Vocational Training: A response to youth unemployment?

Reflections out of the Social Doctrine of the Church

CENTESIMUS ANNUS PRO PONTIFICE FOUNDATION
MADRID GROUP

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PREVIOUS NOTES
Universitarios que encontraron trabajo gracias a la FP

Formación profesional: una vía directa al empleo

Los alumnos de grado medio de FP tendrán acceso directo al superior
The need of a permanent search for knowledge and consequently an education that would allow subsequently the practical application of that knowledge has been the milestone of the economic growth to improve the living conditions of people. What we now know as Vocational Training (VT) used to be the main method of apprenticeship, both in the countryside and at the workshop, prior to the industrial revolution.
In the XIX century new efforts were made to enlarge the VT to include theoretical lessons as well as craftmanship schools. As Celia Lozano Lopez de Medrano tells in her book “Ideology, politics, and economic reality in the Industrial Vocational Training in Spain (1857-1936)”, the creation of a network of schools in Spain for industrial VT of primary and secondary level cannot be separated from the process to build a liberal state in the XIX century.

Gradually the later was assuming more responsibilities in education matters. That process was also very influenced by the transition from a traditional system of apprenticeship into a modern, institutionalised, and regulated one which was configurated in parallel with the advance of technological innovations that appeared mostly along the second industrialisation.
It was more precisely at the turn of the XIX century and the beginning of the XXth, reminds us the said author, that more systematic efforts were made from governments from different countries to institute this new type of education.
Our starting point among the different views on VT, originates from the serious problem that derives from the large young population presently unemployed in Spain. The typical profile of the young unemployed is,

- a basic school education often unfinished, and
- several years of “easy employment” remunerated by the real state buble.

One has to add to that starting point certain circumstances such as the special situation of long unemployment, consequence of the profound 2008 global economic crisis, and the disparate and lack of motivation produced by the absence of working or training opportunities.
We have to take into consideration that in Spain, one out of five youngsters of between 15 and 29 years neither work nor study, and the unemployment rate is 22.8% versus an average of 14.5% in the OCDE countries.

This undesirable situation has been denounced repeatedly by pope Francis. Out of the Social Doctrine of the Church, employment constitutes a fundamental dimension of human existence. In this sense, “there is no doubt that human work has an ethical value which is completely and directly linked to the fact that he who carries it out is a person, a free and conscious individual” (John Paul II, Laborem Exercencens encyclical).
In this context, there are several corporate initiatives of phylantropic nature which are oriented towards the employability of individuals, with or without VT, such as among many, Ford, VW, MAPFRE,... The outcome of these initiatives show the sensitivity of large corporations to this problem. Perhaps it might be necessary to get out of the “phylantropic scope” and that the economic world confronts a problem that at mid term might turn into a real threat to the social and economic balance of the entire country.
CAN VOCATIONAL TRAINING BE A SOLUTION TO YOUTH UNEMPLOYMENT?

The question is inspired in the example of countries such as Germany, Austria and Switzerland, that have a low rate of youth unemployment and an advanced dual VT system, which seems to provide a positive answer to the question.

As we will examine in the following pages, despite the fact that in Spain the officially regulated VT has seen some progress and the number of students has increased in recent years, its success has been lower than expected and has not yet reached the necessary prestige to transform itself into a changing gear in the labour market.

Generally, companies are the ones that provide VT for their own needs. Besides, there are other initiatives, some of religious or humanistic nature, that manage to exist under a semi public-private regime without endangering their founding values. However they encounter growing burocratic hurdle.
The bottom of the problem is a disfunctional structure of the learning population (explained as a sand clock): a high layer, too large, of university students with high unemployment rate and forced to emigrate, a low layer of students with basic school education sometimes unfinished, and a medium layer of VT students still small. In a more functional structure, the VT should attract a bigger number of students and should offer to the best, easier access to higher education (through a better validation system of study programs).

Based on this situation, the political and the economic powers need to look at the problem of VT with the aim to introduce a profound change to reorient its focus. This could be tackled from three different angles: academic, economic and regulatory.
ACADEMIC PERSPECTIVE
ACADEMIC PERSPECTIVE

In order to correct the disfunctional structure of the learning population, we need to ask ourselves what actions can help to increase the attraction capabilities of VT, starting with innovative sectors such as IT among others.

In this sense it is worthy to highlight the strong impact that the new technologies are having on the labour market and the possible disappearance of traditional employments. For this reason it is important to counterweight this trend and to provide our young generations with new capabilities that may help them to face the coming changes. What could be known as VT 2.0 should be perhaps introduced as a response to those coming changes. The recipe “learning by doing”, strongly defended by experts like Ken Robinson, is at the end of the day, what it is being done since remote times in VT.

