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ABSTRACT

Because about 50 percent of the Danish work force have not completed any formal course of vocational education and job training, continuing training efforts are needed. Such training is especially needed by the unemployed. Several research reports have shown that continuing training activities are characterized by proliferation and diversity. The studies have shown that persons who have achieved a higher level of training are more likely to participate in continuing training. However, unemployed people and those workers who have participated only modestly in job training also have a great need for job training, a need that often goes unfilled. Additionally, studies have shown that providing training for present labor markets is not enough; instead persons must be trained for changing conditions and therefore must undergo training continually. Public continuing training efforts should be expanded in the field of further education, with special attention to the needs of small and medium-sized businesses. Such an intensified training effort should be considered as a core element in public policy. There is a special need for better training methods, better coordination of information on training possibilities, strengthening the motivation of those who need training, and cooperation between various companies and agencies in providing training. (An appendix to the report contains a survey of the adult education possibilities in Denmark.) (KC)



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Ministry of Labour Ministry of Education 1991

Note on the Danish Efforts in the Field of Continuing Training

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Tables



1. The need for continuing training

<u>Preliminary considerations regarding the need for continuing</u> training and the target groups of an intensified effort.

1.1. The educational level of the workforce

About 50% of the Danish workforce, cf. table 1 in the appendices, have not completed any formalized course of vocational education and training. The lack of vocational qualifications is particularly pronounced among the unemployed and among people employed in agriculture and in the transport and other private service sectors, whereas the educational level is high within the public sector (including business service).

Generally, the male part of the workforce has a higher educational level than the female part, as 54% of the women and 47% of the men have no vocational qualification.

It is thus a great part of the workforce which lags behind in terms of education and training.

1.2. The target groups of an intensified effort

Several research reports have shown that the continuing training activities are characterized by a great proliferation and diversity.

The higher the level of vocational education and training is, the greater is the participation in continuing training activities. This applies to both men and women. Salaried employees generally receive more than twice as much continuing training as workers, and it is the people employed in the service trades who receive most continuing training.

The situation can generally be summed up as follows: there are most continuing training activities among those groups which must be presumed to have the least stable labour market affiliation (the unemployed/the social benefit recipients) on the one hand, and on the other hand among those groups which



must be presumed to have the most stable labour market affiliation, including further and higher education graduates and certain groups of salaried employees.

There is however an intermediate group which only participates to a very limited extent in the continuing training activities. In total, this group comprises $1 - \frac{1}{2}$ million wage earners. This intermediate group a.o. comprises persons with a relatively poor educational background, who have a permanent but not necessarily stable labour market affiliation. This group also includes a number of skilled workers, and a minor part of the group are further and higher education graduates.

That this very group of persons only plays a relatively modest role in the total continuing training effort can be attributed to the fact that these persons are on the one hand not comprised to any great extent by those continuing training mesures which are placed at the disposal of the unemployed and on the other hand the employers will not always due to the not very stable labour market affiliation of this group - find it attractive to invest eductional resources in them.

Furthermore, we here have a group which - like other groups with a modest educational background - perceives considerable barriers when it comes to participating in educational activities in adult life, including the general adult education activities offered in people's leisure time. As far as a part of the group is concerned, we may among other things draw the attention to the fact that they are not very used to being taught and that they have suffered defeats in the education system in the past. A part of the group is also characterized by inadequate general qualifications.

There are several things suggesting that there is an unsatisfied need for education and training in the intermediate group. Firstly, part of the group has difficulties in getting a stable labour market affiliation. Secondly, the economic boom which Denmark experienced in the period 1984-86 showed that a shortage of qualified labour may quickly occur also at



the level covered by this group. Thirdly, analyses of the qualification requirements of the future suggest that the entire workforce will be needing a considerable upgrading of their qualifications.

This does not however mean that an intensified effort must focus solely on this group. Although other groups receive more continuing training, it can of course not be concluded that their need is thus being satisfied. It may for instance be suggested that groups at a higher educational level have a greater need for further training in order to obtain the same comparative upgrading of their qualification level as other groups. Conditions relating to the ability of the market to generate the sufficient educational activity suggest that there is a need for an effort in several areas.

Many factors must be collated in order to uncover the continuing training needs of the society. It must therefore be concluded that there is no basis for a precise establishment of a certain unsatisfied quantitative need for continuing training.

