

# **TRAINING, EMPLOYMENT AND 'EMPLOYABILITY': RESPONDING TO THE JOBS CRISIS**

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## **1. INTRODUCTION**

Within the European Union vocational education and training (VET) have long been identified as central pillars of social and economic policy. VET has come to be seen as important means by which organizations might secure the competitive advantages of 'flexibility' and 'adaptability', as well as an instrument of active labour market policy that can assist in the promotion of social inclusion by addressing the needs of disadvantaged groups, particularly the unemployed. The current economic crisis has served to further underline the importance of education and training to 'employability' in the eyes of European policy makers. In considering how Europe should respond to mounting job losses, the European Commission (2009a: 9) has advocated that 'For men and women facing difficulties in gaining new employment, the "training first approach" should be considered. For the entire workforce, upskilling and re-skilling is crucial to ensure adaptability and employability in uncertain times'.

Many EU member states and non-European countries have introduced new education and training-related measures in response to the crisis. This paper will review a number of these measures and examine their connections with other policies designed to promote employment and 'employability'. The experience of unemployment has differed across EU member states in ways that reflect established differences in education and training systems and policy orientations and, in particular, the extent to which governments have sought to preserve jobs. The relationship between education and training measures on the one hand, and the extent of job protection on the other, has implications for the extent to which responsibility for undertaking education and training and preserving 'employability' falls upon individual workers, employers or the state. The paper begins by examining the role of training in labour market policy. Despite the emphasis placed on education and training in European social and economic policy debates, welfare reforms have resulted in a diminution of the importance attached to training in the labour market policies of many EU member states. The paper goes on to consider the consequences of the economic crisis for low-qualified workers and young people. This is followed by an examination of the various roles that vocational education and training have played in governments' responses to the crisis. The paper concludes with a discussion of the broader significance of the measures that have been taken.

## **2. VOCATIONAL TRAINING AND LABOUR MARKET POLICY**

The activities that may be encompassed by the term 'vocational education and training' are diverse. They may occur at specific stages of workers' lives (for example, apprenticeships are normally undertaken by young people), in varying locations (within the classroom, the workplace or the home), be undertaken for a variety of purposes, and result in the development of skills that may be manual, cognitive or inter-personal. A number of studies have sought to describe and account for differences in the extent of VET provision, the relationship between skills supply and employers' production strategies and the implications of different sites of learning for skill development. Comparative studies (for example, Ashton *et al.* 2000; Brown *et al.* 2001) have explored the respective responsibilities of national governments, employers and trade unions in respect of VET. These studies have examined, among other things, the extent to which employers and trade unions participate in national,

regional or sectoral institutions charged with tasks relating to the regulation of training, such as distributing training investment funds and setting training and accreditation standards. Such studies have also drawn attention to the extent to which decisions relating to training are discussed, negotiated or co-determined by employers and worker representatives, as opposed to being taken by employers unilaterally. On the basis of such considerations, the UK and US 'training systems' have been identified as examples 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 or no formal involvement (ILO 1998, Ashton *et al* 2000). By contrast, training systems in countries such as Austria, Germany, Denmark and the Netherlands, where employers and unions both have a formal role in the regulation of training, have been defined as 'corporatist' or 'co-operative' (ILO 1998: 69).

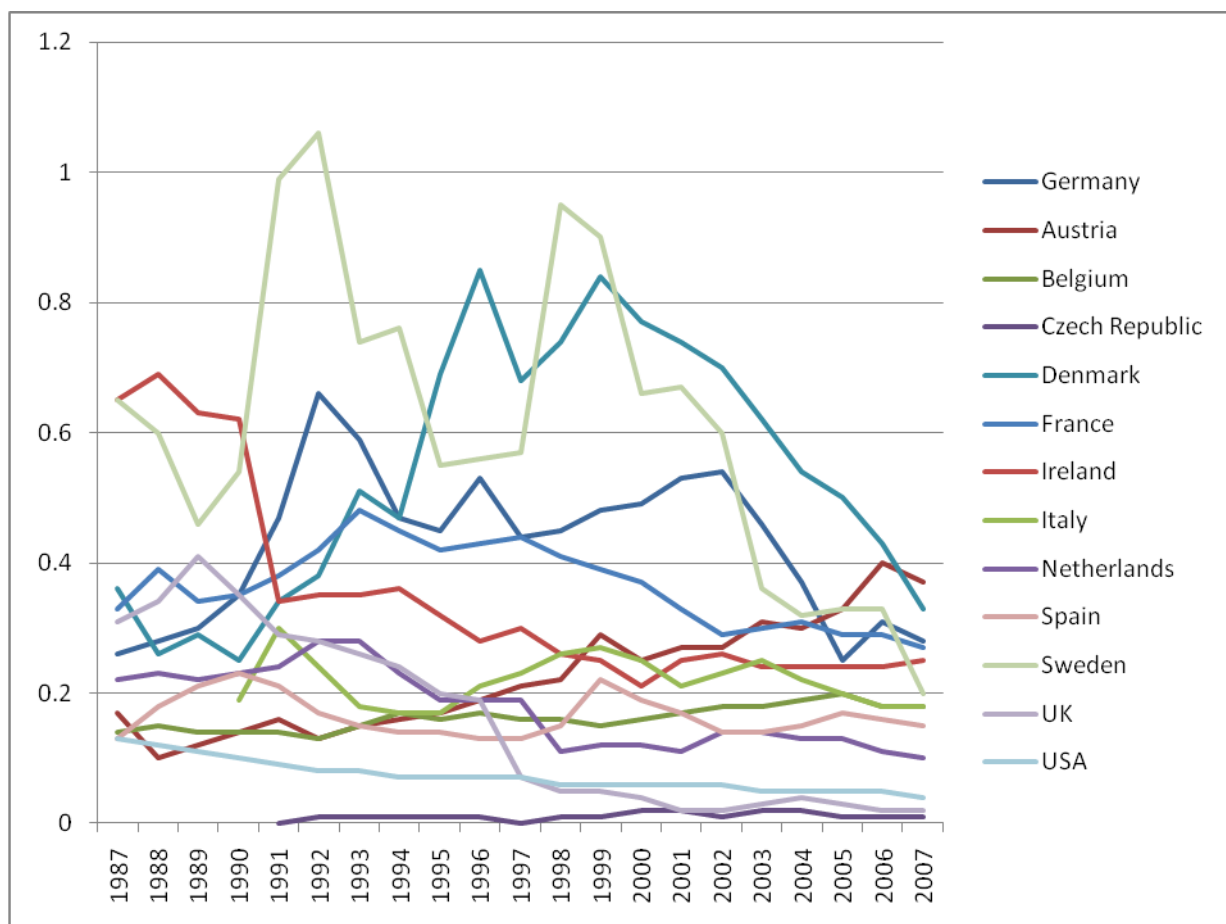
Much has been done, therefore, to improve understanding of the implications of different institutional and regulatory environments for the extent and nature of training activity and connections between skill formation, firms' strategies and economic performance. However, there has been a tendency to overlook the role of training in public policies relating to welfare and employment. In so far as pre-employment education and training activities are addressed in comparative studies of VET, the focus tends to be on the schooling and training of young people and their transition from education to employment. The unemployed and other disadvantaged groups in the labour market have tended to receive less attention. Yet, vocational training is often identified as one of the core components of 'active' labour market policies (ALMPS) which, in contrast to so-called passive policies (primarily unemployment benefits), are designed to assist unemployed workers in gaining new employment. In addition to education and training aimed at achieving a better match between the supply of skills and employers' skill demand, ALMPS may include employment subsidies, job creation programmes and intensive, and possibly individually-tailored, assistance with job search, typically provided through public employment services (PESs). (Auer *et al* 2008).

