

# Literature Review Report

National Good Practice Research – Vocational Education and Training (VET) and Economic Development

## Synthesis Report

### VET-EDS Work Package 4 (Good Practice Research - National)

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## ABOUT THIS PROJECT

We will develop and implement a new toolkit to enable national, regional and local labour market forecasters to ensure that they are able to support the alignment of Vocational education and Training (VET) policy and economic development strategy, in line with the priorities of the European Commission. This will be transferred through an existing network of labour market observatories operating throughout Europe.

The toolkit which will enable the many organizations providing labour market intelligence and forecasting in Europe to ensure their 'offer' is both capable of supporting a more aligned system and indeed helps to progress the process of alignment. Better aligning VET policy and economic development strategy will enhance the quality and relevance of the learning and training offer, particularly when combined with state of the art labour market forecasting.

Our project seeks to identify the very best examples of effective VET Policy and Economic Development Planning and to understand the differing ways that labour market and skills forecasting has been used. It will then use this understanding to nuance practical methods and approaches that other regions and countries could adopt to help improve their labour market and skills forecasting – with a view to better linking VET policy to economic development strategy. These practical approaches will take the form of an innovative toolkit which will be implemented in selected partner countries before being made available (open access) via the existing European Network on Regional Labour Market Monitoring.

## APPROACH OF THE LITERATURE REVIEW REPORT

The Literature Review Report represents the initial element of VET-EDS Work Package 4 (Good Practice Research - National) which is focused on the identification and reporting of good practice from each of the partner countries as well as identifying the state of the art through a literature review. The work package includes the partner literature review and interviews that will support the research and help identify good practices. Reports have been supported by interviews with forecasters, VET policymakers, economic development officers and LMI users (via the partner steering group). The VET-EDS partners' literature reviews, and associated interviews, were summarised into this Literature Review Report.

The Literature Review Report comprises two main parts:

- ➔ **A summary which consists of three main sections** (Chapter 1 focuses on background and national characteristics, Chapter 2 summarizes how LMI is provided and the linkages to the VET systems in the partner countries and Chapter 3 recapitulates the national reports reflections and analysis on how national experiences could be disseminated and could fit in to a toolkit)
- ➔ **Country reports describing the national VET-EDS systems in the partner countries** (Czech Republic, Germany, Italy, Spain, Sweden, Netherlands, UK)

## SECTION 1. BACKGROUND

### *Population, demography and urbanisation*

A few key figures that reflect the countries demography situation are summarized in following table:

**Table 1.**

Country	Population	Demography (Proportion of population aged 65 and over)	Urbanisation (Percentage of Population at Mid-Year Residing in Urban Areas)
Spain	46 439 864	18,1	79,6
UK	64 767 115	17,5	82,6
Sweden	9 747 355	19,4	85,8
Netherlands	16 900 726	17,3	90,5
Czech Republic	10 538 275	17,4	73,0
Italy	60 795 612	21,4	69,0
Germany	81 174 000	20,8	75,3

The average population<sup>1</sup> is 41 million inhabitants in the project partner countries. The Netherlands, The Czech Republic and Sweden have a population far below this average and could be considered as a sub-group with smaller countries in contrast to Germany, the UK, Italy and Spain.

Europe's population overall is increasing by a very small amount. However, the demographic situation<sup>2</sup> differs among the partner countries. The population is decreasing due to natural causes i.e. low birth and mortality rates and an ageing population in Spain, Germany and Italy. The trend is somewhat the opposite in Sweden, the United Kingdom, the Czech Republic and Netherlands where there is a net growth in population which is mainly due to positive net migration. In all countries the population structure is ageing rapidly. The uncertainties in the population projections have been more apparent due to the on-going refugee crisis. The latest forecast predicts that over 190 000 people will arrive in Sweden during 2015 and as many as 1.1 million refugee arrivals by the end of 2015 in Germany alone.