2. The ability of the market to bring about the adequate educational capacity

Continuing training is an area in which a mere adaptation to the market will not be enough.

The adaptability of trade and industry and of the workforce is quite great, but it remains a question whether it is great enough and whether the costs involved in a mere adaptation to the market are too huge.

The adaptability of trade and industry appears in a flexibility in connection with the substitution between different categories of manpower and in that the choice of production techniques are often made on account of the manpower available.

The flexibility of the workforce first and foremost appears in that qualified people, in case of unemployment, seek down-



wards in the job hierarchy. The flexibility in this area is thus more one-sided.

The macro-economic projections also show that the market possesses a considerable adaptability. The costs involved are however less well elucidated. Studies of the substitution show that substitution between closely related courses only involve minor costs, whereas substitution between "more distant" courses are more cost and time consuming.

The need for continuing training, here understood as the need for in-service and further training which improve the job qualifications and employment prospects of the individual through a planned and target-oriented acquisition of knowledge and skills during his working life, including also more general vocationally qualifying courses, must first and foremost be assessed on the basis of the utility value of continuing training. The utility value can be looked upon from the point of view of the individual, the employer/employee or of society.

The distribution of the utility value, and thus of the individual party's conception of the utility value, does of course also depend on who profits from the investment. As this distribution problem does not have any influence on the total utility value of the continuing training activity but only on its distribution, we will not be dealing with the distribution aspect in the following. It is thus the general idea that the ideal way to establish the utility value must be the social level. Particularly since it is the task to solve the structural problem in the labour market. The need for continuing training must thus be looked upon from a total need to promote a well-functioning and flexible labour market, including the possibilities of solving the structural problems in the labour market.

We may also include some more general considerations into our considerations regarding the ability of the labour market to ensure the qualifications of the workforce through continuing training activities and for that matter also through vocational training with a practical training content. In this



context, it is essential to point out that there are - particularly in the area of education and training - fundamental limitations in the ability of the market to bring about the adequate educational capacity, i.a. as a consequence of the socalled "moral hazard". By this, we understand the fact that an investment in education and training is linked to the person, and this may make it less attractive for an employer to invest in the education and training of his employees.

To this should be added that in the case of small businesses in particular it can be difficult to do without staff who are undergoing training.

Similarly, the Danish business structure (with many small businesses) will be able to block the development of internal courses in the businesses.

It is furthermore a problem for the employee himself that the return on the educational investment is uncertain on the one hand and on the other hand that it often comes long after the costs incurred in relation to it. All the factors mentioned here work in the direction of an under-investment (in relation to the socio-economic return) in education and training.

What may work in the opposite direction is the fact that there may be a tendency towards making education a signal of other qualifications in the workforce - a fact which will provide an incentive for an over-investment in education and training. The importance of this is however difficult to pinpoint.

There is also a tendency to the effect that education and training needs which occur as a result of a shortage of man-power (e.g. in connection with bottlenecks) in the individual business will first be sought satisfied by attracting qualified manpower by means of an increase in wages. Seen from a socio-economic point of view, it is necessary to detect and satisfy the need before it leads to wage increases.

It should finally be emphasized that the market does not have the same ability to generate the different types of conti-



nuing training. <u>Firstly</u>, the market itself creates more continuing training activities for the group which has a stable affiliation to a firm than for persons without permanent or stable employment. <u>Secondly</u>, there is a tendency to the effect that the need for an upgrading of the qualification level will be more efficiently satisfied by the market than the need for retraining. This is due to the fact that a firm has a greater interest in training those who are already employed than in retraining persons for other branches of trade (and businesses) or in retraining persons with "lost" qualifications. This does however have a special importance when there is an abundance of manpower.

3. The continuing training offers of the future

Inspite of the above-mentioned factors of uncertainty, it is possible to give certain guidelines as to the areas and ways in which the public continuing training effort should be intensified.

We will first take a look at the further and higher education graduates. Traditionally, the continuing training offers for further and higher education graduates are plentiful and almost solely established via the market and without any public support.

Continuing training offers are typically established under the auspices of the professional organizations, the higher education institutions and private course organizers. To this should be added that the barriers perceived by this group when it comes to participating in continuing training activities must be presumed to be rather modest. There also seems to be a considerable substitution between the different educational categories (at the same level).