Meager (2009) refers to training schemes as the 'classic elements' of Scandinavian ALMPs. However, he notes that training measures have played a relatively minor role in ALMPs in some countries (e.g. the UK). Moreover, De Koning's (2007) analysis of ALMP expenditure data for 18 OECD countries over the period 1991-2003 shows that expenditure on training tended to fall. It is possible that the reduction is a reflection of the extent to which national governments have embraced policies of a 'work first' nature (Gray 2009), which are commonly said to have their origins in attempts made by the US authorities from the mid-1990s to coerce welfare recipients into work by making work-related activities a condition for welfare entitlement. Theodore and Peck (2000) have shown how a desire by policy makers for jobs programmes that delivered rapid and easily quantifiable results led to a preference on the part of US policy makers for measures that focused on placing the unemployed in jobs as quickly as possible over extensive education and training programmes designed to lead to sustainable, higher quality jobs.

As Peck and Theodore (2001: 428) note, the American model has been an 'export phenomenon', which strongly influenced the 'New Deal' measures introduced by the British government following the Labour Party's 1997 election victory. Despite different traditions of welfare provision across European member states, variations on the work first approach have also taken root in European economies other than the UK (Heyes 2004; Bruttel and Sol 2006). In the case of Germany, for example, reforms to the benefit system have meant that since 2005 those who are capable to working are expected to engage in job search and participate in ALM programmes. Traditional policy measures, such as job creation and vocational education and training (VET) programmes have correspondingly declined in importance (*short-term* training programmes have played a part in these reforms, however, and 400,000 welfare recipients per annum have participated (Kopf 2009: 5)).

Figure 1 charts public expenditure on training measures as a percentage of GDP for a number of EU member states and the US. There is no consistent pattern: in Spain and the US, for example, there has been little variation in expenditure over the 20 year period to 2007 while in Sweden expenditure fell from more than 1 per cent of GDP in the early 1990s to around 0.2 per cent in 2007. Expenditure on training in Denmark has exhibited a similarly marked downward path, reflecting concern about the implications of training for the national budget (Bredgaard *et al.*, cited in Gray 2009: 51) and a shift towards 'workfare'. Overall, by 2007 differences in expenditure were less pronounced than had been the case at the start of the decade. Nevertheless, expenditure in some countries, notably Denmark, Sweden, Germany and France, has remained greater than elsewhere. It is also clear that public spending on training in the US and Czech Republic has been consistently low relative to the other countries shown and that expenditure has also been relatively low in the UK, particularly since 1997-98 (reduced expenditure coinciding with the adoption of 'work first' New Deal measures).

