



## Future of EU Vocational Education and Training Policy

### KEY MESSAGES

- 1** Strengthening the labour market relevance of VET is essential for helping companies to address their skills needs and in helping people to enter and progress in the work place. Promoting VET as a means through which to enhance employability and employment prospects will also help to improve the attractiveness of this learning pathway.
- 2** VET has a key role to play in meeting the growing demand for a digitally competent workforce and in the attainment of STEM skills, which are in high demand by employers.
- 3** The future VET policy framework needs to support reforms, mutual learning and exchanges. To achieve this there needs to be a strong degree of coherence between this framework, the European semester process, and financial tools, notably the European Social Fund+.

### WHAT DOES BUSINESSEUROPE AIM FOR?

- Mutual learning and the exchange of practices at EU level on initiatives that aim to promote digital and STEM skills. This includes learning how to change occupations, qualifications and education and training curricula in an effective manner in response to labour market needs.
- Better data collection frameworks at the European and national level as a basis from which to develop policy setting and to guide necessary reforms to education and training systems.
- A VET policy framework that fully recognises and respects the role of social partners who are key players on both labour and training markets.

## POSITION PAPER

### FUTURE OF EU VOCATIONAL EDUCATION AND TRAINING POLICY

#### Introduction

1. The European Commission has started a reflection on EU VET policies with a view to modernising them to ensure that Europe is better prepared to meet changing skills requirements<sup>1</sup>.
2. On 3 December the Advisory Committee on Vocational Training is set to discuss and, if possible, adopt an Opinion on the future of EU VET policy, which should lay the foundations for future work and initiatives in this area.
3. This position paper sets out BusinessEurope's views on the future of EU VET policy.

#### General comments

4. Skills are a crucial component of a company's productivity and competitiveness and VET has a key role to play in helping companies to meet their skills needs.
5. Enhancing the labour market relevance of VET is essential in order to help companies acquire the skills that they need and to help young people to make the transition into work. VET also plays a key role in helping adult workers to maintain a skill set that enables them to further progress in their career and which remains relevant to employers' needs.
6. As VET is a particularly important pathway for medium skilled jobs, improving VET policy frameworks can have a positive impact in terms of contributing to reducing inequalities in European societies.
7. It is important to design VET courses in a way that strengthens the employability and employment prospects of VET learners. This will contribute to enhancing the quality of VET in terms of the learning outcomes and help to improve its attractiveness, especially to young people.
8. Digital skills are increasingly required across all sectors of the economy and in a range of emerging occupations, such as cyber security specialist and big data manager. By 2025, 90% of all jobs are projected to require some level of digital skills. At the same time, around 37% of workers currently lack basic digital skills.

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<sup>1</sup> The context for present-day cooperation in vocational education and training (VET) at EU level is provided by the Copenhagen Declaration of November 2002, which launched the European strategy for enhanced cooperation in VET, commonly referred to as the "Copenhagen process". Subsequently the Bruges Communiqué, which was adopted in 2010 defined the long-term strategic objectives up to 2020. A mid-term review of the progress made in the Bruges Communiqué priorities led to the Riga Conclusions of 2015, which outlined a focused set of priorities for the period 2015-2020. These VET specific strategies are also to be situated in the overarching context of the Europe 2020 Strategy and the Education and Training 2020 framework.

9. There are different types of digital skills that are needed, such as what could be termed “digital soft skills” in terms of using the internet, creating a website or an app and basic coding. There are also the “harder digital skills” of computer programming and advanced coding.
10. There is also a growing demand for people with science, technology, engineering and mathematics (STEM) related skills and competences across the EU, in different sectors and in companies of all sizes. Therefore, these subjects need to be more prevalent at different levels of education and training.
11. The European Centre for the Development of Vocational Training (CEDEFOP) forecasts that by 2025 employment in STEM-related sectors will have increased by around 6.5% compared to 2013. In this respect Europe does have a competitive advantage compared to the US where just 4.4% of undergraduate degrees were in engineering, compared with 13% in Europe. However, the figure jumps to 23% in Asian countries.
12. STEM skills are often thought of as being acquired at upper secondary and tertiary levels of education. However, these skills should be acquired at all levels of education and training, including at primary and secondary school level, and through general or vocational education.
13. Indeed, while the majority of the demand for STEM skilled workers is currently met by university level graduates, CEDEFOP identifies that currently around 48% of STEM-related occupations require medium level qualifications for which vocational education and training can play an important role.
14. Underpinning the learning of digital and STEM skills, it is essential that pupils attain a solid foundation of basic skills in their primary and lower secondary education. Nevertheless, the OECD’s 2013 survey of adult skills shows that one in five adults currently has only an elementary level of literacy and that one in four has the lowest level of knowledge in numeracy and ICT. Moreover, more than 65 million people in the EU do not have a qualification that is equivalent to upper secondary level<sup>2</sup>.
15. Employers sometimes report that people lack the basic skills that they would be expected to have at their point of entry into the labour market or when they are participating in work-based learning. This can be a barrier to their career prospects and learning potential.

