for at least six months and also offered to reimburse employers’ social insurance contributions and subsidise their wage costs for 12 months in relation to any young graduate that they agree to hire for a period of at least 18 months.

4.12 Lithuania

4.12.1 Overview of the IVET system

IVET in Lithuania is mostly based within schools, although programmes include a substantial component of practical workplace-based training. VET curricula are competence-based and IVET programmes are developed by VET providers in consultation with employers’ representatives. Providers are obliged to adhere to general VET standards set down by the Ministry for Education and Science. Employers and trade unions are involved in VET policy development via a VET Council and a Central Professional Committee. They help to determine the content of new qualifications and specific qualification standards, ensure that VET programmes address labour market needs, and organise practical training and the final assessment of qualification (CEDEFOP 2013). They have the right to initiate the development of new qualifications, standards and programmes.

Funding for IVET is provided by the state. However, the governance of VET has been decentralised since 2003, when state VET institutions were transformed into self-governing institutions (viešoji įstaiga), thereby enabling a range of actors (including employers, unions and local government) to become involved in the governance of VET providers. The self-governing institutions represent approximately one-quarter of the total.

4.12.2 Developments since 2008

There have been a number of recent administrative developments. In 2010, the government introduced a new eight-level national qualifications framework. In 2012, accredited competence assessment institutions (kompetencijų vertinimo institucijos) began to organise the assessment of competences developed via VET programmes (CEDEFOP, 2013). The network of IVET and CVET providers is also being reorganised so as to merge providers and develop economies of scale. In addition, 42 sectoral training centres have been established.

In the period that preceded the crisis, youth unemployment in Lithuania had been declining rapidly. In 2004 approximately one-fifth of young people were unemployed; by 2007, the rate had fallen to a little over 8 per cent (Eurostat).

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After 2008 the position deteriorated rapidly and by 2010 more than one-third of young people in Lithuania were unemployed.

The government has responded by implementing a number of measures to boost employment and support for training. In 2013 a new programme, entitled ‘More Jobs 2014-2020’ was agreed by the government and social partners. The programme aims to double the number of apprenticeship places by 2020 so as to enable all unemployed people below the age of 25 to be offered an apprenticeship, an internship or a job within four months of becoming unemployed. The programme also includes measures to boost hiring activity among SMEs. Firms will be offered up to LTL 25,000 for hiring an unemployed person below the age of 29 or over the age of 50, and will also be eligible for a subsidy if the net wage received by their new recruit is above the value of the minimum wage.

The new programme is an extension of earlier measures that were intended to increase hiring efforts by employers. In 2010 the government cut employers’ social contributions from 31 per cent to 7.7 per cent in an effort to encourage them to hire young people. In 2012, this measure was replaced by an initiative entitled ‘Support for the First Job (Parama pirmajam darbui), which was financed by the European Social Fund and provided for partial subsidization of the wage costs of young workers for up to 12 months.

### 4.13 Czech Republic

#### 4.13.1 Overview of the IVET system

Overall responsibility for VET in the Czech Republic rests with the Ministry of Education, Youth and Sports. It is supported by the National Institution for Education (NUV), which is responsible for the development of the general and vocational education curriculum.

Compulsory education ends at the age of 15. Those who complete their compulsory education can choose between general and vocational upper-secondary and tertiary education and training. Most young people continue to study and approximately 80 per cent obtain a vocational qualification by the age of 19 (CEDEFOP 2010b). VET is provided through a variety of vocational schools (CEDEFOP 2010b). Those young people who obtain a vocational qualification with ‘Maturita’ following a four-year technical education programme of study are generally able to progress to tertiary education. Tertiary professional schools that provide practically-oriented tertiary education were established in 1995. Shorter upper-secondary programmes, typically lasting three years, enable trainees to obtain an apprenticeship certificate. These programmes combine school-based training with workplace-
based training in the second or third year of the programme. However, participation of employers in workplace training is low (Kuczera 2010: 6). Furthermore, enrolments in apprenticeship programmes have been declining over the past decade (op cit.).

The governance and administration of VET were altered by reforms implemented in 2001. The reforms brought about greater decentralisation and a stronger role for regional administrations. All schools that deliver IVET are funded by the Ministry of Education, Youth and Sports, but after 2001 the regional authorities took over control of the allocation of funds (ReferNet 2005: 13). Regional bodies are directly responsible for setting up and closing down VET schools. However, the Ministry of Education, Youth and Sports continues to take responsibility for the framework of VET and for longer-term planning.