**Figure 1: Public expenditure on training as a percentage of GDP**



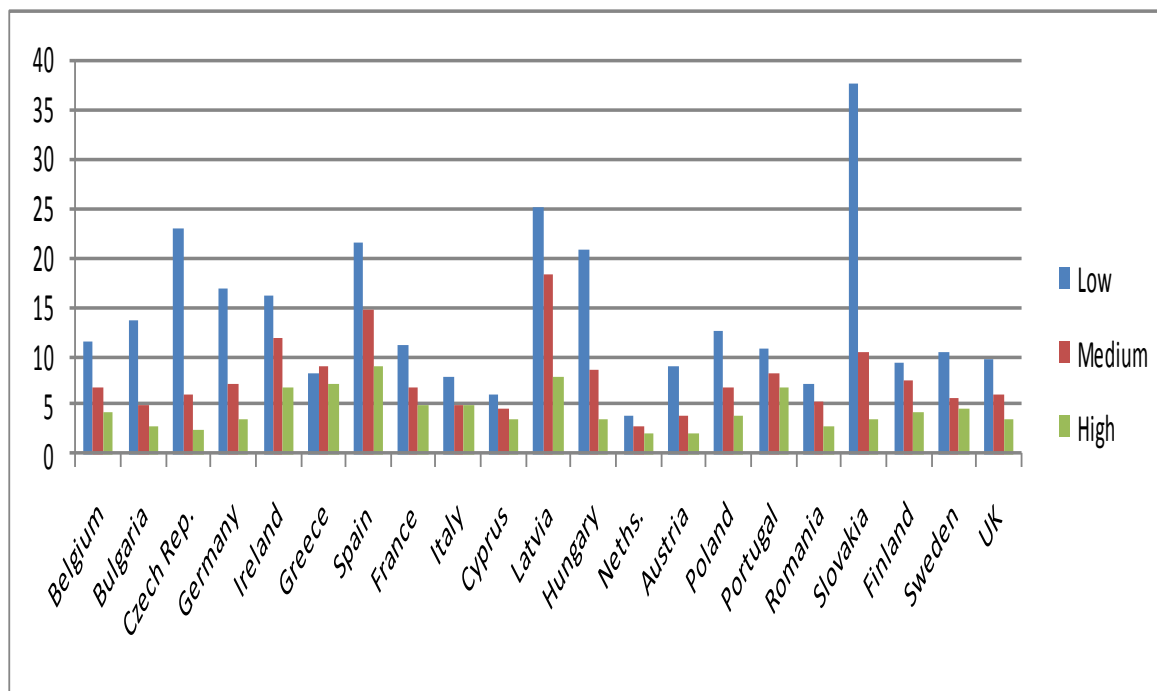
The evidence concerning the impact of training on labour market transitions is mixed. An evaluation of the effects of seven short-term training programmes for unemployed workers in Germany found that not all were effective in improving the transition rate from unemployment to employment (Kopf 2009). Estevão (2003) found that ALMPs had increased employment rates during the 1990s. However, the policies that were found to be most effective were direct job creation subsidies and measures directed at disabled workers. Expenditure on training programmes for unemployed and employed adult workers were found to be 'irrelevant' (op. cit.: 15). An evaluation of Sweden's employment-training programme found that the transition rate of individual workers from unemployment to employment was significantly higher than would have been the case had they not participated and that the

positive influence was greatest in the period immediately following completion of the programme (Richardson and van den Berg 2001). However, the same study concluded that when the amount of time individuals spent on the programme was taken into account, the net effect on the duration of unemployment was ‘about zero’ (op. cit: 210). On the other hand, training programmes may bring longer term benefits (EC 2009b: 5).

### 3. THE EDUCATION AND SKILLS DIMENSIONS OF EMPLOYMENT AND UNEMPLOYMENT SINCE 2007

Unemployment among adult workers tends to be more common among those with lower levels of education attainment and this has remained the case since the beginning of the crisis. Figure 2 compares unemployment rates in EU member states in the third quarter of 2009 according to workers’ highest level of education. It can be seen that the unemployment rate among adult workers (those aged 25-64) with a low level of educational attainment (lower-level secondary education and below) was greater, and in many countries substantially greater, than the unemployment rates for those with medium (upper secondary and post-secondary non-tertiary education) and high (tertiary) levels of education attainment. Similar differences can be seen outside Europe. In the US, for example, the unemployment rate among graduates in late 2009 was 4.7 per cent compared to a rate of 15.5 per cent among people lacking a high-school diploma (FT 11<sup>th</sup> November 2009).

**Figure 2. Percentage rates of adult unemployment in selected EU member states, according to workers’ level of education (Q3 2009).**