#### Example of demographic situation, the case of the UK

The UK's population is considered an example of a population which has undergone the 'demographic transition' - that is, the transition from a (typically) pre-industrial population with high birth and mortality rates and only slow population growth, through a stage of falling mortality and faster rates of population growth, to a stage of low birth and mortality rates with, again, lower rates of population growth. This population growth through 'natural change' has been accompanied in the past two decades by growth through net international migration into the UK

The urbanisation trend is strong in the project countries, as is typical for the OECD. For example, it is projected that by the year 2050 about 83 per cent of the German population will live in urban areas compared to today's 75 percent. However, the percentage of the population residing in urban areas<sup>3</sup>

<sup>1</sup> <http://ec.europa.eu/eurostat/web/population-demography-migration-projections/population-data>

<sup>2</sup> <http://ec.europa.eu/eurostat/web/population-demography-migration-projections/population-data>

<sup>3</sup> Percentage of Population at Mid-Year Residing in Urban Areas by Major Area, Region and Country, 1950-2050, World Urbanization Prospects: The 2014 Revision, 2014, United Nations.

differs significantly among the partner countries, from 73.3 percent in Czech Republic to 90.5 percent in the Netherlands.

### *Key drivers and challenges for the economy, education and labour market*

The economic situation in Europe is still suffering from the downturn following the 2007 financial crisis. The countries that suffered the most, mainly Spain and Italy, are still in recovery while the UK and Germany have experienced a relatively fast return to a more normal growth rate and a sharp decline in unemployment.<sup>4</sup> An overview of main labour market and economic indicators are presented in Table 2.

**Table 2**

Country	Unemployment, Seasonally adjusted unemployment, totals	Youth unemployment	Education- Percentage of the population that has attained at least upper secondary education (age 25-64)	GDP growth (real GDP - forecast percentage change from previous year)
Spain	21,6	46,7	54,0	1,4
UK	5,3	14,5	76,8	2,9
Sweden	7,2	20,1	87,0	2,4
Netherlands	6,8	11,5	72,3	1,0
Czech Republic	4,8	12,2	92,3	2,0
Italy	11,8	40,5	56,0	-0,4
Germany	4,5	7	86,3	1,6
EU-28	9,3	20,1	76,1	1,9

Eurostat estimates that 22.6 million men and women in the EU-28 were unemployed in September 2015. Compared with August 2015, the number of persons unemployed decreased by 147,000 in the EU-28. That leaves the EU-28 unemployment rate at 9.3 % in September 2015 but the differences among the countries are enormous, especially when it comes to youths<sup>5</sup>. From all-time low unemployment in Germany to the record high figures in Spain and Italy. Even if growth have been picking up some speed for Spain during 2015 and also to some extent in Italy, the huge differences in unemployment in Europe will be apparent for the years to come.

The percentage of the population that has attained at least upper secondary education<sup>6</sup> also differs among the examined countries. From The Czech republic where more than 90 percent of the population have reached this level of education, to Spain where about 54 percent have upper secondary education or more. These differences also reflects different types of educational systems and complementary variables a necessary to grip the total level of education among the population.

Beside the differences in the current economic environment the countries have many common challenges in the years to come. A few worth mentioning are:

- **Demographic changes**
- **Securing a supply of well-trained personnel**
- **Energy and sustainable economic development**
- **Integration of foreign born professionals**
- **Overcoming long-term unemployment**

<sup>4</sup> Real GDP, Percentage change from previous year 2014, OECD.

<sup>5</sup> Eurostat 2015, [http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics)

<sup>6</sup> OECD (2013), *Education at a Glance 2013: OECD Indicators*, OECD Publishing, Paris.

***Which national department is responsible for Vocational Education and Training (VET) (which takes the lead and what policies are made at what level?)***

There are several different institutional arrangements among the studied countries where different departments take the lead depending on the target group, i.e. whether the people target for the measure are in regular education, employment or the unemployed. Differences in the level at which policies are made also mirrors the different constitutional context in the countries, mainly the level of regional autonomy when it comes to implementation of policy. The national situations are summarized in the following table.

