



The vocational challenge

WHY LOOK AT VOCATIONAL EDUCATION AND TRAINING?

- Global economic competition increasingly requires countries to compete on the quality of goods and services. That requires a labour force with a range of mid-level trade, technical and professional skills alongside the high-level skills associated with university education.
- Strains in existing vocational systems include lack of workplace training places and trainers. In some countries the rapid expansion of tertiary education has undermined school-based VET.
- VET has been neglected: it has received limited attention compared to other parts of the education system and is often seen as having lower status.

WHY IS INITIAL VOCATIONAL EDUCATION AND TRAINING NEEDED?

- Employees learn many skills in the workplace either informally or through formal training. But for several reasons, vocational training cannot simply be left to employers.
 - Firms provide firm-specific training to their employees, but they have little incentive to provide training for general skills. Firms may also face barriers or be too small to provide effective training.
 - Employers may be reluctant to recruit young people unless they are “job ready”, especially where hiring young inexperienced people is expensive (e.g. because of employment rules)
 - Those with lower levels of education, who would benefit the most from additional skills, are less likely to develop new skills once in the labour market.
 - A high-skilled labour force may encourage investment in the country, increasing economic growth, while an employee’s skills may promote the skills of workmates (*i.e.* creating positive “spillovers”).
 - Vocational programmes can pay off in the labour market, with studies showing good rates of return for upper secondary VET.

HOW INITIAL VET DEPENDS ON LABOUR MARKET CHARACTERISTICS

- In deregulated labour markets employers can recruit young people at low wages, train them, and retain the most productive as long-term employees. But young people may also find themselves trapped in low-skilled, poorly paid or unattractive jobs.
- In more regulated labour markets, with wage minima and strong employment protection, young people may need to rely more on formal pathways to employment, such as apprenticeships.
- Small and medium-sized enterprises (SMEs) may pursue little employee training: initial VET can compensate for the market failures that lead to an undersupply of training among adults.
- Many other factors also influence the supply of skills, including informal learning, migration flows, and labour force participation. Some labour market needs may be better met by other policies rather than through initial VET and this requires high-quality co-ordination across relevant policy areas.

ADAPTING VOCATIONAL PROGRAMMES TO THE MODERN WORLD

- Strong vocational programmes increase competitiveness but many programmes fail to meet labour market needs.
- In the 21st century, those entering the labour market need immediate job skills, but they also need the career and cognitive competences to handle different jobs and to sustain their learning capacity.
- Many skills requirements are volatile and driven by rapid technological change while technological advance has increased the demand for higher level technical skills, including at tertiary level.
- Many of those now participating in upper secondary vocational programmes do not expect to enter the labour market directly, but instead go on to post-secondary and tertiary education. Vocational programmes at upper secondary level come to fill a dual role.
- High-skilled blue-collar occupations include traditional apprenticeship trades like plumbing and electrical trades. But most OECD countries are also developing vocational programmes in new technical white-collar occupations including healthcare and computing.
- National systems of vocational education and training are very diverse – in some countries it makes little sense to refer to it as a single ‘system’. Within families of VET systems many differences are strongly reflected in labour market structures and in cultural attitudes (*e.g.* occupational aspirations).
- Countries vary on when vocational specialisation starts. VET can engage young people who are less academically minded in practical tasks, sustain their motivation for learning, and support their transition to work. But it is difficult for adolescents to make considered career choices and they risk closing off their options if they change their mind later.
- The risk that practical training crowds out broader academic skills and limits pathways can be managed if programmes involving early specialisation also require sufficient attention to numeracy, literacy and other general academic skills, as well as other wider soft competences.

MAIN POLICY DIRECTIONS

- Provide the right mix of skills for the labour market
- Reform career guidance to deliver effective advice for all
- Ensure teachers and trainers are well-prepared with industry experience
- Make full use of workplace learning
- Develop tools to engage stakeholders and promote transparency