



International
Labour
Office

Upskilling out of the Downturn: Strategies for Sectoral Training and Employment Security in the G20

Since the global economic crisis began, a range of policy measures were adopted worldwide to safeguard existing jobs or to facilitate the transition from one job to another. In many countries investment in education, skills development, training, and apprenticeship programmes were at the heart of recovery driven active labour policies. Some of them helped, in the short-term, to avoid further layoffs when combined with reduced working time schemes, while others prepared the ground work to build long-term strategies to support employment security, enhance business productivity and improve national economic performances.

This brief provides an overview of a variety of skills development and vocational education policies, strategies and experiences implemented in G20 countries, highlighting specific examples at sectoral and national levels. A common feature across countries is the presence of existing institutions and programmes that made possible a rapid deployment and expansion of training initiatives.

Several countries have targeted employment training and skills upgrading for workers in many of the hardest hit economic sectors including manufacturing and construction, and in some cases have developed programs for re-training and re-skilling workers in industries for which there is presently higher demand. Preparatory courses and skills development in new and emerging technologies including targeted programs in green industries have also been designed to impart workers with better skills to enable strong, sustainable and balanced growth in the future.

AUSTRALIA

The Government Economic Stimulus Plan includes measures for investing in the education, skills development and training of young people to boost productivity and prosperity by allocating \$110mn for the Trade Training Centres in Schools Program and \$2.6bn to support families and students to assist with the cost of education through the Back to School Bonus and the Training and Learning Bonus.

The Teaching and Learning Capital Fund (TLCF) for Vocational Education and Training (VET) was announced in December 2008 as part of the \$4.7bn infrastructure package to support Australia's economy. The TLCF (VET) will inject \$500mn into public skills and training infrastructure to secure economic activity, assist in addressing the impacts of the economic downturn and increase the capacity of the training sector to meet long term skills needs. Funding focuses on capital investments that will modernise and improve the quality of teaching and learning across the VET sector.

BRAZIL

The Family Cash Transfer Sectoral Plan for Job Training created 172,490 places in 2009, with the aim to offer professional qualifications to beneficiaries of the programme and put them into jobs. More than 26,000 beneficiaries in the metropolitan regions of the country are attending courses in civil construction and tourism. The National Programme for the Inclusion of Young People aims to increase levels of professional training for young people in prison. The Fishing and Aquaculture Plan trains fishermen to boost the sustainable production of fish in the Amazon.

ARGENTINA

Since 2003 the Argentine Government has been promoting active employment policies through the development of sectoral skills agreements. The agreements, with State support, were designed to be combined with actions driven by sectoral stakeholders, in order to enhance productivity, competitiveness and job creation capacity by means of skills training. The aim of the agreements, in the form of sectoral plans, was to identify lower-skilled workers with little work experience and engage with public and private stakeholders to devise actions and projects to strengthen their employability. Since 2005 the Municipal Employment Offices, as technical bodies, have been implementing these and other policies at the municipal level by linking labour supply with demand, and providing free information and guidance with respect to employment and training. The role of the Municipal Employment Offices in the current crisis has been key in providing information and ensuring access to various social programmes aimed at increasing employability and employment.

CANADA

Canada's economic action plan includes \$7bn over two years to support the most affected workers' access to employment opportunities through skills development and training. The initiatives include:

- (i) Additional benefits for more than 8,445 long-tenured workers who participate in long-term training until May 29, 2010. In addition, the Government has provided further assistance to more than 500,000 long-tenured workers by making 5 to 20 weeks of additional benefits available to those who have paid into Employment Insurance;
- (ii) The Government provided \$750mn to the provinces and territories in 2009–10 to support training and skills development programs, which benefit more than 122,000 Canadians, and will provide a further \$750mn in 2010–11;
- (iii) An additional \$100mn for the Canada Summer Jobs Program to hire 40,000 students will be allocated.
- (iv) Training and skills development support will be provided to more than 11,500 Aboriginal Canadians through Aboriginal Skills and Employment Partnerships and the Aboriginal Skills and Training Strategic Investment Fund; and
- (v) Support was provided to almost 16,000 apprentices who completed their training and obtained certification through the Apprenticeship Completion Grants.

CHINA

National measures to create basic employment stability include the provision of job training for 21 million urban and rural workers. The Government aims to strengthen vocational education by developing students' employability and entrepreneurial skills. In 2010, the government plans to allocate 43.3bn CNY to stimulate employment, and will, among other measures, continue strengthening vocational training with a focus on increasing the employability of rural migrant workers and new members of the workforce in urban and rural areas. The Government plans to ensure that more than 6 million rural residents receive training for non-farm jobs this year.