At a first glance, it therefore seems to be possible to limit the need for a public continuing training effort directed at further and higher education graduates to a more selective effort towards those groups who are faced with special problems, e.g. in the form of a need for retraining. But also other groups of further and higher education graduates may



have an employment-related or personal need for having their qualifications updated, changed or broadened through long continuing training courses. It will normally not be possible to return to the initial education and training institutions as ordinary students.

The system of open education which came into being on 1 January 1990 will, when it becomes extended, constitute a possibility of pursuing these forms of qualifying continuing training courses at the initial training institutions. The ordinary courses will then be offered in the form of single-subject/part-time courses. Open education is offered outside ordinary working hours and is partly financed through user payment. This scheme is open both to those who do have and to those who do not have a job.

We shall now take a look at the group of skilled workers. This group first and foremost receive continuing training through the system of labour market training (the AMU) and through business-based courses (e.g. in connection with the training in new production equipment). For salaried employees (particularly in the service sector), it is in particular a question of educational activities at further and higher education level. Here, the need for public participation greater. Firstly, several analyses suggest that there is a shortage of manpower with qualifications at skilled level. Secondly, the substitution is insignificant in certain areas. Thirdly, there seems to be an unsatisfied need for training in the new technologies. Fourthly, there are several market-related barriers to continuing training in this area than is the case with the further and higher education graduates (lack of motivation on the part of employees and businesses).

The system of initial education and training has sofar and will continue to be the primary supplier of manpower with formalized qualifications. The ageing of the workforce will however place a greater task with the continuing training system.

The effort towards these groups must both as far as the ini-



tial and the continuing training are concerned focus on the acquisition of broader qualifications and knowledge about the new technologies and on the integration of general and process-independent qualifications.

Finally, there is a general view to the effect that continuing training offers catering for the unemployed should be a central element in the public effort. This group has a particularly great need for continuing training which must necessarily in the case of most of them take part under the auspices of the public authorities. The greatest problem of this group is no doubt to conquer the barrier related to participating in educational activities. This should be reflectin the organization of both the contents and the form of the courses. Furthermore, it will often be an important motivation-related problem that the unemployed course-participants do not have any immediate prospects of employment upon completion of the course. On the other hand, it will hardly be possible to determine unambiguously whether the group has a need for short specific courses or for longer general courses. Longer courses may however increase the readiness for adaptation within the labour market training system.

A changed organization of the continuing training effort must also aim at:

- * seeing to the special problems of small and medium-sized businesses;
- * seeing to the problems of the weak groups in terms of education and training, among other things by establishing transversal courses with a general qualifying content.

3.1. Principles for the organization of an extended effort in the field of continuing training

An intensified continuing training effort must be considered as an element of the structural policy. Continuing training is an investment in a well-functioning and flexible labour market.



Those continuing training courses which are of a special interest therefore constitute offers which may contribute to increased employment through increased productivity and flexibility - internally in the businesses as well as between businesses and trades in the labour market.

As it will appear from the appendix, there is already today a considerable offer of continuing training possibilities, and a not insignificant interest has been noted when it comes to participation in continuing training activities in the broadest sense of the word.

There are however also certain problems and shortcomings in the present effort. The present activity has not fully neutralized the tendencies of bottleneck problems in the labour market.

There may be reason to stress that bottleneck problems have previously been linked to the question of a properly adapted initial education and training system. In step with the ageing of the workforce and thus with a relatively decreasing influx of new graduates to the labour market, the question of avoiding bottleneck problems will to an ever increasing extent become a task which must be detected and solved within the area of continuing training.

The bottleneck problem is not great today, but it may be feared that the present continuing training system will not - in the case of increasing employment - be capable of contributing adequately to avoiding the situation of 1986-87 when we had bottlenecks and at the same time more than 200,000 unemployed.

There is therefore a need for an intensification of the total continuing training effort. The continuing training activities of the <u>businesses</u> (public as well as private) for their own employees can be intensified through:

* An optimization of the existing offers.



- * The strengthening of the motivation of the users (the businesses and the employees) when it comes to demanding/participating in continuing training activities.
- The introduction of new pedagogical aids such as distance learning.
- * Increased and better coordinated information on the continuing training possibilities.
- * Staking on increased education and training and educational planning in the businesses.
- * The use of continuing training agreements between the labour market parties may also constitute a considerable contribution.