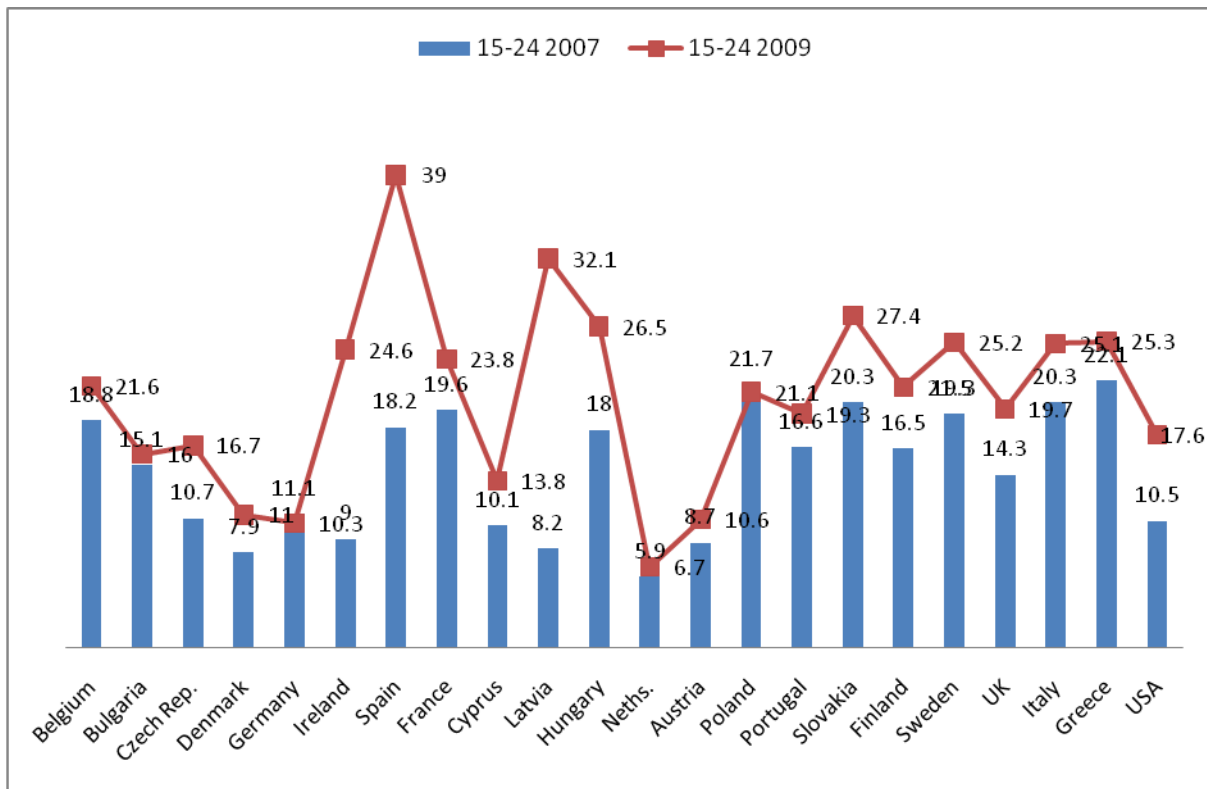
Source: Eurostat

The magnitude of increases in unemployment since the start of the crisis has also varied according to workers’ levels of education. Between the third quarter of 2007 and the third quarter of 2009, the EU27 unemployment rate for adult workers (i.e. those aged 25-64) who were educated to no more than lower-secondary level increased from 8.8 per cent to 12.6 per cent. The increase in unemployment among more highly-educated adults was comparatively modest. The unemployment rate for workers with upper and post-secondary (but not tertiary) education rose from 5.6 per cent to 7 per cent between 2007 and 2009,

while the rate for those with tertiary-level education increased from 3.7 per cent to 4.6 per cent. However, the average figures mask substantial differences in the experiences of individual member states. In some countries, notably Ireland, Spain and Latvia, large increases in unemployment have occurred across all levels of education attainment. Elsewhere in Europe, for example the Netherlands and Romania, the growth of unemployment has been relatively modest, while in Germany *reductions* have occurred across all educational levels.

In addition to those with low-levels of educational attainment, the crisis has had a disproportionate impact on young people, migrants and those in temporary employment (EC 2009a). Across the EU27, the unemployment rate for workers below the age of 25 years increased from 15.3 per cent in 2007 to 19.8 per cent in 2009. Of particular concern is the large number of young workers who are not in employment, education or training (so-called 'NEETs'). In the UK, the number of young people in this category has risen consistently since the start of the decade. According to the OECD (reported in Financial Times 15 July 2009) the UK's proportion of teenage NEETS was the fifth highest in the OECD in 2005, after Turkey, Mexico, Italy and Greece.

**Figure 3. Unemployment rates (%) for young people (15-24 years): 2007 and 2009.**



Note: 2009 figure for the UK is for q3. Source: Eurostat. Data not seasonally adjusted

While stringent employment protections are sometimes mentioned as a cause of high youth unemployment, unemployment rates for young people have also increased in countries such as the UK and US, which have relatively lax rules on hiring and dismissals. In 2009, the unemployment rate for workers under the age of 25 years was around 18 per cent in the USA, 20 per cent in the UK and 25 per cent in Ireland. These rates were comparable with, and in some cases substantially greater than, those found in countries with much stronger employment protections (e.g. in Germany and Austria the youth unemployment rate remained under 11 per cent while in the Netherlands it was less than 7 per cent). On the

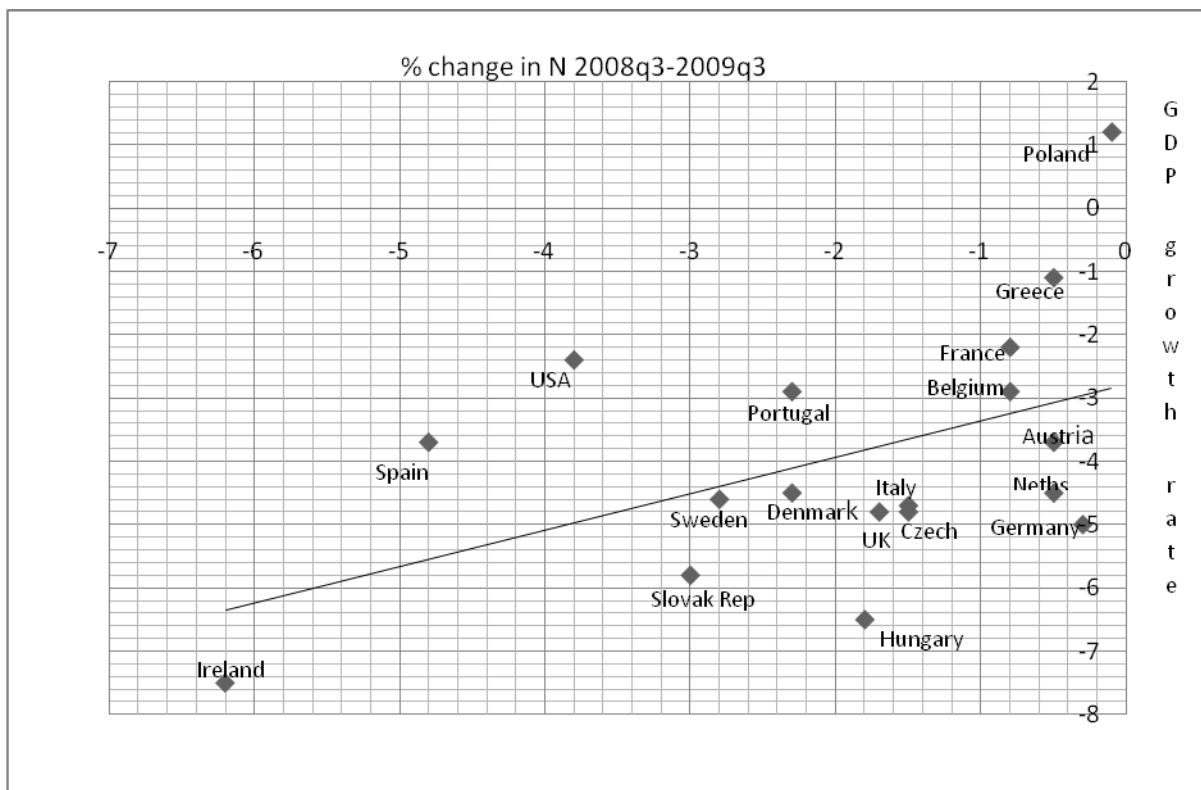
whole, those countries, such as the Netherlands, Austria and Belgium, that have experienced relatively modest increases in unemployment among older workers have also experienced comparatively mild increases in youth unemployment. Increases in unemployment among young workers have tended to be most substantial in countries, such as Spain, Ireland and Latvia that have also witnessed large increases in unemployment among older workers.