**Table 3**

Coutry	Which national department takes the lead?	What policies are made at what level
UK	Department for Business Innovation and Skills (BIS) - for further and higher education, Department of education (DFE) - for learners under 19 and Department for Works and Pensions (DWP) - for unemployed.	Partly decentralized policy process. Centralised power of VET in England but sub-regional bodies can bid for devolution agreements where they may receive responsibility for budgets currently held centrally. About 200 awarding organisations in the UK and several thousand accredited qualifications. Awarding organisations design and award qualifications whilst education and training providers deliver learning.
Spain	The Ministry of Education, Culture and Sport is the ministry of the government of Spain responsible for the administration and the preservation of the public universities, non-university education and professional training. The Ministry of Employment and Social Security is the ministerial department of the Government of Spain which manages the policies of the Government related to Labour relations, employment immigration and emigration, as well as the organization of the Social Security .	Highly decentralized policy process where the autonomous communities exercise their right to self-government within the limits set forth in the constitution and their autonomous statutes.
Sweden	Ministry of Employment. Deals with issues that concern a well-functioning labour market. This includes measures to get young people into work, matching, labour-market policy programmes, unemployment insurance as well as issues on labour law and work environment so that everyone has the opportunity to take part in working life with good working conditions. The Ministry is also responsible for coordinating the introduction of newly arrived immigrants	Centralized system where majore policies are all developed at national level. Local governments (e.g. municipalities) are responsible for social assistance and regions primarily deals with health care.
Netherlands	The Ministry of Social Affairs and Employment (responsible for labour market policy) The Ministry of Education, Culture and Science	Major policies are all developed at national level. Local governments (e.g. municipalities) are responsible for social assistance to their citizens who are not able to get a job and/or to make ends meet. Local governments can develop their own policy within the rules and laws stated by the national government.
Czech Republic	Projects are contracted mostly by the Ministry of Labour and Social Affairs and the Ministry of Education, Youth and Sports	
Italy	Ministry of Education, University and Research (MIUR) / Ministry of Labour and Social Policies (MLPS)	
Germany	Federal Ministry of Labour, sometimes (like currently today) also responsible for Social Affairs or (2002-2005) Economic Affairs. The two most important legal frameworks of the employment policy are Social Security Code II (SGB II) and Social Security Code III (SGB III)	The state mostly supervises the actions of the Federal Employment agency and the federal states supervise actions on the municipal level. However, all actors work together in workgroups and boards with different formal structures depending on type of municipality (opting or cooperating)

## VET and Skills policy

### *How the VET system is organized and managed and where policy is made*

The term “vocational education and training” is used to refer to “Education and training which aims to equip people with knowledge, know-how, skills and/or competences required in particular occupations or more broadly on the labour market”<sup>7</sup>. However, there are national aberrations from this definition. In the UK VET have a more specific meaning “the acquisition of: technical skills training for specific jobs/occupations; aptitudes required by an industry; and the soft skills required for work in general”<sup>8</sup>.

A few countries have a separate national body exclusively responsible for the administration and oversight of VET, but more common is that several government departments and agencies look after the education and training system.

### **Example of VET system organisation and where policy is made the case of Germany**

“Germany’s VET is seen internationally as a successful model, largely because of the dual system, which leads to high-quality vocational qualifications and enables smooth education to work transition. A considerable share of those choosing this type of training have already obtained higher education entrance qualifications. Germany’s well trained, skilled workers are a prerequisite for economic success”<sup>9</sup>.

The German VET system can be roughly divided into two different main areas. The first being the dual system of vocational education and training and the second being higher education. The dual VET usually consists of both learning job-specific skills at the workplace in a firm or other organization, as well as going to school for job- or branch-specific competences and general education.

Several policy actors on different institutional levels are involved in VET-policy processes in Germany. In general, the public responsibilities are shared between the Federal Government and the Federal States, the Länder. While the Federal Government is responsible for non-school VET, which takes place within companies. The four levels are:

**National:** at this level, the social partners take part in working on programmes, standards and general recommendations in numerous, wide areas and aspects of the VET-system

**Regional:** at the level of the Federal States, VET-related coordination between schools and companies is organized, whereas the competent bodies give advice, supervision of training provision in enterprises, implementation of examinations and award of qualifications.

**Sectoral:** at this level, negotiations regarding training places and remunerations are made.

**Company:** at the company level, in-company training implementation is worked upon (Hippach-Schneider et al. 2007).

<sup>7</sup> Cedefop – Terminology of European education and training policy – A selection of 100 key terms (2008a).

<sup>8</sup> Dean, Andrew, *Effective forecasting as a mechanism for aligning VET and Economic Development Strategies (VET-EDS) National report: UK*, (2015).