A young individual neither working nor studying, that starts a learning process which involves the assumption of certain tasks, has the meaning for him to initiate a roadmap towards responsibility.
VT IN PUBLIC AND CERTIFIED PRIVATE INSTITUTIONS HAVE AROUND 750,000 students

Almost double since 2007

Higher number of students in:
- Health
- Administration and Management

Remains in Medium Grade

Higher number of students in:
- Administration and management
- Community and Cultural Services
- Health

SUPERIOR GRADE

MEDIUM GRADE
EVOLUTION OF ENROLLED STUDENTS IN TEACHING OF VT
STUDENTS HAVING FINISHED LEARNING CYCLES BY TYPE OF PROFESSION (school year 2013-2014)

Fuente: Ministerio de Educación
Despite the fact that the large unemployment rate has provoked a substantial increase in the number of students and in the demand for VT, including from university graduates searching to reconvert themselves, official VT continues to be unattractive and without prestige. Those who obtain a degree in superior grades of VT usually have no difficulty in finding a job. On the contrary, those with a degree in medium grades have neither good employment expectations nor easy access to superior grades.
ACADEMIC PERSPECTIVE

From a general point of view, the comparison with other European countries shows clearly that Spain has a disfunctional learning structure:

The number of individuals with university education is higher in relative terms than in countries considered to be a reference in the field such as Finland. As can be observed in the table, the number of university students doubles the number of students of VT.

This data show the contrast with countries where the rate of youth unemployment is low and the relative weight of VT in the general education system is higher.

Source: Ministerio de Educación
In the Spanish education system students generally aspire to enter the university. This explains the low proportion of students in VT and the probable lack of adaptation of those studies to the changing needs of the labour market. The present profile of the learning population does not allow the youth to be gradually trained for an economic and technological world that is in profound transformation.

Out of this reality several questions arise:

• How do we articulate and build a “social lift”?

• Could we state that within the family and the school environments there is a certain bias against VT and its prestige? Could a cultural change be promoted in order to have a better perception of VT? Do education centers count with enough orientation centers on VT?

• How could we improve the image of VT? Do we reinvent VT and gear it towards gaining digital abilities?

• Is there a tendency from the private industry to prefer private VT schools as oppose to public ones?

• Do we have enough mechanisms to make the teaching of VT more flexible and oriented towards an official public-private VT?
ECONOMIC PERSPECTIVE
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In large corporations there are many initiatives and resources to offer “on the job training” for VT students. In the enclosed annex of good practices several examples of these initiatives are mentioned. However, in the case of medium and small (M&S) companies it is more difficult for them to cooperate in VT initiatives. The retention rate of VT students carrying out “on the job training” in M&S companies is very low. We have identified two reasons to explain this situation:

• The wish of medium grade VT students to move on to a superior grade, and once finished, to join the university.
• The perception that M&S companies with low revenues offer no economic incentives for students.
The promotion of new corporate initiatives that respond and originate the demand of new products and services can be a useful remedy to fight youth unemployment. They require however, to be accompanied by institutional support and the abolition of unnecessary taxes and administrative barriers.

The experience of other European countries highlight that part of the problem in Spain is:

• The inadequate job offer and an education system that sometimes does not efficiently prepare the students for the professional world.

• Perhaps this is also due to the mythic attractiveness of the university and the excessive concentration of students in it,

• either because many do not finish their studies or because VT schools are socially undervalued.
ECONOMIC PERSPECTIVE

From this point of view we could raise the following questions:

• Is there a correct flow of understanding between the corporate demand and the academic offer? In other terms, is VT adapted to the needs of the economic world?

• Based on the present industrial and corporate structure in Spain, how many VT students would be needed in an ideal labour scenario?

• Are companies preparing their business needs in the field of VT with economic scenarios?

• What analysis could be done on globalisation and employability?

• What is the role of the different social actors in our present world, in which the individual should prevail over the job position?

• Why is it that the valuation criteria of Corporate Social Responsibility do not include VT?
LEGISLATIVE PERSPECTIVE
The regulation of VT in Spain originates from two axes, one falls within the scope of the ministry of education, and the other within the scope of the ministry of employment.
The Spanish education system is subject to a series of laws which derive from the three competent levels of authority (European, national and regional) There are three laws that should be highlighted:

• Organic law 2/20016 of May 3, on Education, in which (article 3) VT is defined as one of the types of education offered by our academic system. Chapter V contains detailed regulation of the cycles in which VT is divided and their respective programs.

• Law 5/2005 of June 19, about Qualifications and Vocational Training. These regulations have each been developed by their respective bylaws and by several Royal Decrees establishing the different specialities of VT.

• Royal Decree 1147/2011, of July 29, establishes the general governing system of the VT education system.
Within the scope of labour law, in addition to the European legislation, it is worthy to mention the national law 30/2015 of September 9, which regulates VT from the perspective of the ministry of employment. VT is understood as a system that is made by the sum of tools and actions that aim at promoting among companies and workers a training system that is adapted to their needs.

Among other laws in this field, it is worthy to highlight the so call “dual training” which has had a different result to that obtained in Germany, Austria, and Switzerland, which have more mature systems. The Royal Decree 1529/2012 and the Ministerial Order ESS/2518/2013 established the basis to introduce this type of VT in Spain.