#### 4. RESPONDING TO THE CRISIS.

##### 4.1. Training and the maintenance of employment

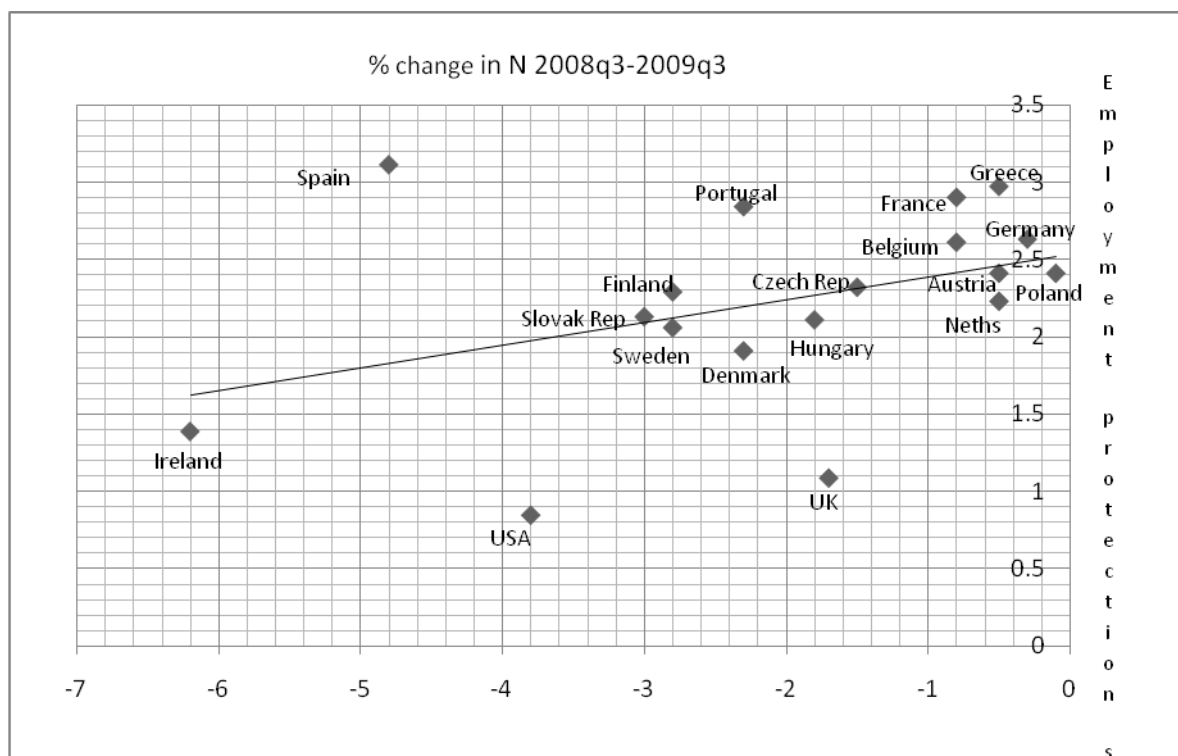
The roles that education, training and other measures to maintain jobs and ‘employability’ have played in governments’ responses to the crisis have varied in a number of respects. A key issues has been the extent to which education and training opportunities have been expanded for those who remain in employment. This has in turn been related to the extent to which governments have actively sought to preserve jobs and the strength of existing employment protections. As can be seen from Figure 4, the strength of the association between reductions in GDP and job losses has varied considerably among OECD countries. While reductions in GDP during 2008-9 were more severe in the Netherlands and Austria than the USA for example, job losses were considerably greater in the latter country. Figure 5, which maps the relationship between job losses and countries’ score on the OECD’s employment protection index for 2008, suggests one important reason for the variability in job losses in the face of similar reductions in GDP. While the association is not consistent, it is clear that those countries that achieve a relatively high score on the employment protection index have also tended to experience less severe reductions in employment.

**Figure 4. Change in employment and GDP for selected OECD countries, 2008-9**



Data sources: Eurostat and OECD. Figures for the USA are for 2008-9.

**Figure 5. Change in employment 2008-9 for selected OECD countries.**



Note: Based on Eurostat and OECD data. EPI Version 3.

Those countries with relatively strong employment protections, including the Netherlands, Austria and Germany, are those that have tended to introduce or expand existing programmes to maintain jobs in response to the crisis. As discussed by Bosch (2010), short-time working or partial unemployment schemes have been particularly notable in this regard. In a number of countries, these schemes have operated in conjunction with measures designed to encourage employers to provide additional training opportunities for partially-unemployed workers. In the Netherlands, the Czech Republic and Slovenia, employers are obliged to enable workers to participate in training during periods of short-time working or temporary leave (EC 2009a), while in Austria employers are entitled to receive a training subsidy if they provide training courses for workers who are on short-time working. Similarly, in Poland subsidies have been introduced for companies that place under-employed workers in classes or training programmes. In Germany and the Czech Republic, incentives have taken the form of contributions to social security costs. In the case of Germany, the public employment service normally covers 50 per cent of the social security costs of enterprises operating short-time working schemes. However, in cases where training is provided to under-employed workers, the contribution of the PES can increase from 50 to 100 per cent.