<sup>9</sup> Spotlight on VET Germany, Cedefop 2013/2014

## Employment and Public Employment Service (PES) Policy

### *How the Employment system is organized and managed*

The organisational structures behind the countries PES's vary; from autonomous public bodies to regional public interest organisation depending on constitutional and historical background. They also differ in their relationship to employers versus jobseekers, and in what services they offer their clients. However, there are also many common features. All PES have a structure with local, district or regional offices. The national office coordinates the work with Labour Ministries and/or other government departments and sets common rules for action, organisation and staff.

The EU Commission identified five main groups of PES in a study from 2009<sup>10</sup>:

- **Centralised PES** Dependent on the Ministry and with limited decision making policy power. It includes small countries and countries with more centralised institutional organisation (CZ, UK).
- **Centralised with autonomy.** Dependent on the Ministry, but with autonomy in defining organisational and operational tools. It mainly includes federal states and north European countries (DE, SE).
- **Decentralised with central coordination.** Local offices have a high degree of freedom in managing and intervention fields under the coordination of a central authority (NL).
- **Decentralised.** Dependent on regional/local authorities (IT, ES).

**Table 4** How the Employment system is organized and managed and where policy is made

Country	How the Employment system is organized and managed	Where policy is made
England	"One stop shop" -model- Jobcenter Plus - whichs bring together a wide range of working-age benefits into a single payment. Jobceter Plus manages the diffrenkt kind of reforms aming to make the labour market more flexible aswell helping people to find and stay	<u>Jobcenter Plus</u> is the government agency that implmets the labour market policies. <u>Sector Skills Councils (SSCs)</u> , provider of sector level information. <u>The Work Programme</u> provides additional support to the long-term unemployed <u>The National Careers Service</u> is careers service for adults and young people it provides information, advice and guidance on learning, training, career choice, career development, job search, and the labour market.
Spain	· The Public State Employment Service, responsible for managing employment benefits, developing, mandating and monitoring employment policies and measures, and coordinating the regional network · The Regional Employment Services in each autonomous community are responsible for managing assistance for the unemployed, the employed and employers	The Public Employment Services (Central and Autonomous) provide subsidies for the development of vocational training actions.

<sup>10</sup> "PES BUSINESS MODELS", European Commission, Directorate, General for Employment, Social Affairs and Equal Opportunities in response to tender no.VT/2009/021. Editor: Andy Fuller, Alphametrics Ltd, UK

Country	How the Employment system is organized and managed	Where policy is made
Sweden	Arbetsförmedlingen offices (e.g. public employment services) operate within a national framework, which emphasises mobility between regions to reduce overall skills shortage.	Activities are tracked and reported through a robust performance and budget management system. While some local offices have taken innovative approaches to tackling unemployment, actions depend on organisational leadership at the local level. (Employment and Skills Strategies in Sweden, OECD 2015)
Netherlands	The Ministry of Social Affairs and Employment is, as stated earlier, responsible for employment and PES policy. Local governments (e.g. municipalities) can develop their own employment and PES policy for the groups that they are responsible for but they have to do this within the rules and laws stated by the national government.	The UWV the Institute for Employee Insurance The division Werkbedrijf is responsible for job placement and reintegration of workers and is thus bringing the supply and demand of the labour market together. The PES organization of the UWV focuses primarily on job seekers with a somewhat greater distance to the labour market and they cooperate with municipalities, employers organizations and employment agencies. There are 35 national labour market regions from which municipalities and the UWV are going to perform their services to employers and jobseekers. In every one of these regions there is a Werkbedrijf and a so called Werkplein where people can actually go
Czech Republic	The responsibility for retraining under the public employment services is borne by the Ministry of Labour and Social Affairs.	The implementation of the policy is delivered by the Labour Office of the Czech Republic and the regional and local branches.
Italy	Tasks and functions on workers placement and active labour market policies are attributed to the Regions and the local Administrations, within the coordination and promotion power and policymaking role of the State	Regions have the task of planning and coordinating the measures aimed at increasing the employment and facilitating the matching between supply and demand of labour. Within the bounds of their assignment, the Regions had put the Province in charge of the management and provision of services, related to the placement activity. The Province fulfil their tasks through specific offices, named Centri per l'Impiego (Public Employment Centers
Germany	The Federal Employment Agency (BA) is a public body and supervised by the state, precisely the Federal Ministry of Labour and Social Affairs (BMAS). The regional directorates ("Regionaldirektionen") are very important actors within the organization structure of the BA. They are located on an intermediary, regional level and their task is to lead the local employment agencies as head organizations as well as support the state governments in labour market issues and support regional and local networks of different labour market actors with labour market intelligence and consulting.	The opting municipalities are fully responsible for supporting and placing unemployed on the communal level

## Economic Development Policy

Economic development policy is often organized at different regional levels. The three most important levels are the state, the regional level (federal states) and the municipalities or local level. While the state is mostly responsible for general strategy, regulation and coordination tasks, the regions and the municipalities are the main actors in regional development policy.

