PANEL 2: Apprenticeships as a means to secure skilled employees

A skilled workforce can help Europe meet its key economic, social and environmental goals. It is essential for European economies to become even more responsive to external shocks and opportunities, but also more proactive in accelerating innovation and improving competitiveness in the context of a global economy. However, employers across Europe – in particular SMEs – face acute labour force and skill shortages. In the EU and beyond, Covid-19 and the energy crisis of 2022-23 accentuated pre-existing, structural factors that lead to such shortages such as ageing, inactivity rates, skill mismatches, technological changes, but also limited mobility within the EU, distance between education and the world of work, or unsatisfactory work conditions. The green and digital transitions are expected to have a positive employment impact on several sectors up to 2035, but in turn, employment is due to become more skills-intensive than in the past.

Especially in the context of the twin transition, a wide range of skills is needed. First, in terms of content: (a) technical skills, either fundamental and across occupations or advanced and occupation-specific ones, (b) transversal, related to critical thinking, communication, collaboration, ability to keep learning in a context of rapid changes. Then, in terms of scope: beyond mere knowledge and competences, attitudes and values are also essential for a workforce that can lead and benefit from the twin transition.

To address the challenges of the twin transition, and of <u>other megatrends</u> such as the ageing workforce, a responsive VET system is needed, as part of a comprehensive skills ecosystem. Apprenticeships can be an effective supply-side instrument: both to equip young people with qualifications relevant for the labour market and to support adults to keep pace with the changes and update their skills.

Apprenticeships have the potential to address changing labour market needs

Apprenticeships are arguably the most hands-on and demand-led form of VET. When they are supported by well-functioning governance platforms facilitating multi-stakeholder dialogue and co-operation at all levels, they can timely grasp and adjust to the changing needs of sectors and companies. Especially when triggered by partnerships between education and training and the labour market, new apprenticeship programmes emerge in occupations related to digitalisation or the green transition, and content of existing qualifications is updated. In the Flemish Community of Belgium, after initial assessment by labour market actors, government agencies draft a list of potential new apprenticeship programmes ('standard trajectories'). The list is assessed by the Flemish Dual Learning Partnership, a council where employers and employees are represented together with education stakeholders and the government. This extensive involvement of labour market representatives makes more likely that labour market needs will be met, and that a sufficient number of apprenticeship posts will be available, reducing the risks of supply and demand mismatch.

In <u>Ireland</u>, the Apprenticeship Council comprises representatives from industry, trade unions, further and higher education representatives, and the Department of Education and Skills. They all work together with education authorities to assess and approve proposals for new apprenticeship

programmes. Proposals are submitted by industry-led consortia, which is a testament of strong labour market interest in the occupation/specialty.

In the Netherlands, the sectoral committee for Technology and built environment (TGO) of the Foundation for cooperation on Vocational Education, Training and the Labour Market (SBB) examined trends and innovations related to the green transition and circularity, analysed existing qualifications and training offers and offered recommendations to all stakeholders. In this context, new apprenticeship courses are offered (e.g., solar panel installations, charging station installation), inclusion of generic, cross-sectoral skills is promoted across all TGO qualifications and more targeted optional subjects are proposed to be added in specific qualifications.

Correspondence of apprenticeships to labour market needs is also boosted by their typically lengthier workplace spells, compared to other VET options. The stronger workplace component in particular allows apprentices not only to respond to real employer requests, but also to interact with employees, supervisors, customers and suppliers, and therefore develop interpersonal skills, grow as individuals and develop an occupational identity by working with peers. Systematic and long-term combination of theory and practice in (at least) two different venues means that apprentices are in a position to develop a wide range of skills, attitudes and values, which are greatly needed in the context of the digital and green transition.

The ability of apprenticeships to offer strong foundations for lifelong employability in an occupation does not mean they are not in a position to also address pressing skill needs. Apprenticeship programmes at post-secondary or higher levels often present not only a flexible and targeted response to current labour market needs, but potentially also an option for faster qualification, especially if they build on recognition of prior learning and experience within a framework of formal qualifications.

Being at the forefront of transformations, apprenticeships may be also used as a vehicle to attract future workers to changing occupations and sectors. Apprenticeships offer learners a first-hand look at how traditional occupations are being modernised, or how emerging occupations operate – and what are the new skillsets required in each case.

Raising the bar for apprenticeships to contribute more

Firmly rooted in the labour market, apprenticeships have what it takes to secure skilled workforce for the present and the future, and in particular to enable and shape the twin transition. However, to unlock its full potential in this context, certain conditions need to be met, for example, in relation to the duration and depth of the training offered, its link to a formal qualification and the ability to balance company-specific needs with skills required by the occupation or the sector.

Moreover, giving learners and workers opportunities to acquire the right skills needs to be part of a broader and more holistic approach to skills and jobs matching. Skills development alone will not make the twin transition work for everyone. Additional focus should also be on the demand side, in particular in relation to improving skills utilisation. Opportunities for expanded skills utilisation by employers, which depends on job design approaches and attitudes towards investing on human capital as a source of competitive advantage, need to complement supply side policies aimed at improving the skills base in the workforce.