These initiatives have been received with certain skepticism. One would have the impression that the government has tried with limited success that the cost of this education would be partially picked up by the companies. It does not come as a surprise that its application has been less effective than originally planned according to comparative ratios.
LEGISLATIVE PERSPECTIVE

• Is the regulatory environment adapted to the reality and to the academic and corporate structures?

• Would it be advisable to regroup the efforts in this field under one and the same regulatory authority?

• Are there mechanisms to help evaluate properly the education model in VT that we want to achieve?

• Are there sufficient economic incentives for the dual training system to succeed?

• Does the regulation in this field, from both academic and labour perspectives, generate enough support to respond to corporate needs?

• Are changes in VT being contemplated under the present negotiation to reach a new national agreement for the education?
ANNEX OF GOOD PRACTICES
SOME EXAMPLES OF PRIVATE VT SCHOOLS

- **Lezama Group**

Lezama group has more than 22 restaurantes around the world and 4 hotel management schools in Madrid, Sevilla, Malaga and Zaragoza (first online school on hotel management and tourism).

The students of ESAH (Open Superior Studies on Hotel Management) pay for their studies while working. At present Lezama group has revenues close to €30 million and receives no external financial aid. Father Lezama strongly believed in hotel management as a way to make a living for those residents of Taberna del Alabardero, they learned, worked and also taught to the new comers.

- **Schools of Family Farming (EFAs).**

This model originated in France where there are today 600 farming schools all financed by the state. In Spain there are 30 EFAs with 2,000 students and a growing demand as a result of the global economic crisis. In Spain they face serious financial problems.

The model alternates life in the school with life in the family farm, spending 15 days in each, to allow students to participate in labouring the farm.

At present the original farming activity has been enlarged to include other related specialities highly demanded in rural areas such as: hotel management, health, mechanics. Around 40,000 workers have been trained in these facilities.
Padre Piquer schools, created by the Jesuit order in 1966 (Ventilla district, Madrid), teach compulsory education, VT, official and unofficial occupational training as well as employability programs. The curricula is complemented by a large internal scholarship system. Students are helped from their first day by an orientation team and, for those students from migrant families, a special roadmap (connecting classrooms) are offered for a better integration and in pursuit of equal opportunities. All the activities are oriented towards the application of inclusive school principles trying to promote the cooperative learning. At present the Padre Piquer schools have 1,000 students and have signed cooperation agreements with numerous institutions, and bilateral agreements with 313 corporations.
SOME EXAMPLES OF CORPORATE VT INITIATIVES

- Ford*

The Ford Foundation has since 2013 a program whose goal is to contribute alleviate the big problem created by the high youth unemployment rate in Spain. It incentivates M&S companies to hire workers less than 30 years olds to cover newly created jobs. The grant covers two thirds of labour costs (salary + social insurance charges) with an annual limit of €9,000 the first year of employment. Most of these funds go to companies cooperating with the program of Padre Piquer schools (Madrid) and San Jose schools (Valencia) both part of the social program of the jesuit order.

The program has started last April its fourth year. In total the program has been funded with $580,000 and has reached 54 individuals.

*The examples showed in this document are result of the research work made by this group and does not exclude any other initiatives related to VT in Spain.
El Corte Inglés has its own Institute of Professional Studies in which the design and training for their workforce is provided in everything related to sales techniques, customer attention, product knowledge (tailoring, leisure, home garment, etc.), administration, software tools, management, etc. Among the activities of the Institute it is worthy to highlight the Schools of Workshops which are oriented to apprenticeship in all segments of the professional career path of those professions specifically related to the main activity of the group, such as the sale of fresh and dairy products (butchers, fisheries,..), restauration and kitchen, maintenance, tailoring, etc. In the case of profiles included in official VT, there are agreements with specialised VT Institutes and universities for on the job training (for both conventional and dual VT). The students gain useful experience to develop their skills in the different areas of the group: sales, administration, marketing, etc.
SOME EXAMPLES OF CORPORATE VT INITIATIVES

- MAPFRE

MAPFRE has different initiatives in the field of VT. It is worthy to outline among them the program “ACCEDEMOS” which establishes direct grants to M&S companies that hire VT graduates if the work contract meet certain requirements.

In addition, together with Atresmedia Foundation, they develop a program “Discover the VT” which aims to bring value to the employment generation capabilities of VT and to improve its public image.

- Volkswagen Academy Navarra

VW has several initiatives for students of VT. Their activities specialise in dual VT for apprentices and have been implemented for five years during which 102 students have graduated. 90% of them continue to work for the German company.

In addition to those, the company has offered on the job training to 247 VT students.
SOME EXAMPLES OF CORPORATE VT INITIATIVES

- Bertelsmann Foundation

Their activities are mostly centered in Dual VT. For that purpose they have promoted the “Alliance for Dual VT” together with the Princess of Girona Foundation, CEOE-CEPIME and Spain Chamber of Commerce, which gather corporations, education centers and institutions.

At the same time, they have created jointly with Bankia, the Bankia Center for the analysis and development, that aims to generate knowledge and a space for the launching of projects of dual training in Spain.