**Table 5** How the Economic Development system is organized and managed and where policy is made

Country	How the Economic Development system is organized and managed	Where policy is made
<b>England</b>	Centralized system but Local Enterprise Partnerships (LEPs) have been given responsibility for delivering economic growth and have been provided freedoms to control a number of funds (including ERDF and ESF). Local Authorities also support economic growth and development.	Network of 49 LEPs . These cover smaller economic geographies and responsible for developing 'Strategic Economic Plans' and 'Skills Plans' for their areas (p 14).
<b>Spain</b>	The Ministry of Economy and Competitiveness is responsible for the proposal and implementation of government policy on economic issues	Regional development agencies adapts policies to the specific needs of local industries and enterprises. Central government's role is largely limited to that of the coordination of industrial policy at the national level and with the European Union, and the design of framework programmes that are implemented at local level.
<b>Sweden</b>	Economic development is a shared responsibility for all levels of government. Sweden has a long tradition of autonomy for the local and regional governments. The County Administrative Board (Länsstyrelsen), holds the leadership role and acts as a Regional Development Agency reporting to the Ministry of Finance (Employment and Skills Strategies in Sweden, s.22, OECD 2015)	The leadership role for regional economic development is held by the elected regional (county) government (Landsting) in most of the regions, either directly or through an organisation which can be described as a Regional Development Agency, set up jointly with the local governments (Regionförbund) (Employment and Skills Strategies in Sweden, s.22, OECD 2015).
<b>Netherlands</b>	The Ministry of Economic Affairs, The Ministry of Finance, The Ministry of Education, Culture and Science all have important parts in the system.	Policy is made at the national level at several ministries that all have a link to our economic development policy.
<b>Czech Republic</b>	The economic development policy is made especially at the national level, however the regional authority are responsible for the complex social-economic development of their region.	Regional authorities (the Czech Republic is divided into fourteen regions) are responsible for overall balanced and sustainable development of their region. They prepare individual strategic documents out of them the Regional Development Programme (RDP) represents the most complex strategy
<b>Germany</b>	German economic development policy is organized on different regional levels. The three different level are the <i>Bund</i> (statewide level), the <i>Länder</i> (federal states) and the <i>Kommunen</i> (municipalities). While the state is mostly responsible for general strategy, regulation and coordination tasks, the <i>Länder</i> and municipalities are the main actors in regional development policy.	
Germany	German economic development policy is organized on different regional levels. The three different level are the <i>Bund</i> (statewide level), the <i>Länder</i> (federal states) and the <i>Kommunen</i> (municipalities). While the state is mostly responsible for general strategy, regulation and coordination tasks, the <i>Länder</i> and municipalities are the main actors in regional development policy	In the Federal Republic of Germany, several different levels of policy making are involved in economic policy processes. Each policy levels exists of different actors of numerous institutional backgrounds.

## SECTION 2. HOW LMI IS PROVIDED AT A NATIONAL LEVEL

Labour market information and intelligence (LMI) is any quantitative or qualitative facts, analysis or interpretation about the past, present or future structure and workings of the labour market and the factors that influence it. LMI is needed to inform users about:

- Economic and labour market conditions;
- Education, qualifications, training and skills;
- Current and future demand and supply of labour and jobs; and
- Vacancies and recruitment.

LMI includes both labour market information (descriptive data such as statistics or survey results) and labour market intelligence (analysis, interpretation, conclusions and policy recommendations).

In every country there is one National Institute of Statistics whom provides regular (annually quarterly or monthly) information about employment, unemployment and activity rates, from the national labour force survey. The national statistical institutes are responsible for selecting the sample, preparing the questionnaires, conducting the direct interviews among households, and forwarding the results to Eurostat in accordance with the common coding scheme. Besides this pivotal provider of LMI the situation differs. In Germany and the UK there are several primary sources of LMI whereas the situation in Sweden and Czech Republic do not offers the same variety of sources.

