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Vocational training and transitions into the labour market

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skills for work and life"

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Structure of presentation

1. Long-term scar effects of a bad start
2. The role of vocational training
3. Academic Drift
4. Conclusions

1.2 Scar effects of a bad start

Many studies on long term scar effects of a bad Start: Two Examples:

1. Graduating from college in a bad economy has large, negative and persistent effects on wages. Lifetime earnings are substantially lower than they would have been if the graduate had entered the labour market in good times (Lisa B. Kahn (2010))
2. Data from the UK 1958 birth cohort (National Child Development Study) - Youth unemployment raises unemployment, lowers wages, worsens health and lowers job satisfaction twenty five years later. No such effects could be found for spells of unemployment when the respondents were in their thirties (Bell/Blanchflower 2009)

1.3 Scar effects of a bad start

Reasons for scar effects:

- Young people as outsiders vulnerable
- Personality still developing in adulthood
- Access to good jobs and careers increasingly only with „clean CV's“ - without the stigma of a bad start
- Employment and education systems are often not „forgiving“
- Strong age cohorts

But:

- National differences in scar effects
- Varieties in VET-systems, labour market, recruitment criteria and support for a „second chance“

2.1 Types of VET

A Heuristic Typology of European VET Systems

<i>Type of VET system</i>	<i>Countries</i>
Apprenticeship-based	Austria, Germany, Denmark
Continental school-based	Netherlands, France
Market-led	UK, Ireland,
General Education	Greece, Spain, Poland, Hungary
Egalitarian School-based	Finland, Sweden

2.2 Population that has Attained Upper Secondary Education and Upper Secondary Enrolment Rates by Orientation of Programmes (2006)

*Upper secondary enrolment rates**

	<i>General programmes</i>	<i>Vocational programmes</i>	
		<i>All programmes</i>	<i>Of which: combined school and work based</i>

Apprenticeship-based

Austria	22,7	77,3	33,3
Denmark	52,3	47,7	47,2
Germany	42,6	57,4	42,2

Continental school-based

Netherlands	32,4	67,6	18,5
France	56,2	43,8	12,1

Market-led

UK	58,6	41,4	m
Ireland	65,5	34,5	2,2

General Education

Greece	68,3	31,7	a
Spain	56,6	43,4	1,9
Hungary	76,4	23,6	13,2

Egalitarian School-based

Sweden	42,9	57,1	a
Finland	33,3	66,7	11,5

Source: OECD (2009), Education at a glance Table C1.4

Note: *Percentage of upper secondary graduates in the population at the typical age of graduation by programme orientation.

