

1. Executive summary

The paper *Hacia un nuevo sistema educativo. Bases para la mejora de la enseñanza obligatoria* (For a new education system. Basic considerations for improving compulsory education), published in July 2006, was the first of a trilogy in which Círculo de Empresarios addresses the situation, prospects and needs of our education system. The trilogy will be completed during the year with a review on university education. The **present paper**, the second of the series, **puts forward a number of ideas and reflections on vocational training in Spain and how it might be improved**, based on the premise that **quality education**, in the broadest sense of the term, is both a key factor in the **economy's overall competitiveness** and essential for social cohesion in a framework of equal opportunities.

Moreover, in the context of a global economy where technology plays a vital role, vocational training has become even more relevant than it was in the past. Spain (and Spanish enterprise) can no longer compete on the grounds of the low labour costs offered by countries such as India and China. Our ability to maintain and even intensify our presence on the world-wide marketplace depends on our capacity to provide skilled, particularly technologically skilled, human capital. This is a question that behoves not only company directors, but middle managers as well. And that is where **quality, technology-focused vocational training adapted to market needs constitutes a competitive edge.**

Furthermore, vocational training is an essential means for **maintaining and improving individuals' employability throughout their careers**, for it includes both **initial formal training** and training for adults who form a part of the labour market (**continuing education and occupational training**).

Unfortunately, for many years **vocational training has been undervalued and neglected** both politically and socially in Spain, in stark contrast to other industrialized countries (Germany in particular). The result has been a **substantial gap between the type of training needed by the Spanish economy and the skills acquired by workers**, where **over-education co-exists with an insufficient supply of certain skills.**

While the **rise of vocational training is conditioned**, certainly, by elements such as the **composition of the Spanish business fabric** and the economy's

industrial structure, we cannot afford to overlook the need for quality vocational training. This will become one of the **drivers of the sorely needed change in Spain's competitive patterns**.

Three aspects determine the quality of a vocational training system: the **link between vocational training and the labour market**, **adaptability throughout a person's career** (what the British call lifelong learning) and the growing importance of the **technological component for professional advancement**.

Both general (affecting vocational training as a whole) and specific (focusing on some one of the stages) measures are required to deliver **improved vocational training able to meet these needs and to thereby do away with the social disdain associated with this form of education in the past**. Generally speaking, **the vocational training system must be able to adapt nimbly to changing market demands**, placing greater emphasis on work experience training, attaching greater importance to the market mechanisms responsible for the creation and disappearance of skills and enlisting the more effective involvement of working professionals in teaching. A more comprehensive view of training must also be adopted and mechanisms established to enhance the eligibility of people with a vocational training background for university enrolment¹. More generally, bridges are needed to link the qualifications acquired on the job with the broader qualifications that can be acquired in the educational domain. Lest we forget, **while university training is primarily designed for acquiring knowledge, vocational training is essentially intended to acquire skills**.

Vocational training also entails vesting schools with greater **organizational and operational independence**, while setting up standing procedures for **evaluating the results of this type of training in terms of employability, salary and career**. Such procedures would afford the entire system **enormous transparency**, which would, in turn, be a powerful incentive for improving and **raising the efficiency of public and private spending on this type of education**.

From a more specific vantage, **formal education should deliver** not only the skills characteristic of each speciality, but also broader and more **general abilities – a command of technology as well as oral and written communication in the native and foreign languages (especially English)**, teamwork and so on – that can be drawn

¹ While vocational training essentially delivers skills immediately saleable on the labour market, university training tends to develop broader skills with a larger theoretical component.

upon to confront changing labour conditions. Workers in intermediate positions are the ones most directly and immediately affected by the introduction of new technologies. Consequently, their employability depends essentially on their capacity to use the technological resources prevailing at any given time, an ability that goes hand-in-hand with a certain degree of fluency in other languages. At the same time, the agile selection and use of the vast volumes of information that can be accessed with new technologies are essential to achieving optimum results, while effective teamwork is contingent upon flexibility and versatility. The foregoing necessarily involves more intensive in-house training, and that in turn calls for a genuine corporate commitment. Similarly, the formal training stage is propitious for **encouraging an entrepreneurial spirit**, for its close relationship to the working world provides an ideal backdrop for advocating the value of business initiative as an alternative to salaried employment.

Several elements would contribute, in turn, to **continuing education and occupational training**. One would be a **redefinition of the regulatory framework for employment contracts** to close the gap between the costs of temporary and permanent employees (enhancing the appeal of training for both workers and employers) and improve part-time contract regulations (to render work and training more compatible).

In addition to the above, other measures could be adopted to facilitate in-house training programme funding, particularly for small companies. This would involve **continuing the policy of public financing or co-financing in the form of relief** instead of subsidies and the **application of incentives** to reduce the wage and non-wage costs of training to zero. Mechanisms for **acknowledging qualifications acquired via work experience** would also be advisable.

Lastly, suitable incentives must be introduced for **occupational training to cease to be viewed as a mere routine associated with unemployment insurance payments**. This would call for a more flexible scheme in which the unemployed could choose the training best suited to their needs and aptitudes. The results of such a scheme would have to be the object of ongoing surveillance to determine whether it effectively enhances trainee employability.