An <u>optimization</u> of the public effort may be carried through on the one hand through a number of concrete optimization efforts and on the other hand through an increased use of management models (target and framework management) which provide the educational institutions with stronger incentives to carry out optimization efforts, when necessary.

It should be considered whether <u>user payment schemes</u> may contribute to the optimization through an increased market orientation, tougher competition and an improved testing of needs.

For the unemployed and for persons with an unstable labour market affiliation, it is suggested that regional councils with a certain economy of their own be set up which can see to the retraining and the upgrading of the qualification levels of this group, inter alia by providing a possibility for cross-sector continuing training courses which can improve the employment situation of the persons in question.

Today those who are a little older and those with a short-cycle education only participate to a relatively limited extent in vocationally oriented continuing training.



For this group, it is also suggested that there should be an opportunity at regional level of participating in coherent courses with general elements and with directly vocationally qualifying elements.

The motivation of the users (the firms and the employees) for participation can be enhanced in several ways.

Firstly, by ensuring a total information on continuing training offers in a relevant geographical area. At national and at regional levels, relevant information material must be provided concerning cross-regional or national continuing training offers.

Secondly, by ensuring adequate capacity for participation in the necessary vocational continuing training offers during working hours or parallel with normal full-time work.

Several studies suggest that the limited training demand of the small and medium-sized businesses in particular can be attributed to the costs relating to the staff's absence from work (production loss). For these firms, distance learning where several small and medium-sized businesses in the same line of business/local area can participate in the same course may be the solution.

It might furthermore be considered to provide consultancy assistance to smaller businesses as for analysis and implementation of the continuing training effort.

Thirdly by assessing the <u>income situation</u> of the participants in connection with their participation in the continuing training activity. In this context it should be assessed for which groups the lack of compensation for the loss of wages is perceived as a considerable barrier.

It has also been suggested that the <u>lack of possibility of</u> being granted a <u>leave</u> may constitute a barrier.

Educationally motivating introduction courses may also be an



instrument for educationally weak groups.

The continuing training planning and awareness of the businesses must furthermore be expected to grow to the extent that training schemes are being agreed upon between the labour market parties.

In connection with the collective bargaining in the spring of 1991, it was agreed in a number of Danish agreements that employees may - in due consideration of the production circumstances of the firm - be granted the necessary leave of absence for participation in continuing training courses and other further vocational training. After 9 months' employment, the individual employee does however have a right to at least 1 week's paid leave a year for participation in relevant vocational continuing training.

3.2. Which types of training

The point of departure for considerations regarding an extended effort is that it is not possible to give a precise indication as to which persons should be offered which courses. The considerations can therefore not take their point of departure in concrete indications as to which courses should be extended.

It is however possible to indicate overall parameters for an assessment of the continuing training needs.

Continuing training may in several ways contribute to an increased flexibility in the labour market. On the one hand through a <u>direct</u> adaptation of the qualifications of the workforce to the demand. And on the other hand more <u>indirect-ly</u> through an upgrading of the general qualifications which are often a prerequisite for adaptation to changed production forms, when necessary.

An increased continuing training effort must be directed at courses which meet both of the objectives listed below:

- to increase the short-term flexibility of the workforce,



i.e. to see to the immediate adaptation of the vocational qualifications of the workforce to the demands of the labour market,

- to increase the <u>long-term flexibility</u>, i.e. to increase the possibilities of the individual for acquiring - in step with the technological development and the increased internationalization - new knowledge and new skills when the need occurs.

Studies suggest that by and large all forms of continuing training can contribute to enhancing the self-confidence of the participants and consequently to an improvement of their employment prospects.

Some continuing training activities do to a greater extent than others confer qualifications which have an immediate improving effect on the employment prospects of the participants and which are relevant for a structure-political effort.

It is important to see to it that an increased continuing training effort focuses on areas in which there is an offer of continuing training which may constitute a considerable contribution to the flexibility in the labour market.

It will furthermore be of decisive importance to plan an extended effort so that the publicly financed and/or planned effort supports and complements but does not replace an effort which is already being made on a private initiative.

A number of analyses suggest that the continuing training activites which are financed from private sources and offered by private course organizers have been increasing in recent years. An indicator to this effect is that the income-generating activities of the public sector in this field has increased in recent years. This development must be presumed to continue in the years to come.