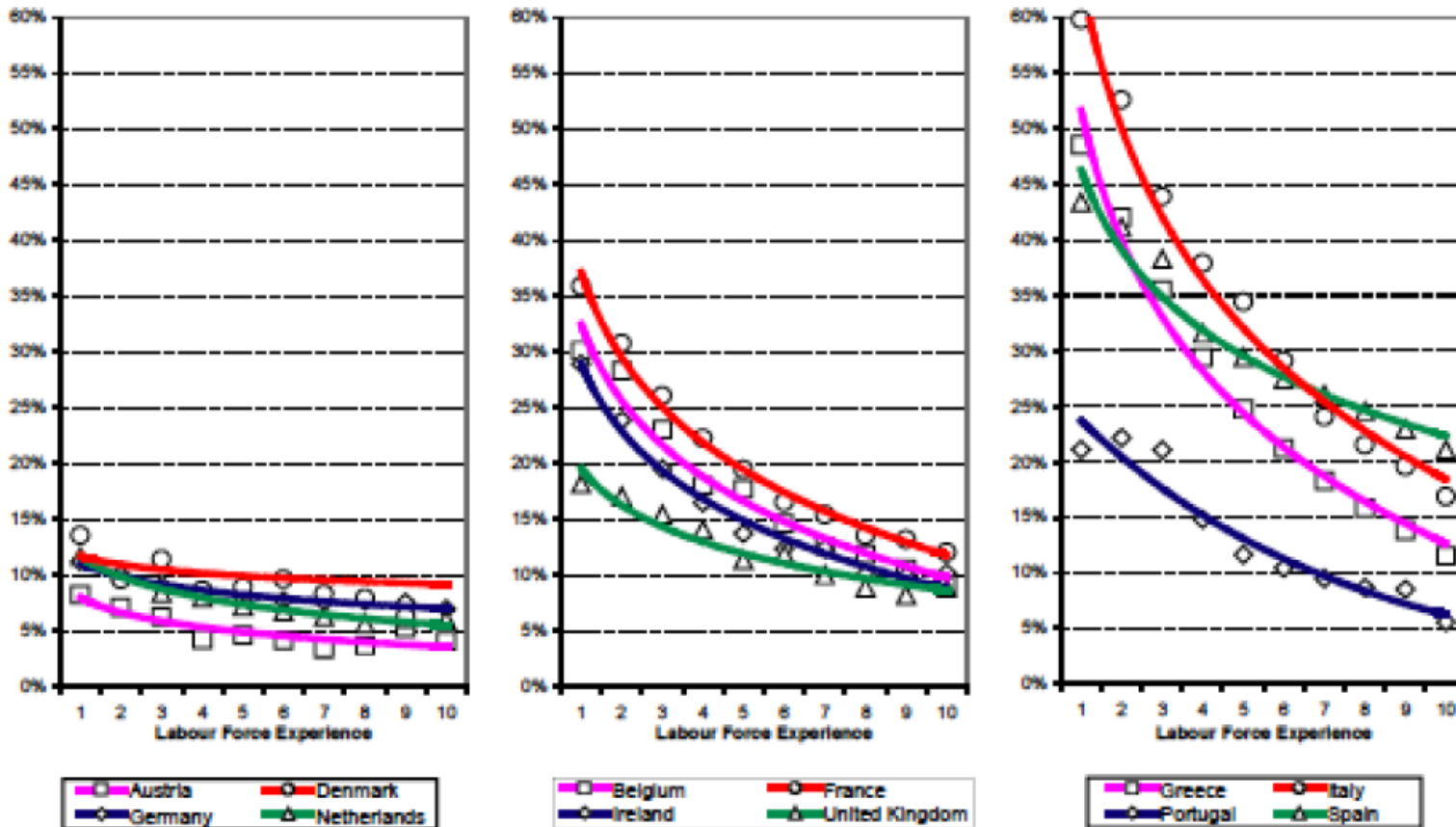
m = missing; a = not applicable

2.3 Research on transition from education to work

Myriad studies:

- Fast and stable transition in countries with apprenticeship systems – apprentices are insiders
- Relatively fast, but often not sustainable transitions in market-led systems
- Most difficult transitions in countries with GE and high levels of Employment protection legislation
- Difficult transitions from school-based VET – school leavers are outsiders

2.4 Transition from Education to Work: Unemployment rates and labour force experience (in years): ISCED 3 leavers (1990's)