One of the principal justifications for short-time working schemes is that they help to ensure that firms retain skills and knowledge during downturns and thereby increase the speed with which they can respond as economic conditions improve. As Lloyd's (1999) comparison of French and UK aerospace manufacturers' responses to recessionary conditions in the 1990s has demonstrated, the relative weakness of restrictions on British employers' ability to shed labour when compared to French employers was associated with more extensive job losses in UK firms than in their French counterparts. As a consequence, French firms were able to respond more easily to subsequent increases in demand than those in the UK, where job losses and substantial cuts in training activity during the recession ultimately resulted in the emergence of skills shortages as the economy began to recover.

## 4.2. Reform and extension of existing provisions

In a number of countries, existing provisions relating to Continuing Vocational Training have been modified in response to the crisis. Austria, for example, has revised provisions for unpaid training leave. Inspired by the example of Denmark, paid training leave was introduced in Austria in 1998 (although leave had previously been available in some sectors as a result of collective agreements). The measures entitled workers with more than three years' consecutive employment with their existing employer to take a period of leave of between 3 and 12 months and receive a benefit from the PES (Wagner and Lassnigg 2006). Since the beginning of the crisis, the length of time for which an employee may receive a training allowance (equivalent to the unemployment benefit they would have received had they become unemployed) has been extended to 18 months (Eurofound 2009: 13). A further example is provided by Belgium, which introduced the option of career breaks in the public sector in 1985 to give workers an opportunity to upgrade their skills and retrain. In the private sector, a 'time credit' agreement has been reached by employers and unions, allowing workers in companies with 10 or more employees the right to a one-year career break (with a monthly flat-rate allowance provided by the federal government) during their professional career. Recently, the government of Belgium's Walloon region extended financial support for CVT to cover permanent employees, temporarily unemployed workers, subcontracting workers, and those on fixed-term or temporary contracts (Eurofound 2009: 13).

In January 2009, French employers and trade unions signed a national intersectoral agreement on the development of training throughout the working life, professionalisation and securing career paths. The agreement has resulted in workers being granted the right to transfer their existing individual right to training (*droit individuel à la formation*, DIF) should they lose their job as a result of either dismissal or redundancy. Under these circumstances, workers will be able to use their accumulated rights to training while they are unemployed or, if they find a new job, transfer them to their new employer (Alleki 2009). A new joint fund of €900 million was established to support training for at least 500,000 low-qualified workers per annum and to increase by one-third the number of jobseekers who undertake vocational training (an increase of approximately 200,000). Shortly prior to the onset of the crisis, the French government also launched an experimental Occupational Transition Contracts (*Contrat de transition professionnelle*, CTP) scheme, aimed at workers made redundant by companies with more than one-thousand employees (subsequently extended to companies with fewer than one-thousand employees). The scheme provides affected workers with a protected status of 'vocational trainee' for a 12-month period, during which they receive 80 per cent of the gross pay they received in their previous job ('occupational transition allowance'). During the 12-month period, participants can alternate between receiving training and working on a fixed-term basis for an employer.

Governments have also sought to improve access to existing initial and continuing training programmes. In the UK, for example, the eligibility criteria associated with the government's Train to Gain programme have been reformed so as to allow workers who would previously have been regarded as already sufficiently-qualified to access the programme. Funding has been made available to enable SMEs (firms employing fewer than 250 workers) to provide employees with training irrespective of their existing qualifications and to support the provision of specific training packages in areas such as IT and customer services. The government has also enabled all employers to use the programme to train new recruits, irrespective of their existing qualifications.



### 4.3. Measures directed at unemployed workers

Many governments have provided additional resources to facilitate training access for unemployed workers. The Italian government, for example, has created a Fund for Employment and Training and introduced training vouchers for the unemployed. As part of a package of anti-crisis measures, the Romanian government produced in January 2009 a draft budget that included a commitment to co-funding 50 per cent of the costs associated with continuing vocational training for employed and unemployed workers<sup>1</sup>.

Certain training programmes have been targeted on specific groups within the labour market, particularly those workers who might be classified as 'vulnerable'. The Irish government has directed support to low-skilled construction workers and has expanded night class training from approximately 8,000 places to 24,000 places in 2009. Places are provided free of charge to the unemployed. In Norway, increased funding has been made available to provide training for unemployed or marginally-employed immigrants who have been resident in Norway for two or more years and who are receiving social support. Some countries have also introduced measures to assist workers who are unable to access unemployment benefits (e.g. the self-employed or long-term unemployed).

A number of measures that have been introduced across Europe in an attempt to address the needs of young people. The French government has attempted to encourage young people to acquire skills by offering a one-off payment to people under 26-years of age if they sign a contract to work and train (*contrat de professionnalisation*) in a small enterprise between April 2009 and June 2010 (Eurofound 2009b). In 2009 the UK government launched a 'Young Person's Guarantee' initiative which guarantees all 18-24 year olds who are NEET a place in employment, education or training. The UK government has identified social care as a growth area (given the ageing population) and local authorities are being encouraged to create 50,000 additional jobs in this sector via the offer of subsidies. However, the total number of places and jobs has, thus far, been far less than the number of NEETs and there are indications that employer engagement is proving problematic (Smedley 2009). The scale of the problem has encouraged the government to introduce further measures. In November 2009, the government announced that all 16-17 year olds would be guaranteed a place in education or training from January 2010, that 18-24 year olds would be provided with job-search assistance from day one of registering as unemployed, that 18-24 year olds would be offered a guaranteed job or training after having been unemployed for 6 months, rather than having to wait a year (as had been proposed when the Young Person's Guarantee was launched), and that new graduates who remained unemployed after 6 months would be given access to an internship or training.