Social partner involvement does not have strong legal underpinnings. The institutional basis for their involvement is relatively weak and they are largely limited to a consultative role. The key national body for tripartite social dialogue is the Council for Economic and Social Agreement, which provides the social partners with a voice in relation to a variety of economic and social policy issues, including VET. They are also represented on a Government Council for Human Resources Development, which was established in 2003 on a tripartite basis with a remit to develop strategic analyses of the links between the labour market, VET provision and entrepreneurship (ReferNet 2005: 16). ‘Field groups’, established by the government in 1998 to contribute towards the development of objectives for VET in a range of occupations, provided employers and trade unions with another opportunity to influence the VET system. Finally, in 2005 a ‘Schools Act’ gave the social partners a role in the examinations board for final examinations in vocational certificate programmes (ReferNet 2005: 16).

4.13.2 Developments since 2008

Since the mid-2000s, the Czech Republic has shifted towards a uniform final examination system, in place of the preceding system in which schools set their own examinations. The requirements to be met in final examinations have been developed by vocational schools and industry experts. As a consequence, learning outcomes and levels of achievement can now be more easily compared (Kuczera 2010; OECD 2012b). However, participation by schools in the new system currently remains voluntary.

Youth unemployment in the Czech Republic almost doubled following the start of the crisis, from 10.7 per cent in 2007 to 18.3 per cent in 2010 (Eurostat), although this figure was similar to those witnessed during much of the preceding decade. Many of the VET measures introduced by the government in response to the crisis focused on workers at risk of losing their jobs. However, there have also been developments in respect of young people. In 2012 a new project was launched entitled ‘Internships in companies – Education through practice’. The project is being supported by the European
Social Fund (ESF). Internships are being made available to graduates who are unable to find a job, as well as the long-term unemployed and other disadvantaged groups. The internships last between one to six months. Companies are paid for providing the placements, but are not obliged to pay trainees a wage (CEDEFOP 2012b). Trainees who complete an internship receive a certificate with a record of the skills and knowledge they have acquired. In total, 5 000 participants are due to be trained via the project, which is due to run until late 2014.

Steps have also been taken to improve permeability. In 2011 an Amendment to the Schools Act enabled trainees to obtain both an apprenticeship certificate and maturita (CEDEFOP 2012b).
5. Conclusion

Although the impact of the economic crisis has varied considerably, most member states experienced an increase in unemployment after 2008. The crisis has served to disadvantage further young people, particularly those with relatively few or low-level skills and qualifications. The crisis has therefore served to focus the attention of policy makers on ways of improving the labour market prospects of young people and the potential contribution of IVET in this regard.

The proportion of enterprises that are involved in the provision of initial vocational training varies widely across the EU. Most of the countries with high levels of employer involvement in initial training have well-established apprenticeship programmes that receive relatively strong support from government, employer organisations and trade unions. In these countries (e.g. Germany, Austria), employer support for initial training has tended to hold up well since the start of the crisis. Elsewhere in the EU, however, the proportion of enterprises that provide initial training tends to be much lower and in several countries the proportion has decreased in recent years, as illustrated in Figures 1-4 in Section 3 of this report.

Over the past twenty years a number of widespread reform tendencies have been observable in the EU. With regard to governance, EU member states have tended to decentralise responsibility for the development, management and delivery of training programmes to regional or local level, which in some cases has provided new opportunities for social partner engagement. Administrative decentralisation has coincided with national level initiatives aimed at improving the transparency and comparability of qualifications through the development of national qualifications frameworks. The greater standardisation and reduced complexity that results is intended to make easier the task of comprehending and navigating vocational education and training systems. The development of national frameworks is also intended to increase worker mobility in the EU by making it easier for employers and educational institutions to compare qualifications obtained in different EU member states. European Union initiatives, such as the European Qualifications Framework (EQF) adopted by the European Parliament in 2007, have been important in driving the widespread adoption of national frameworks (Heyes and Rainbird 2009). A further change relates to the relationship between general and vocational training. A widely perceived need for an increased supply of ‘general’ skills, rather than specific occupational knowledge, has led to an expansion of higher education and a shift in emphasis within vocational education and training from lower to upper-secondary levels, particularly in countries with
dual systems (Bosch and Charest, 2010: 3). Governments have also sought to enhance the ‘permeability’ of vocational training by developing new pathways that enable trainees to progress from secondary to tertiary level education and training. In so doing, they have attempted to increase the attractiveness of VET to young people and reduce the proportion of young people that drop out of education and training to join the ranks of the unemployed.