Users of LMI may be categorized into two groups. The first includes analysts, decision makers, and different kinds of stakeholders, which typically consume statistics at a detailed level as well as more in-depth analysis and studies. The other group is much broader, to some extent catering to the public in general yet ultimately to support more informed individual decisions on education. Irrespective of the kind of LMI, public institutions are the key providers in all of the reports.

### **Example of how LMI is provided at a national level, the case of Netherlands**

An important source for LMI in the Netherlands is the “Central Bureau for Statistics” (CBS). CBS is responsible for the production of (official) national statistics, including statistics on the Caribbean Netherlands and European statistics. CBS collects data on individuals, businesses and institutions. Firstly CBS uses existing governmental registrations, such as population registers, files of Chambers of Commerce and data from the tax authorities. Second, the CBS collects information through interviews. All statistical information can be accessed via the website. CBS also provides micro data available for analysis. This opportunity is open to research institutes previously authorized by the CBS law

By far the most important source of LMI is the “UWV WERKbedrijf”. It is the specific task of this organization to develop and publish labour market statistics, both at national and regional level. The Ministry of Social Affairs and Employment is the responsible agency for this organization. UWV publishes a number of important periodic reports on the latest developments on the labour market. The publication “Regional Labour Market Information Basic Set” gives each region an insight into the state of the labor market. The publication "Labour Market Prognosis" outlines the expected national, regional and sectorial labor market trends in the short term (two years). It goes on to jobs and vacancies, labour force and unemployment benefits. “Region in Focus” presents the current and future labor market developments by region. It also goes on to jobs and vacancies, unused labour, opportunities for jobseekers and challenges for the (regional) labour market. All statistical information can be accessed via the website.

## How does the system seek to inform VET provision and Economic Development provision

### *Does it seek to align these fields? If so how...*

The link between VET provision and Economic Development are in most cases indirect and not very obvious. A couple of countries could not come up with any example. Nevertheless, the bridge between the systems is LMI, with comprehensive monitoring and detailed data on development, that seeks to inform relevant actors and stakeholders in the field of economic development. There are examples of political programmes based on the information provided by LMI, that seek to align supply and demand of different professions, occupations, skills, competencies and abilities in order to fuel regional and national economic development.

### **How the system seek to inform VET provision and Economic Development provision, the case of Spain.**

The general objective of the publications, statistics and studies developed by the Public State Employment Service, is not only to provide information, growth and improve competitiveness policies. Regarding policy making, all LMI contributes to the development of the Spanish Strategy for Employment Activation (which includes the situation analysis and trends of the labour market, and establishes the guidelines and objectives of the active employment policy for the whole state and for each of the autonomous regions). It is also a key input for the development of the Annual Plan for Employment Policy (PAPE), which is the realization for each year of the Employment Strategy.

The planning documents gather the specific strategies and lines of work to be undertaken in relation to vocational training for employment aimed at unemployed people and active workers in companies. It is therefore clear the link between the national information systems of the labour market and the planning of vocational training.

Regarding the Occupation Observatory of the Public State Employment Service, their products are addressed clearly to affect VET policies and the decision making process on planning VET courses but also economic development policies. In this line, the predicted impacts on employment, taking into account for example, a sector suffering economic crisis, could justify public subsidies and institutional support to help mitigate this impact. Some sectors, as for example the automotive sector, through its prospective studies, has influenced the decision making and has been a direct beneficiary of a strategic plan to rescue the sector.

### *What works well and what doesn't*

There are examples of good practice in the VET-EDS systems in every country. However, there are always some weaknesses to every project and no system is perfect (some “pros” and “cons” are listed in table 6). Hence, the VET-EDS project offers a great opportunity to cherry pick measures from different systems and nations. An adoption of a measure will always demand a deeper and more careful analysis of the good practise, and of course alignment with a country specific institutional context, but the possibilities of new and creative solutions are excessive.