### **Specific comments**

#### BusinessEurope’ policy priorities

16. **STEM skills and digital skills** are increasingly crucial for the competitiveness of companies and for harnessing worker productivity. STEM skills also help pupils and students to acquire a broader range of skills and competences, such as systemic thinking and critical thinking.
17. There is a need to increase the number of STEM-qualified people in Europe with employers highlighting a specific shortage of people with these skills. This is particularly apparent as concerns engineers, computer scientists and data analysts. To achieve this it is necessary to raise awareness of the STEM-related careers that

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<sup>2</sup> Upper secondary level involves people that are 16-18 years old

are available and to promote participation in STEM courses and studies, notably among women.

18. BusinessEurope welcomes the European Commission's renewed focus on STEM skills as demonstrated by its intention to create an "up-scaled EU STE(A)M coalition" that would bring together different education sectors, business and public sector employers to promote the uptake of relevant STE(A)M subjects and modernise STE(A)M and other curricula, including through more multidisciplinary programmes and cooperation between relevant faculties and higher education institutions.
19. Closely associated with STEM skills is the growing need for digital skills. Skills strategies at EU and national levels should address both of these needs in a coordinated way. For example, it is important to integrate the teaching of such skills, starting with basic coding, into classrooms from an early age.
20. Digital skills also need to be seen as a key component of basic skills, together with reading, writing and arithmetic. **Basic skills** are essential and pupils need to acquire a good foundation in such skills in order to be able to go onto secondary and higher education.
21. It is also essential that people going into secondary level VET have good basic skills. Without these it will be difficult to successfully complete an apprenticeship or engage in further education and training. In this respect, BusinessEurope underlines that it is primarily the responsibility of state education to provide pupils with a solid foundation in basic skills.
22. VET, notably apprenticeships, also plays an important role in the achievement of **transversal and entrepreneurial skills**, which are also in high demand by employers. **Learning to learn** is also an essential skill that can be developed through VET. People need to be encouraged to feel more responsible for their learning and work trajectories. They need to be given the means to think for themselves and learn continuously in their lives to increase their employability.
23. The changes and transitions in the labour market require effective upskilling and reskilling, as part of a **life-long learning** approach, according to identified needs, and defined by labour market intelligence tools and social partner involvement at all appropriate levels. This is important for responding to the existing and future skills demand identified by employers and trade unions across sectors and occupations. VET, particularly in the form of employee training (continuing vocational education and training – CVET), has an important role to play in this regard.
24. Different to the more coherent practice that prevails across Europe in terms of initial vocational education and training - IVET, CVET is organised in more diversified schemes that tend to be less formalised and do not always lead to a recognised qualification. This flexibility needs to be safeguarded, including the variety of practice in the Member States in terms of training providers, and social partners' role in the governance of CVET systems<sup>3</sup>.
25. Underpinning these skills priorities, Member States, in partnership with VET providers, employers and, where appropriate, social partners, should ensure that teachers and trainers, in schools and enterprises, are sufficiently trained and able to update their

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<sup>3</sup> [https://www.busesseurope.eu/sites/buseur/files/media/reports\\_and\\_studies/2018-06-18\\_employee\\_training\\_final\\_report\\_v2.pdf](https://www.busesseurope.eu/sites/buseur/files/media/reports_and_studies/2018-06-18_employee_training_final_report_v2.pdf)

skills and competences to train VET learners in accordance with the latest teaching methods and labour market needs.

26. Further developing data collection frameworks at European/national level could help to underpin policy setting and the national reform process by demonstrating the effectiveness of education and training systems in providing the skills that are in demand on the labour markets.
27. There are several initiatives at EU level that aim to improve skills and labour market intelligence and anticipation. One is the work that CEDEFOP is developing in the area of a **real time data collection system** that aims to collect the background characteristics of jobs, companies and the type of employee wanted (skills, qualifications and other attributes) to enable future exploration and analysis of skills demand. Another is the European Commission's initiative on **sector skills blueprints**, which aims to establish sectoral cooperation on skills. These will involve partnerships in industry and services that aim to identify skills needs and support agreements on the recognition of sectoral qualifications and certifications.
28. These initiatives are in their early stages of development and it remains to be seen what the results may be. It also needs to be noted that data gathering is currently underdeveloped in some countries and is a challenging task to do. The way forward could be to build on existing well-functioning approaches at local and regional level, as this is where skills needs can best be identified and where labour market intelligence is most credible.
29. **EU level benchmarks** could play a positive role to support Member States' reform agendas. Additional data and a more evidence-based approach to policy making could be particularly helpful in VET. For example, it could be useful to benchmark the following:
  - Share of work-based learning in overall initial education and training;
  - Number of months after completing work-based learning for individuals to get a job;
  - Percentage of training time (as part of work-based learning, particularly apprenticeships) spent in the enterprise.
  - Extent to which employers are involved in designing curricula;
  - The design and extent of financial support for companies offering apprenticeships; and
  - The degree of flexibility that companies have to manage funds that support apprenticeship training.
30. Such benchmarks could feed into, or support, the bench-learning process that the Commission will introduce to assist apprenticeship reforms at national level. This approach, in which national systems would be peer reviewed by stakeholders from other member states, should lead to policy recommendations and be channelled through the European semester process. BusinessEurope is ready to contribute to this process.
31. Information from EU benchmarks could also be used to help to enhance the image of apprenticeships. Such information could be combined with European and national level initiatives to promote the excellence and attractiveness of VET through awareness raising campaigns, including the European Vocational Skills Week. Such campaigns would also benefit from enhanced cooperation with relevant organisations that already undertake such work, notably World Skills Europe.