In addition to creating new jobs in the social care sector, the UK government has also offered recruitment and training subsidies to private sector employers in the hope of creating a further 50,000 jobs for young people in sectors that are forecast to grow, such as hospitality, leisure, retail and tourism. The government has sought, therefore, to relate employment and training measures to anticipated future skill requirements. Efforts to anticipate future skill requirements have also been made elsewhere in Europe. The German government has provided funding for older unemployed workers to retrain as nurses so as to meet future anticipated demands in the aged care sector, while in Austria there has been an expansion of training places so as to enable unemployed workers to train as skilled metalworkers, an occupation for which demand is anticipated to increase.

Economic difficulties and the closure of business have affected the ability of firms to offer apprentices and governments have responded by providing additional support. In Germany, a pact on apprenticeships (*Ausbildungspakt*) involving the federal government, the Federal

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<sup>1</sup> <http://www.eurofound.europa.eu/eiro/2009/02/articles/ro0902039i.htm>

Employment Agency and various employer and business associations was signed in 2004 and will run until the end of 2010. The pact commits the signatories to creating more apprenticeship positions. However, the number of new apprenticeship contracts concluded fell between 2008 and 2009. While employers have argued that the reduction is largely due to a fall in the number of applicants, the pact's partners have also noted that the economic crisis has led to some establishments being unable to maintain apprentice numbers (Vogel 2009). In 2009 Germany introduced a training bonus for firms that offer additional apprenticeships. The scheme is designed to help disadvantaged young people who have previously experienced difficulties in securing an apprenticeship and is intended to contribute to the employer's training costs. The bonus, which is paid by the Federal Employment Agency, is also available to employers who take on apprentices who have lost their position as a result of insolvency. By February 2010 almost 31,000 applications for the bonus scheme had been made<sup>2</sup>. France has similarly introduced bonus payments for employers that hire or retain apprentices while in the UK a 'clearing house' system has been created to match apprentices who are due to be made redundant with employers that wish to hire staff, thereby enabling apprentices to complete their training. The UK construction sector's training body, ConstructionSkills, has been provided £1 million of funding to support construction companies that take on apprentices who have been laid-off during the crisis. The funding is being used to reinforce ConstructionSkills' Apprenticeship Matching Service (AMS), which helps employers to retain apprentices and assist apprentices who have been 'displaced' by attempting to find them employment. According to ConstructionSkills, by July 2009 AMS had helped 31 per cent of the 2,194 construction apprentices 'displaced' over the preceding 10 months to re-enter training<sup>3</sup>.

The crisis has also led to a renewed emphasis on the importance of apprenticeship training in the UK. In response to the growing number of unemployed young people, the UK government has expanded the number of apprenticeship places for school and college leavers and launched a new government-funded National Apprenticeship Service, the objectives of which is to increase the number of apprenticeships to 400,000 by 2020 and double to one-in-five the proportion of 16-18 year olds in apprenticeships. The number of young people beginning an apprenticeship rose by 7 per cent in 2009, reaching a record 239,900 (FT January 19<sup>th</sup> 2010). The government has also developed proposals to increase further the number of apprentices and address the long-standing problem of under-investment in intermediate and technical skills. One proposal is to use public procurement as a means of encouraging training activity by obliging suppliers to the government to employ apprentices. These proposals reflect an apparent, albeit extremely tentative, shift towards a more interventionist industrial policy and an associated concern with identifying future skill requirements.

#### **4.4. Training, collective bargaining and social dialogue**

The crisis has spurred employers and unions in a number of countries and various sectors to reach new collective agreements that contain provisions relating to VET. In some cases, these agreements have also involved the state. In France, for example, the employer association for the chemical sector, *Union des Industries Chimiques*, and the Ministry of Economy, Industry and Employment have reached a national framework agreement to use training programmes as a way of avoiding redundancies (Glassner and Keune 2009). Further sectoral agreements have been reached by employer and union organisations elsewhere in Europe. An agreement concluded in 2009 for the Swedish manufacturing sector allows for workers to be temporarily laid-off from work while keeping their job and at least 80 per cent of their normal salary. Temporary lay-offs are negotiated at company level

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<sup>2</sup> <http://www.ausbildungsbonus.bmas.de/sites/generator/27632/FAQ.html>

<sup>3</sup> <http://www.cskills.org/newsandevents/news/extra-funding.aspx>

and the agreement allows for training to be provided in place of time away from work. This framework agreement provided the context for local collective agreements reached by employers and trade unions at Volvo. In June 2009 the Volvo Group's engine and gearbox production unit, Volvo Powertrain, signed an agreement with the local IF Metall trade unions in Skövde and Köping (Sweden), which brought about a 20 per cent reduction in hours of work and a maximum 8 per cent reduction in pay during the life of the agreement, which is due to remain in force until March 2010. In May 2009, workers at Scania voted to acquiesce to the company's wish to introduce temporary layoffs. IF Metall subsequently agreed to a 20 per cent reduction in working time and a 10 per cent cut in pay, in exchange for which Scania agreed to guarantee jobs for 6 months. Also in May 2009, Scania received €11 million from the ESF to support a training programme for its workforce (Lovén 2009).