Source: Müller/Gangl, Transitions from Education to Work in Europe, Oxford 2003

2.7 Reasons for fast and stable transitions from apprenticeship systems – How to make apprentices „insiders“?

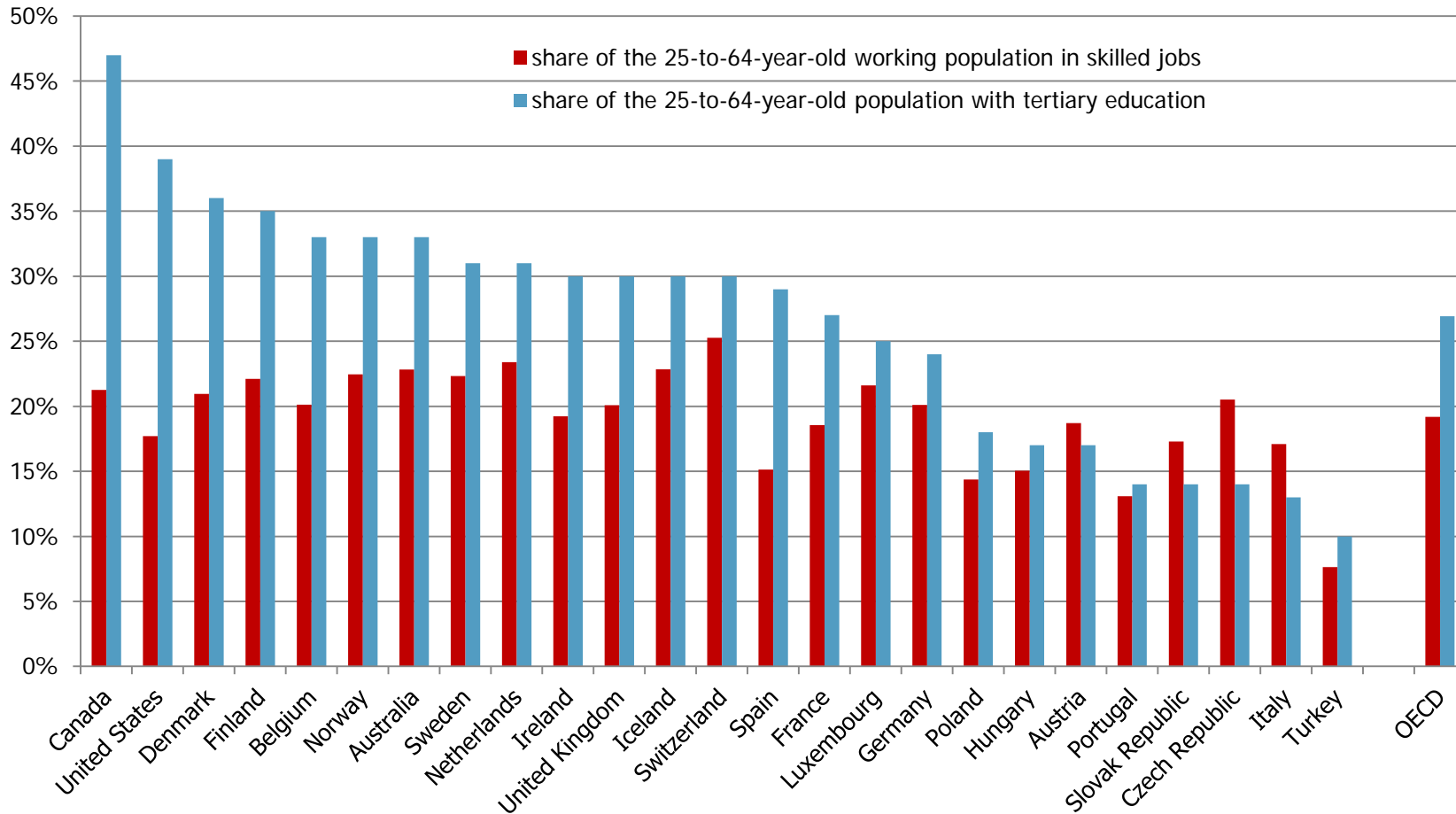
- High reputation of VET among employers and young people: Not second choice for poor school performers
- Generally recognized certificates
- Participation of social partners – „Their“ occupations
- Occupational labour markets: Links of certificates with work organization, pay and careers
- Continuous modernization of training – up-to date with work organization
- Low transaction costs of transitions because of high share of work-placed formal and informal learning

3.1 The role of tertiary education

- Percentage of highly skilled jobs (ISCO 1-3) in most developed countries between 15 and 25%
- Share of graduates from tertiary education exceeding the share of highly skilled jobs in many countries
- Increasing mismatch because of expansion of tertiary education

3.2 Share of population in skilled jobs and share of population with tertiary education (2006)

share of the 25-to-64-year-old working population in skilled jobs (ISCO 1-3 Managers, Professional, Technicians and Associate Professionals) and share of the 25-to-64-year-old population with tertiary education (2006)



source: OECD, Education at a glance 2008

3.3 Impacts of the „academic drift“

- Overproduction of graduates
 - increasing rates of unemployment
 - increasing inequalities of returns to higher education
- Displacement of graduates from VET
- Skill shortages at the craft level
- Increasing difficulties to revitalize VET
- Polarization of the skill structure
- Need of new „Vocationalism“ in tertiary education