Table 4 Dimensions of change

<table>
<thead>
<tr>
<th>Development</th>
<th>Since when?</th>
<th>Where?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efforts to increase the number of apprentices/apprenticeship places</td>
<td>Taking place before the crisis, but increased substantially following its start</td>
<td>UK, Germany, Denmark, Sweden, France, Italy, Portugal, Lithuania</td>
</tr>
<tr>
<td>Support for redundant apprentices</td>
<td>Particularly since the start of the crisis</td>
<td>UK, Ireland</td>
</tr>
<tr>
<td>IT-based apprentice matching services</td>
<td>Already in place in some countries, but introduced in others in response to the crisis</td>
<td>Widespread (UK – since start of the crisis)</td>
</tr>
<tr>
<td>Additional measures to help those with lower initial education attainments</td>
<td>Taking place before the crisis, but increased following its start</td>
<td>Germany, Denmark, Spain</td>
</tr>
<tr>
<td>Support for internships/temporary work placement/trainee schemes</td>
<td>Already in place in some countries, but introduced in others in response to the crisis</td>
<td>Denmark, Ireland, Sweden, UK, France, Greece, Italy, Portugal, Czech Republic, Lithuania</td>
</tr>
<tr>
<td>New regulations relating to internships/trainees</td>
<td>Particularly since the start of the crisis</td>
<td>France, Germany, Italy, Poland, Portugal</td>
</tr>
<tr>
<td>Development of/interest in introducing dual VET system</td>
<td>Since the start of the crisis</td>
<td>Italy, Spain, Portugal, Greece, Latvia and Slovakia</td>
</tr>
<tr>
<td>‘Generational pacts’</td>
<td>Since the start of the crisis</td>
<td>France, Italy</td>
</tr>
<tr>
<td>New vocational schools/centres</td>
<td>Since the start of the crisis</td>
<td>Spain, Poland</td>
</tr>
<tr>
<td>Reductions in cost of employing young workers (e.g. min wages, social security costs)</td>
<td>Since the start of the crisis</td>
<td>Widespread – but particularly in hardest hit countries (Lithuania, Spain, Poland, Portugal)</td>
</tr>
<tr>
<td>New measures by social partners</td>
<td>Since the start of the crisis</td>
<td>Denmark, France, Germany, Sweden, Italy</td>
</tr>
</tbody>
</table>

These developments have continued since the start of the crisis (for example, Lithuania introduced a new national qualifications framework in 2010). However, there have also been additional recent developments that have occurred as a consequence of the crisis. These relate to efforts by national governments throughout the EU to encourage greater employer support for youth employment and training, and for apprenticeship training in particular. Table 4 summarises a number of the key dimensions of change since the start of the crisis. A common approach to encouraging an increase in the employment of young people has been to offer employers financial incentives, generally in the form of reduced social security contributions for the young workers that they employ (i.e. reducing the cost of employing young people). There has been increased concern, however, to ensure that young people are provided with opportunities to undertake training. Several countries have implemented measures designed to boost the number of apprenticeship places (again financial subsidies have played a role).
The training, wages and conditions of apprentices are normally contractually guaranteed, but other young people who are taken on as (non-apprentice) ‘trainees’ or interns may obtain only limited work experience and few, if any, opportunities to undertake training leading towards a qualification. There is also a risk that employers will use internships as a way of filling positions that might otherwise be filled by workers recruited on regular employment contracts. Some countries, such as France, have therefore taken steps to regulate the use of trainee/internships and to oblige employers to provide proper training opportunities.