32. Additionally, to help ensure a better understanding of VET and how it can foster employability and lead to promising careers, schools, VET providers and employers should have a stronger role in systems of career and educational advice to promote VET, and apprenticeships in particular, as an equitable choice as compared with university education.

Putting in place an EU framework that supports reforms, mutual learning and exchanges

33. BusinessEurope highlights the importance of an EU framework being in place that supports reforms, mutual learning and exchanges. To achieve this there needs to be a strong degree of coherence between a possible future EU overarching strategic approach (a successor to Europe 2020); the successor to ET2020; the European semester process and financial tools, notably the European Social Fund (or ESF+ as suggested in the Commission's proposal for the next Multi-annual Financial Framework - MFF).
34. This should be underpinned by the aim of creating stronger ties between labour markets and education and training systems through putting more emphasis on learning outcomes and employability in order to foster education to work transitions and to overcome skills mismatches. Social partners should be actively involved in the design and implementation of VET curricula, as they can best assess what skills are needed on the labour markets.
35. The proposed creation of an **European Social Fund+** (ESF+) would be a positive step towards creating a more coherent approach between EU financial tools and policy priorities. Notably, we welcome the stated goal in the proposal for the Multi-Annual Financial Framework to better utilise available ESF resources to help implement national level reforms that are identified through the European semester process. This could help to deliver a more results-oriented approach to the use of ESF resources.
36. We particularly support the ESF+ objective of investing in education and skills, with a focus on digital skills, to adapt to the current and future needs of the economy.
37. BusinessEurope considers that specific priority should be given to investments that support governments (national/local); social partners and companies to make the best possible use of new technologies in education and training, both in terms of the learning process (modern infrastructure/equipment allowing for digital /distant / interactive / intuitive learning methods) and to improve learning outcomes (focusing on training that delivers the skills that are in high demand on our labour markets, notably digital skills, as well as transversal/social/linguistic skills).
38. We also encourage Member States to use the youth employment initiative to establish or adapt their apprenticeship systems to make them more attractive for employers and to support an easier integration of young people into the labour market. In this respect, ESF resources should support Member States in implementing the 2018 Council recommendation on quality and effective apprenticeships. This particularly concerns working towards the aim that at least half of an apprentice's training time should be spent in the workplace, noting that the more time apprentices spend in companies the higher the costs that companies incur which also necessitates a cost-effective approach to the governance of apprenticeship systems.
39. A similar approach could be taken in relation to having a stronger focus on the use of the additional resources that have been allocated to the **Erasmus programme** to

support the modernisation of member states' VET systems. For example, a key challenge that the fund could help to address is to support Member States and social partners adapting the governance of national occupations and qualifications frameworks to increase the speed at which the delivery of curricula is adapted to changing labour market realities.

40. It is also important to continue to promote opportunities for the mobility of VET learners and teachers. While noting the possibilities for longer duration mobility under Erasmus Pro, BusinessEurope also highlights the added value that shorter duration mobility placements can bring.
41. BusinessEurope notes that a call has been published for pilot actions to create **transnational platforms of vocational excellence** in the framework of sector skills alliances. Broadly speaking, BusinessEurope supports the aims of these platforms in terms of fostering business-education partnerships; encouraging VET learners to develop their entrepreneurial skills and to launch their own companies; developing regional knowledge triangles that allow the rapid update of training curricula and qualifications; and developing innovative teaching and training methods based on digital solutions.
42. There could also be added value from these transnational platforms in relation to the design and delivery of joint, optional, VET curricula and qualifications in terms of developing VET courses that respond to specific skills requirements based on labour market needs in sectors on a transnational basis. This should be without prejudice to Member States' competences as regards the content and arrangement of their education and training systems.
43. At the same time, transnational cooperation between the actors in these platforms needs to take into account regional and sectoral variations within individual countries. This is particularly important when considering how to design elements of common curricula.
44. Social partners play an important role in the development and updating of training curricula and, therefore, where there is an interest they should have the opportunity to be involved in these platforms. BusinessEurope will follow with interest the pilot schemes that are established under this initiative and will consider their added value based on the outcomes of these actions.

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