The private continuing training effort has to a great extent been directed at continuing training of managers and em-



ployees as well as at the satisfaction of short-term needs in the businesses. There is hardly any reason to expect any substantial changes in the composition of the future private demand for continuing training in the short term.

It a.o. presupposes an increased awareness and a planning effort in the field of continuing training in the firms and that a higher priority is given to continuing training by the employees. It also presupposes that the public continuing training system becomes more easily accessible and that the individual offers are in the best possible way targeted to the needs of the labour market and the prerequisites of the individual.

3.3. Increased incentive to educational planning in the firms

It is essential that the question of the training needs of the firm and of its employees is taken up in the individual firm to a much greater extent than is the case at present. The small and medium-sized businesses in particular do not use any great resources to this effect.

It is also important that the employees of the individual firms are included in considerations both with regard to the identification of needs and with regard to proposals concerning the satisfaction of these training needs. It should be endeavoured that management and employees discuss how the training budget of the firm can be most appropriately used.

There have sofar been considerable problems when it comes to placing tools at the disposal of the firms so that the necessary training needs could be uncovered and an effecient educational planning made.

Considerable efforts have been made to solve these problems. As an example, we may mention that the individual educational institutions, the labour exchange, the local education centres etc. do to an ever increasing extent take upon themselves to offer advice and support to the firms in this field. There is however a need for a far greater awareness with regard to these issues.



The aim of an increased educational commitment in the firms can be further strengthened through various incentives which are directed at both management and employees.

At a first glance, it will be natural to point at those schemes in particular which are already known and implemented in limited areas.

- * Agreements made under the auspices of the businesses or the organizations for the financing of educational objectives.
- Agreements about the individual right of employees to leave of absence for educational purposes.
- * Requirements to the effect that a certain planning is made on the part of the businesses in connection with the participation of the educational institutions in the solution of training needs.
- * Qualified advice on educational planning by regional educational bodies.

Courses which aim at providing the participants with basic, generally vocationally oriented qualifications are characterized by the fact that the individual businesses (public and private) are often and then only to a very limited extent having any direct and/or immediate profit from pouring money into the continuing training of its staff.

The continuing training which is directed at a <u>short-term</u> <u>adaptation</u> to changed production conditions is however the area in which the immediate profit of the continuing training activity is the greatest for the businesses.

It is therefore also the area in which the will to self-financing and/or co-financing of the publicly organized effort must be considered to be the greatest.

In continuation of this, it will be natural to shift the pub-



<u>lic</u> effort towards socially important areas in which the interest in and will of the businesses with regard to (co)financing are less pronounced.

In areas in which public co-financing is to be maintained, it will be of importance that - in addition to being immediately relevant for the individual business/participant - the courses are also so broadly qualifying that they ensure an increased mobility between businesses and branches of trade.



Further Education and Training in Denmark

Appendices

Survey of the adult education possibilities in Denmark



Appendices

Survey of the adult education possibilities in Denmark

Below you will find a survey of the most important offers of adult education and continuing training in Denmark.

The survey comprises the <u>majority</u> of the formalized offers of adult education and continuing training. It should be noted that we have also included all those offers which are provided by adult education associations etc. A number of these offers are hardly relevant in a structure-political continuing training effort.

Table 2 below gives an overview of the total continuing training effort in Denmark. The description does <u>not</u> comprise "on-the-job training" and other educational activities which are permanent constituent elements of "normal" careers in the business/sector in question.

Expenses relating to remunerations and fees which are a direct consequence of participation are included. Expenses relating to for instance unemployment benefits and social cash benefits for those unemployed who "on their own initiative" participate in continuing training are not included.

Other efforts of the public and private sectors directed at their own employees have been computed and do not include wage costs, expenses relating to the employment of substitute staff and loss in production etc.

Throughout the rest of the survey, we use the concept of "participant per year" as an illustration of the activity within the educational areas in question. The concept is used to describe the extent to which the courses in question take up the time of the participants and has been computed



as a participant for a whole school year in the area in question.

With this delimitation, the activity of the private sector has been roughly estimated to be approx. 30,000 to 40,000 participants per year corresponding to a total expenditure of about 1.7 billion DKK for expenses relating directly to the educational activity.

It is extremely difficult to make a delimitation of the continuing education and training activity in practice.

Instead of attempting to make a precise delimitation of the continuing training activity, the delimitation has been made in relation to the <u>existing offers</u> which are presumed to be of particular interest in an extended continuing training effort with a <u>structure-political</u> objective.