**Table 6**

Country	What works well and what doesn't	
	Pros	Cons
England	LMI for All and general high quality of the LMI produced by UKCES.	There is a lack of a national database for vacancies. No culture among employers to train staff. There is a national vacancy database but it doesn't cover all vacancies and is problematic to use for analysis. Some employers do not have a culture that embraces training staff – consequently government is now introducing an apprenticeship levy.
Spain	Regarding the Occupation Observatory of the Public State Employment Service, their products are addressed clearly to affect VET policies and the decision making process on planning VET courses but also economic development policies.	It has been difficult for us to find policies and programmes that include quantitative and qualitative targets that combine both systems providing greater linkage of vocational training to economic development.
Italy	<p><b>ISFOL:</b> The project "Professions, Employment and Skills Needs" is promoted by the ISFOL - Institute for the Development of Vocational Training of Workers. The web site, which is the core services provided by the initiative, was created in 2001 to become a national system for permanent monitoring and forecast of professions and skills needs.</p> <p><b>EXCELSIOR:</b> The project was born thanks to the Italian Union of Chambers of Commerce, Industry, Handicraft and Agriculture, in collaboration with the Ministry of Labour in 1997 to reconstruct the framework annually and quarterly forecast of the demand for labor and professional and training needs expressed by businesses, providing guidance extremely useful especially to support the programming choices of training, guidance and employment policies</p>	<ul style="list-style-type: none"> <li>• It is expensive;</li> <li>• The dispensing is not easy, therefore it cannot have a high frequency, and often do not offer information on local territories or suffer from problems of under-sampling</li> <li>• The final data that results could be "already obsolete", due to the time between the start of the dispensing and the end of the analysis</li> <li>• It has a top-down approach, i.e. soft skills and professional expertise are usually pre-defined.</li> </ul>

## SECTION 3. EXPERT PARTNER REFLECTION

### What lessons can be learned and transferred through VET-EDS?

Every country shows examples of LMI that could be considered as a good practice. But do the stakeholder and decision makers have the ability to align this information with economic policy? In the reports there are many good practices of state of the art LMI but there are only a few examples where the LMI have become an obvious bridge between the VET-system and the development strategies: *“However it has been difficult for us to find policies and programmes that include quantitative and qualitative targets that combine both systems providing greater linkage of vocational training to economic development”*<sup>11</sup>. One explanation to this difficulties in aligning these two fields is that the focus of the government’s policies during the recent year’s recovery have been on macroeconomic stability *“Economic development needs are pretty well understood at the macro-level thanks to a suite of valuable resources such as Working Futures and UKCES reports. But the liberalised VET system in England requires very deep employer collaboration to succeed in influencing VET deliver”*<sup>12</sup>. To focus on macroeconomic stability might have taken focus from development and growth strategies that have more obvious linkages to the labour supply and the educational system.

A selection of suggestions to better align the VET and economic development presented in the country reports are summed up in following bullet points:

- One lesson that reappears in several reports is that the VET system requires very **deep employer collaboration** to succeed in influencing VET delivery. This collaboration is one of the distinctive features of the successful VET-system in Germany, *“Cooperation between the social partners (employer organisations, trade unions and employee organisations) and the government is a core element of VET in Germany. Social dialogue and joint decisions are the means to ensure that VET reforms are accepted”*<sup>13</sup>. Employer networks could help to break through the barriers that prevent employers from pursuing more ambitious plans for workforce development.
- **Local devolution:** National approaches to economic growth also need to take account of local and sectorial variations in the economy and labour market. Local action needs to be aligned with national-level industrial strategies.
- **Education and Work:** There needs to be greater connectivity between the worlds of education and work, so that the skills that the education or VET system provides are the skills that employers need. This requires a better alignment of the skills system and labour market. In support of this there needs to be uplift in young people’s exposure to the world of work.

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<sup>11</sup> Atin, Eugenia & Serrano, Raquel, *Effective forecasting as a mechanism for aligning VET and Economic Development Strategies (VET-EDS) National report: Spain*, (2015)

<sup>12</sup> Dean, Andrew, *Effective forecasting as a mechanism for aligning VET and Economic Development Strategies (VET-EDS) National report: UK*, (2015).