FRANCE

The Social Investment Fund (FISO) will finance measures which promote the employment of young people, enable workers who have been made redundant to re-enter the labour market, and facilitate access to vocational training. The fund is financed by the State and ESF (€1.5bn) and social partners (€400 - 500mn).

In order to promote a lifecycle approach to work, a law on professional guidance and lifelong vocational training has been adopted, covering the reorganisation and reduction of the number of employer's vocational training funds so as to allow better access for SMEs, as well as several measures which facilitate individual access to vocational training for unemployed and dismissed workers. An additional 500,000 low qualified workers and 200,000 job seekers will benefit from vocational training opportunities each year.

Measures to adapt the vocational training system to the greening of the economy have also been implemented. According to research by the AFPA (National Association for Adults' Vocational Training), of the 180,000 people trained each year, 40,000 are undertaking training in the field of green jobs.

INDIA

Currently, the Government is implementing several poverty-alleviation and employment generation programmes. One of the components of the Swarna Jayanti Shahari Rozgar Yojana scheme – 'Skill Training for Employment Promotion amongst Urban Poor (STEP-UP)' - targets the urban poor through quality training to enhance their capacity for self-employment or higher wage jobs.

In the 11th Five Year Plan, the government initiated a country-wide comprehensive skills development programme, addressing five core areas of skills development:

- (i) Continuous curriculum revision;
- (ii) Vocational education;
- (iii) Apprenticeship training;
- (iv) Systematic accreditation and certification; and
- (v) Skills-gap mapping.

It is envisaged to train 150mn persons by 2022 under the National Skill Development Policy which is now in place.

INDONESIA

The Government has allocated 369bn IDR (\$33mn) for job training, 110bn IDR for training in labour-intensive sectors and 30bn IDR to bolster labour networking to upgrade workers' competitiveness. More vocational schools will be established in 2009, prioritizing information and technology programmes. The government is also seeking to strengthen ties with industries ranging from banking to airlines to enhance programme effectiveness and employment outcomes. Moreover, the Ministry of Manpower and Transmigration is supporting the skills and knowledge levels of workers seeking opportunities overseas so that Indonesian overseas workers can fill more vacancies in the formal sector such as in medicine and business administration. The 'Overseas Work Training Centres' (Balai Latihan Kerja Luar Negeri) are expected to play a key role by providing skills as well as language and culture training to workers before going abroad.

ITALY

Fifteen inter-professional joint funds, made possible through support from the State and the European Social Fund, have been established in Italy to support a training system for employed workers.

The inter-professional joint funds manage resources of an estimated €360-€400mn per year dedicated to supporting the training programmes proposed by businesses participating in the funds. They aim to finance training plans at sectoral, territorial or firm level presented by member companies, as well as individual plans for workers employed in those companies. In turn, companies are required to choose a fund for continuous training activities addressed to employees. As of July 2008, around 482,000 firms were participating for total of 6.2mn workers.

MEXICO

The Government allocated an additional \$50mn in March 2008 to the national employment and training system, to broaden the coverage and quality of the National Employment Service.

A productivity support programme was launched to benefit 105,000 workers with short-term vocational training and provide expert technical advice to SMEs.

JAPAN

The Government plans to redevelop the current job-card system as a Japanese national vocational qualification system, in order to establish a policy for developing and evaluating occupational skills throughout society, including non-regular employees.

The New Growth Strategy emphasizes the creation of “green innovation” and “life innovation” to contribute to economic growth and to expand employment. Investing in human resources through education and jobs training will play a particularly vital role. The Government also aims to revitalise other sectors such as forestry by training specialists in forest management and other personnel. In the IT sector, the Government will make every effort to encourage the utilisation of information and communications technology through improved training.

Funding has been increased for the training and qualification of workers through the “Skills Development in Short-Time Employment” scheme. With the “Qualification Initiative for Germany,” the Government plans to improve the quality of the education system and secure a pool of skilled labour and qualified specialists, with the goal of raising spending levels for education and research to 10% of GDP by 2015 and to halve the number of young adults without vocational qualifications.

An additional €6.5bn has been allocated to Länder for training and education infrastructure as part of the second stimulus package. Measures include:

- (i) Increasing the number of those participating in some form of advanced training through the National Pact to Promote Training and Young Skilled Workers in Germany (2004-2010);
- (ii) ESF-funded supplementary qualification and skills development measures for those in receipt of short-time work allowances due to restructuring or plant closure; and
- (iii) The WeGebAU Programme to support advanced training for low-skilled and older workers to improve their employment opportunities.

The Government supports development of the initial and continuing vocational training system in response to the greening of the economy, including the promotion of programmes for skilled workers in environmental protection and the adapting of dual vocational training and university studies in order to meet the requirements.