1. The total public activity

This description takes its point of departure in the continuing training activity which is taking place in the <u>public sector</u>. This also includes the public sector's continuing training offers to its own employees. We have here chosen to divide the description of the activity into the following main groups:

- Continuing vocational training, including the public sector's continuing training offers to its own employees.
- 2) Generally qualifying continuing training of an initial training nature.
- 3) Offers to particularly disadvantaged groups.



2. Continuing vocational training

Courses belonging to this category will be of central importance in a publicly organized and/or financed continuing training effort. It is this category of continuing training which does to the greatest extent contain offers directed at an improvement of the employment situation of persons with a permanent, but not necessarily stable, affiliation to the labour market. The courses comprise the ordinary programmes of the labour market training system, the advanced technicians' programmes, agricultural and maritime education programmes, special vocational groups, education programmes comprised by the act on open education and the act on continuing training.

2.1. The ordinary programmes of the labour market training system

Aim and extent

It is the aim of the labour market training system which is primarily directed at skilled and unskilled workers employed in the private sector to maintain and extend the vocational qualifications of the workforce. The courses aim at the mainly technically-oriented and job-related qualification needs. It is endeavoured to satisfy the broad trade-related qualification needs. The ordinary activity comprises training courses for semi-skilled workers, supplementary training for skilled workers, courses for supervisors, technicians etc. and retraining activities.

Financing

The labour market training system is financed 100% by Government subsidies, but it is additionally financed by the AUD-fond to which both employees and employers contribute with equally large sums.



Administration

The total administration of the labour market training system lies with the Ministry of Labour in a close interaction with the labour market parties which are represented in a number of councils and committees with equal representation of the parties.

The parity of influence is in particular directed at the control of the vocational content but there is also to a considerable extent a parity of influence when it comes to the use of the total appropriation.

The committee structure is sector-divided according to the target groups of the courses - skilled workers or unskilled workers - and according to branches of trade and trades.

The financial control is characterized by the fact that the committees elaborate a statement of needs, subsequent to which a proposal is elaborated through discussions in the hierarchical council structure. This proposal is used for the establishment of the distribution of the appropriations on the individual training programmes (semi-skilled workers, skilled workers, supervisors etc.).

Subsequently, the appropriation is distributed centrally to the labour market schools (the socalled AMU-schools) in as far as the semi-skilled workers' courses are concerned and to the trade committees in as far as the continuing training of skilled workers and supervisors are concerned - an area in which the courses themselves take place almost exclusively at the vocational schools. This implies that the parity of influence in the skilled workers' area and in the supervisors' area also comprises influence on the conc ete control of the supply, as the trade committees are as a matter of fact also course organizers. Within the area of commerce, clerical trades and public administration and



within the area of the iron and metal industries, experiments have however been initiated by which the administration of the courses and course participants has been delegated to the vocational schools.

The target group

The Danish labour market training system is characterized by the fact that it is aimed both at those who have and at those who do not have a job (approx. 65% of all participants have a job, whereas 35% are unemployed).

The target group thus comprises both persons with a stable and persons with an unstable labour market affiliation.

To this should as mentioned above be added those selective programmes which are aimed at the unemployed.

The labour market training courses (the socalled AMUcourses) are held during working hours, as the course participant receives a course allowance (max. uemployment benefit) or full salary from the employer. If the course participant is paid during his participation in courses, the employer receives the allowance. Ιt is therefore a prerequisite for the employed course participant that an understanding is reached between the employer and the wage earner to the effect that the wage earner leaves the production for a short or long period of time in order to receive training. If it is not possible to reach such an understanding, the wage earner will not be able to receive training via the AMU-system as it is made up today.



Payment by the firm

IDV-Courses*

In the act on the labour market training courses from 1985, a right was established which makes it possible to arrange courses within the labour market training system for public and private customers.

The assigned courses can be arranged for a firm which has quite urgent or particular training needs which cannot be satisfied through the existing supply of courses, but where the firm wishes to profit from the expertise and experience which exist in the labour market training system. The IDV-courses can also be arranged for municipalities which want to have special courses arranged for the young unemployed.

It is characteristic of income-generating activities that the giver of the assignment (the customer) pays all expenses (including the indirect costs) relating to the implementation of the courses.