The relative success of Austria and Germany in avoiding a substantial increase in youth unemployment during the crisis reflects the robustness of the dual training systems that operate in these countries. The governments of EU member states that, by contrast, experienced a substantial increase in youth unemployment are now seeking to develop dual training systems of their own. An initial group composed of Italy, Spain, Portugal, Greece, Latvia and Slovakia embarked on a reform path in 2012 and other countries such as Hungary are now setting out to reform their VET systems along dual lines. These reform activities are being supported by Germany, through its ‘Strategy for International VET Cooperation’, launched in July 2013 and supported by a new German Office for International Cooperation and Vocational Education and Training (GOVET), established in February 2014 to provide information and advice to international clients, including EU member states. The European Commission is seeking to build on these initiatives so as promote and support apprenticeship reforms in other EU member states and it is possible that one significant consequence of the economic crisis will be an increased incidence of dual apprenticeship training in the EU, spreading beyond Germany, Austria, Denmark, the Netherlands and Switzerland to countries in Europe’s Mediterranean and CEE regions. However, it should be borne in mind that VET policies and practices are embedded in particular national institutional contexts and may not be easily replicated in countries with different institutions.

Efforts are also being made at European level to encourage improved entitlements, including training entitlements, for interns and ‘trainees’ who, unlike apprentices, often have no formal training contract and might even work for no remuneration. The European Commission’s ‘Quality Framework on Traineeships’ is an important step towards ensuring better treatment of interns and trainees. However, the new framework imposes no obligations upon member states, beyond a duty to report on actions taken. Indeed, the ability of the European Commission to compel member states to act in relation to VET reforms is extremely limited. Under the principle of subsidiarity, and in accordance with Article 166 of the Lisbon Treaty, member states of the EU have a fundamental right to retain sole responsibility for the content and organization of training provision within their national borders. Thus EU

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initiatives in respect of training are developed on the basis that co-operation will be voluntary and not subject to ‘hard’ forms of regulation. Even so, the scale of the youth unemployment problem and the possibility of securing EU funding have encouraged member states to participate in important initiatives such as the Youth Guarantee and there are indications that substantial reforms will result, although their impact remains to be seen.

Although approaches to the comparative analysis of IVET tend to distinguish between models of VET, certain responses to the crisis have been common to countries associated with different models. For example, many EU member states have taken steps to attempt to expand the number of apprenticeship places open to young people. Other responses, however, reflect differences in the organisation and regulation of IVET. For example, the problem of redundant apprentices in the UK and Ireland reflects the weak commitment of employers to IVET and the particular sensitivity of the market-led, largely enterprise-based (as opposed to school-based) model of VET to the business cycle. In Ireland’s case, the heavy concentration of apprenticeships in the construction sector, which was particularly exposed to the crisis, was also an important factor. A further institutionally-based difference can be seen in relation to the role of social partners. In some EU member states, employers and trade unions have negotiated measures to assist apprentices and other young workers. However, this has been confined to countries in which sectoral or inter-sectoral collective bargaining remains important and where the social partners play an important role in the governance of VET (e.g. Germany, Denmark and France).

The European Commission regards national and European-level social dialogue as important in the development and implementation of measures to boost employment and training. However, although dialogue in relation to VET might increase in frequency, to the extent that the Commission and social partners have committed to jointly reviewing progress in respect of education and training, it is unclear that this will make a substantial difference to the extent of social partner involvement in the development of national reforms and the governance of VET within EU member states. The institutional foundations for social dialogue are relatively weak in many EU member states and even in those countries where collective bargaining and social dialogue in relation to training are relatively common, governments, employers and trade unions often experience difficulty in reaching agreement on VET policy reforms (as seen, for example, in the recently enacted reforms in France).

The new initiatives relating to VET that have been implemented since the start of the economic crisis form part of a wider set of supply side reforms that are intended to improve employability and increase employment. However, serious constraints and imbalances on the ‘demand side’ remain and are being exacerbated by weak wage growth, declining real incomes and increasing inequality in many EU economies, and by reductions in public spending. The Euro-Plus Pact, which is intended to boost the financial stability and competitiveness of EU states in the Eurozone, has reinforced these problems, while further encouraging a focus on supply-side remedies. Moreover, the
question of whether and how Europe can increase the number of sustainable high-quality, well-paid jobs remains. According to forecasts produced by CEDEFOP (2010), substantial growth is anticipated in high-skilled non-manual occupations, but the number of jobs in elementary occupations is also likely to increase substantially. It is currently unclear how, or if, policy makers intend to take action to substantially improve the quality of these jobs. Failure to act is likely to frustrate the efforts that some governments are currently making to increase the enthusiasm of young people for apprenticeships and other forms of vocational training.
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