3.4 Education and occupational mismatches for young individuals 2007

Country	Ratio of 25-29 year-old workers not in education with an upper secondary education, working at skill level 1 (ISCO 9) to all 25-29 year-old workers not in education with an upper secondary education	Ratio of 25-29 year-old workers not in education with a tertiary education degree, working at skill levels 1 or 2 (ISCO 4-9) to all 25-29 year-old workers not in education with a tertiary education
Australia	4	24
Austria	9	19
Canada	10	37
Germany	5	20
Greece	3	25
Hungary	5	13
Italy	5	24
Spain	17	44
Sweden	6	17
UK	12	26
USA	4	33
OECD	7	23

Source: OECD: Education at a glance 2010 Indicator C3.7

4.1 Conclusions

Vocational Training is about

- sustainable integration of young people into the labour market
- creation the workforce for a modern, competitive economy

Main problem low reputation of TVET –
second choice for poor school performers

4.2 Conclusions

- Upgrading VET - Long term structural
- Important conditions for such structural policy:
 - Recognized certificates – upgrading of training
 - Strengthening links with the labour market:
 - Combination of school- and company based training
 - involvement of social partners and companies
 - establishment of occupational labour markets (licensing, quality standards and other product market regulations)
 - Decent working conditiond
- Some countries try to expand and improve apprenticeship training (UK, IRE, MT, CY)

G20 Labour and Employment Ministers Conclusions, Paris September, 26/27 2011

„We agree that training systems based on dual learning or apprenticeships, are particularly effective. We are committed to promoting apprenticeship, vocational training and work-based learning systems, and we encourage the creation of public-private partnerships for this purpose“

**Bosch, Gerhard
Charest, Jean
(Eds.)**

**Vocational Training
International Perspectives
Routledge, London 2010**

1.1 Population that has attained upper secondary education in different age brackets and upper secondary enrolment rates by orientation of programmes in selected OECD countries (2008)

	Age			Upper secondary enrolment rates*		
	25-34	55-64	Differences	General programmes	Pre-vocational and vocational programmes	
					All programmes	of which: combined school and work-based
OECD average	80	58	+22	54,9	47,0	11,7
EU average	82	59	+23	47,3	52,9	16,1
Australia	82	55	+27	39,9	61,1	m
Austria	88	71	+17	22,9	77,1	35,0
France	83	55	+28	55,6	44,2	12,4
Germany	86	82	+ 4	42,5	57,5	42,8
Greece	75	39	+36	69,1	30,9	a
Hungary	86	70	+16	75,5	24,4	13,9
Italy	69	35	+34	40,6	59,7	a
Korea	98	40	+58	74,5	25,5	a
Mexico	40	19	+21	90,6	9,4	a
Spain	65	29	+36	56,2	43,8	1,8
Sweden	91	75	+16	43,2	56,7	n
UK	77	63	+14	43,2	56,7	n
USA	88	89	- 1	100	x	x
Range in OECD	58	76		74	74	41

*Percentage of upper secondary graduates in the population at the typical age of graduation by programme orientation

m = missing

n = data value negligible

a = category not applicable

Source: OECD (2010): Tables A1.2a and Table C1.4

1.2 Population that has attained tertiary education in different age brackets in selected OECD countries (2008)

Country	Tertiary education Age		Differences
	25 – 34	55 - 64	
OECD average	35	20	+15
EU average	32	18	+14
Australia	42	28	+14
Austria	19	15	+4
France	41	17	+24
Germany	24	24	0
Greece	28	15	+13
Hungary	24	16	+8
Italy	20	10	+10
Korea	58	12	+46
Mexico	20	10	+10
Spain	39	16	+23
Sweden	41	26	+15
UK	38	27	+11
USA	42	40	+4
Range	43	32	

Source: OECD (2010): Table C1.1; Table A1.3a;