<sup>13</sup> Spotlight on vet Germany, Cedefop, (2013/2014). [www.cedefop.europa.eu](http://www.cedefop.europa.eu)

- **Development and individualization of careers guidance:** Individuals can be users of LMI to support their investment decisions in training and development and respond to changing labour market opportunities. They may need to change job/career many times through working life but there is a high cost of training and on-going professionalization of some careers (e.g. you need degree to become nurse, social worker etc.), which makes it difficult to enter some professions in later life.
- **Entrepreneurial skills** could be one way to link VET programmes in a better way to the needs of enterprises. For the VET system this means that this ability should be included in the curriculum.
- **Adaptability, readiness** for change and being prepared to meet future labour market needs are the intended characteristics that both underpin the availability of LMI and the all the actors in the skills system: employers, individuals, social society, trades unions, learning providers and policymakers. The LMI system contains a number of strong products and approaches – particularly for less centralised and more liberal economic systems.
- **Use the Web for faster, and more accurate pictures of a fast changing labour market.** Governments can make data available to organisations to use to help them whether they are demand side or supply side orientated. In theory it could be a cost-effective way to encourage better skills matching within the labour market without seeking to impose restrictions on course delivery and design from the centre. Needless to say, the Web approach has to be considered complementary with the other kind of data, like the administrative and the statistical ones.

## What can we learn for inclusion within a VET-EDS TOOLKIT?

One main finding of this literature review is that LMI is central to link the VET and EDS systems together: *“It is our contention that both VET and economic development require robust shared intelligence so that they are more likely to make sensible decisions. Information is the oxygen of markets, providing signals to people and organisations, influencing their choices and behaviour. In a broader sense, information about job openings, skill needs and the destinations of people leaving education/training are some of the things that people need to know about. It is important that the information is shared and made available to all”*<sup>14</sup>(s.29).

**The necessity of institutional links between the vocational training system and the economic development policies at the national level that coordinates the two systems.** In Spain the General Council for Vocational Training includes different agents from the departments of employment and education and their national counterparts at regional level and also social partners and business associations and unions. This body exists as well in the regional levels i.e. the Basque Vocational Training Council - enabling the allocation of funds for vocational training needs of the sectors, workers and businesses with the aim to articulate a more adequate training supply.

**Good economic and labour market intelligence about trends is essential anticipate the future.** To understand local, regional and national assets, strengths and weaknesses, and potential sources of

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<sup>14</sup> Dean, Andrew, *Effective forecasting as a mechanism for aligning VET and Economic Development Strategies (VET-EDS) National report: UK, (2015)*

competitive advantage. This intelligence needs to be shared so that a common understanding can provide the basis of an agreed agenda for action.

**A highly formalized and structured VET and occupational system is an advantage:** the German literature report shows that in monitoring and planning demand and supply of professionals in the different field and industries are working relatively well. Companies and other organizations could easily match their demand with the supply provided by young professionals due to the highly formalized dual-VET system.

**LMI even on regional and local level action has to be evidence-based.** Weak or incorrect diagnoses make for ineffective policy.

**National tools that could be incorporated within the VET-EDS toolkit the case of UK:**

- Clear measurable objectives - against which progress can be measured and actions evaluated using metrics and performance indicators appropriate to them.
- Monitoring and evaluation - provide the evidence we need to ensure that we choose the best policies.
- The balanced scorecard - approach to monitoring and evaluation to improve coherence between different policy areas.
- Evidence - presented in a way that helps fit all the pieces of the economic and labour market jigsaw together in a systematic and coherent way.
- A process - that brings together all the relevant organisations and stakeholders at the highest level of government consistent with the functional area involved. Engagement is key, provision cannot just be data.
- Bringing together the key actors - enables greater policy coherence to be delivered as actions can be coordinated and aligned, with roles and responsibilities clarified as overlaps and gaps are identified. It enables connections to be made between what are often otherwise separate policy silos' of VET and economic development.
- Mechanisms to share information and intelligence - as a key source of successful policy to grow more jobs. This can be achieved through investing in resources and partnerships and jointly coming together to review data and intelligence.

A useful VET-EDS toolkit should generate a shared vision of success secured across the different stakeholders by establishing a common purpose going beyond the traditional triple helix of government, business and education. A toolkit that offers the possibility to reflect on the convenience of transfer good practise to a new constitutional system and if it is possible fit it in to the current LMI. The inclusion of this LMI into the Toolkit could provide inspiration for the enrichment of the other existing LMIs, for example on the technological side (e.g. use of Big Data, Best Practice of Regional Level).

The content and views expressed within this report are those of the VET-EDS Project Partners and not those of the European Commission or ERASMUS+ Programme.

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