KOREA

Korea’s fiscal stimulus package includes labour market measures such as job training, work sharing, expanded unemployment benefits and social assistance schemes, which combined account for 16% of the package. The Government opened a range of vocational high schools, which enrolled a total of 3,600 students for technical education courses and apprenticeships. Students at the schools will be able to specialise in a particular field, such as shipbuilding or mechanical engineering, and will be linked to job placements after graduation. The Government plans to gradually increase the number of the schools to 50 throughout the country.

NETHERLANDS

Government initiatives include the introduction of a partial lay-off programme targeting skilled workers to reduce the negative consequences of redundancies by offering unemployment benefits for reduced working hours. Firms can use this programme for a maximum of 65 weeks and working time can be reduced up to half of its contracted value. The hours laid off should be devoted to skills improvement. Extra funds were also made available to support 30 new employment service centres where the UWV (the Social Insurance Institute), employers and vocational instructors work together to guide people in job searches or to arrange (re) training.

In addition, a programme covering half of the retraining costs for workers (up to €2,500) made redundant in one sector so that they can work in another has been established.

RUSSIA

The Government's anti-crisis measures for 2010 include the allocation of 36.3bn RUB from the federal budget for the implementation of regional programmes to enhance the quality of the workforce by introducing vocational training for 146,200 people and providing on-site training for 85,300 graduates.

Similarly, measures include the allocation of subsidies for co-financing regional programmes for introducing vocational training for personnel facing dismissal and on-site training for graduates to help them gain work experience. This includes areas such as preventive vocational training in the civil aviation sector, which faces reorganisation and modernisation.

SOUTH AFRICA

The Government launched a training layoff scheme in September 2009, as part of its national "framework response" to the global economic crisis. The plan includes a 2.4bn ZAR worker layoff training scheme, 6bn ZAR in support for struggling firms, measures to combat customs fraud, and debt restructuring help for consumers, targeting certain economic sectors for relief, while incentivising product innovation in the clothing, vehicle manufacturing and green industries to stimulate job creation. A total of 7,000 workers have enrolled in this scheme to date. These are workers who would have ordinarily been retrenched.

SPAIN

The Government approved a Road Map for Training, led by the Ministries of Education and Labour, that foresees the extension of a network of Integrated Centres for Vocational Training, the creation of National Reference Centres, the establishment of a system to assess and accredit professional skills, the launching of a virtual platform to give training modules, and finally, the simplification of the pathways between training and university. One of the priorities of the Plan is to get a larger number of young people to attend vocational training programmes targeting innovative and emerging sectors. Other plans include the promotion of special training programmes for struggling sectors, such as the car industry.

UNITED STATES

The American Recovery and Reinvestment Act devoted more than \$17bn to job training and employment services and spent substantial additional funds on Pell Grants for vocational and adult education students. Training is provided by a diverse set of institutions, including proprietary (for-profit) schools, four-year colleges, community-based organizations, and public vocational and technical schools.

Specific funds (\$500mn) were targeted for training health care workers. Similarly, the U.S. Department of Labour awarded \$100mn in grants to help retrain workers for green jobs involving renewable energy. The retraining will help workers find jobs in the wind and solar industry, and in the development of hybrid and electric vehicles. \$28mn will be used to fund retraining programmes for workers from the auto industry.

SAUDI ARABIA

The Government is seeking to enhance service sector competitiveness, particularly in tourism. A core set of strategic policies addresses the challenge of job creation in this industry by increasing the provision of education, training facilities and programmes. The Ministry of Labour will also open employment offices at universities and secondary schools to help job seekers to find employment in sectors that have job potential such as agriculture.

TURKEY

Since 2008, the government has enacted a series of stimulus packages, among them a temporary public employment programme (almost 1bn TRY), which includes a component to support vocational schools, apprenticeship schemes, and job training within the framework of the Turkish Employment Agency (ISKUR). Active employment programmes under ISKUR consist of vocational courses, job training, apprenticeships, and guidance in finding a job. In addition, a short-term work compensation program from ISKUR incorporated more than 82,000 workers to prevent job losses. Overall, at least 430,000 people are expected to benefit from all these initiatives.

UNITED KINGDOM

The April 2009 Budget allocated extra spending to help unemployed young adults acquire skills and work experience. An additional £260 million was provided for training and subsidies for unemployed people aged 18-24 who are approaching 12 months without work. At sector level, the Government has announced extra funding of £300m from the 'Train to Gain Programme' to train workers for jobs in construction, hospitality and manufacturing. The Government also supports initiatives in skills formation and development in green jobs by organising qualification and vocational training.