Company-level agreements relating to training have been reached in some countries. In April 2009 an agreement relating to training and partial unemployment was concluded at Peugeot Citroën in France, with the intention of protecting workers' pay during time spent undertaking training and introducing new procedures to monitor the implementation of the training programme (Glassner and Keune 2009: 25). There have also been examples of national-level employer and trade union organisations encouraging or participating in the reform of VET policies. In 2007, employer and union organisations in Austria developed a joint proposal for measures to improve employment opportunities for unskilled, unemployed and young people. It was proposed that the VET system should be reformed so as to link state subsidies for employers who take on apprentices more closely to completion rates; provide young people who do not have an apprenticeship placement, and other underprivileged young people, with an opportunity to access vocational training programmes through 'qualification centres'; provide older workers with an opportunity to retrain for metalworking-related occupations; and address skills shortages by opening up the labour market to workers from the new EU accession countries. The government accepted many of the proposals (Adam 2007). Negotiated reforms of the French VET system have also been implemented. In January 2009, French employers and trade unions reached a national inter-sectoral agreement on lifelong learning aimed at addressing some of the deficiencies of existing VET provisions, such as unequal access to training, the lack of sufficiently targeting of funding on the unemployed and young people who lack qualifications. The agreement allows workers who are dismissed or made redundant to use their accumulated right to training while they are unemployed or with a new employer (Alleki 2009). A fund has been established with the aim of supporting training for at least 500,000 low-qualified workers per annum and increasing by one-third (or approximately 200,000) the number of unemployed workers who undertake training. Low-qualified workers will be able to access training if none has been undertaken in the preceding five years or if their employment history has been marked by regular spells of unemployment. An 'employment preparation' scheme has also been developed for unemployed workers. The scheme provides unemployed workers who find a job through an Employment Centre (Pôle emploi) with up to 400 hours of training as a way of preparing them for specific job vacancies (op cit.). The cost of the training will be covered partly by the Employment Centre and OPCA.

## **5. CONCLUSION**

Vocational education and training measures have played an important role in governments' responses to the current economic crisis. They have also been the subject of negotiated responses involving trade unions and employers. This has particularly been the case in countries, such as France, Austria and Germany, which have vocational training systems that are commonly referred to as 'corporatist' or 'cooperative' and in which education and training have traditionally played a prominent role in labour market policy. These are also countries in which job security, as measured by the OECD's employment protection index, is relatively strong. State support has been provided for retraining and the onus of

responsibility has been placed on employers, who have been encouraged to provide additional training to under-employed workers as a means of preparing them for subsequent labour market transitions. In some countries, such as the Netherlands, employers have been compelled to training workers on short-time working schemes. In such countries it is likely that the linking of training to measures to maintain jobs will have help to maintain the skills base of organisations and the wider economy. By contrast, in the UK, where vocational training has been characterised as 'voluntarist' or 'market-led' and employment protection is relatively weak, there have been few incentives for employers to offer training to under-employed workers or those who are facing redundancy. A number of UK employers have reduced working time as a means of retaining workers, but this has occurred in the absence of state support. The UK's approach to tackling the job crisis has involved the use of subsidies to encourage job creation. Existing welfare to work policies have also been extended. In October 2009 almost 70,000 single parents were transferred from Income Support to JSA, meaning that they would have to actively look for work or risk losing benefits. Yet even in the UK it appears that the crisis, and in particular the escalation in youth unemployment, has spurred the government into re-considering the importance of vocational training, as evidenced by the expansion in apprenticeships. Since April 2010 employees in medium and large enterprises have also had a right to ask their employer for time off for training purposes (the entitlement is due to be extended to employees of small firms in 2011). While the entitlement is arguably weak (employers have considerable scope for denying a request), its implementation suggests that the UK has shifted towards a somewhat less voluntarist approach to vocational training.

In many countries specific training measures have been introduced for 'vulnerable' workers, such as migrants and (particularly) young people. In the latter case, there are fears the crisis will result in a 'lost generation' of young people who are denied an opportunity to acquire experience, skills, knowledge and work habits at an early age and as a consequence join the ranks of the long-term unemployed. Attempts to expand opportunities for young people are thus particularly important. However, questions also remain about the quality of jobs that are being created and their skill content. In a number of countries, government policies in respect of training and job creation have been informed by an analysis of anticipated future skill requirements, although it appears that little consideration has been given to the 'green jobs' that have been emphasised in policy debates in the EU (particularly the European Commission's New Skills for New Jobs initiative) and elsewhere. To date, green measures in developed countries have been largely restricted towards the introduction of carbon taxes or the implementation of cap-and-trade schemes, in which firms are issued with permits that define the extent to which they may pollute (ILO 2009a: 101). The potential of 'green' industries to act as engines of job creation remains uncertain. In countries such as the UK and Germany, job creation measures have targeted sectors such as social care, tourism and hospitality. Employment in these sectors is expected to increase over the next decade (Cedefop 2010), coinciding with a further reduction in skilled manual jobs in the manufacturing and agricultural sectors. Yet the jobs associated with occupations such as sales, security, catering and caring are frequently low-paid and opportunities for continuing training are often limited. While low-paid service sector jobs are no-doubt to be preferred over unemployment, it is also possible that young workers will find themselves trapped in low-quality jobs (Scherer 2004).

The efforts that have been made to forecast future skills needs are intended to support the development of 'flexicurity'-based response to the crisis and to labour market policy. However, the crisis has served to call into question the benefits, attainability and affordability of flexicurity. The experience of countries such as Germany and Austria has demonstrated that employment protection and state-supported initiatives can provide an effective means of avoiding unemployment, at least in the medium term. Job losses in Denmark, one of the main inspirations for flexicurity, have been comparatively greater, perhaps reflecting the relatively weak employment protections extended to workers (Gray 2009). Moreover, the

US's even more 'flexible' labour market has been severely hit by the crisis. The relative success of more regulated labour markets in avoiding mass unemployment has led the OECD, previously an uncritical advocate of labour market deregulation, to modify its views. It is possible that the crisis will ultimately have similar consequence for policy debates within the EU and encourage a re-evaluation of the place of VET and employment protection in economic and social policy.

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