The VTP-courses (business-adapted courses) can be established with their point of departure in a special adaptation and supplementation of existing courses to the training need of the individual firm.

It is estimated that the expenditure for the VTP-courses is on an average distributed with 40-45% paid by the Government and 55-60% paid by the firm.

* IDV = Income-generating activities. Sale of services to external customers thus generating an income for the institution providing the service.



3. Advanced technicians' courses

The technicians' courses are offered under the auspices of the Ministry of Education at the independent technical colleges.

The courses first and foremost aim at jobs which comprise tasks relating to construction, technical specification and production planning etc.

These courses may for instance be courses leading to a diploma as a laboratory technician, machine technician, electronics technician and master electrician.

The courses are of a duration of between 1 and 2 years typically 1.5 years and as a main rule they require a completed basic vocational education and training course in the area in question.

3.1. Offers to particular vocational groups and to public sector employees

Under the auspices of the public authorities, a number of specially organized continuing training courses are offered; they aim at special vocational groups such as teachers, health staff, home care assistants and other groups.

The offers are to a very great extent organized under the auspices of and financed by the public authorities.

Other offers of continuing training financed by the public sector in its role as an employer

In addition to the institutionalized continuing training of e.g. health staff and teachers etc. organized by the public sector, the public sector also purchases continuing training courses for its own staff from private course organizers.



The Government accounts for the fiscal year 1988 show that approx. 330 million DKK have been spent on the payment of its staff's participation in courses, seminars etc. This figure does <u>not</u> include salaries and expenses relating to the employment of substitute staff during staff members' leave of absence.

3.2. Act on open education

Open education is an offer to the adult population of vocationally oriented qualifying education (under the Ministry of Education) which is taking place parallel with employment. The potential offer consists of all recognized vocationally oriented courses which are arranged for adults and offered as single-subject courses on a part-time basis. The system can thus be used both for the maintenance of qualifications, for retraining and for retraining from one educational level to a higher level. The act came into force on 1 January 1990.

Open education may be offered with Government subsidies and as income-generating activity financed 100% by user payment. The institutions can without prior approval by the Ministry offer parts of their full-time programmes in the form of income-generating activity.

The Government grants a subsidy (taximeter subsidy) in the form of a certain amount per participant per year. The taximeter subsidies are computed twice a year on the basis of the number of participants who have participant's fee. Furthermore, a fixed subsidy is granted to the institutions in addition the to ordinary appropriations as a contribution towards the expenses in particular.

The taximeter subsidies granted by the Government as well as the fixed contributions are in 1990 expected to cover 80%



of the (standard)-budgeted gross expenditure relating to the course. The institutions are free to fix the amount of the user payment. They have methodological freedom when it comes to the organization of the open education courses.

3.3. Act on continuing training

The act on continuing training makes it possible to grant subsidies in two areas

- 1) Innovation and development activities in relation to vocationally oriented continuing training.
- 2) Course support.

In exceptional cases, subsidies may be granted towards expenditure relating to the purchase of equipment and the rental of premises etc.

The main emphasis now lies on the development of new courses in selected action areas which are selected by the Council on Continuing Training.

The primary target group of the developed courses is adults over 25 years of age who in terms of educational level find themselves between skilled workers and university graduates. It is the aim of the courses to strengthen export and import businesses through adaptation and innovation. The courses are directed at employment in the private sector or at persons who want employment in the private sector.

The courses are implemented by educational institutions under the Ministry of Education and the Ministry of Cultural Affairs.



4. Generally qualifying continuing training

This group comprises general adult education, day folk high schools and other generally qualifying continuing training.

4.1. General adult education

The basic level

Since 1978, single-subject education preparatory for an examination for adults has been offered separately from the other offers of leisure-time education for adults.

General adult education is offered to all adults over 18 years of age with the aim of making it possible for adults to improve their general qualifications.

The teaching is carried out by approx. 80 county adult education centres (VUC) which must offer a number of core subjects (Danish, Mathematics, languages, natural sciences, and social sciences) at each individual education centre combined with an offer of a number of special electives in the county as such.

Higher preparatory examination (HF)/upper scondary school level

Subsequent to the adoption of the Act on Higher Preparatory Examination and on Single-Subject Education Preparatory for an Examination for Adults etc., a flexible offer of continuing training will as from August 1991 have been created for adults wishing to supplement their qualifications either with a view to pursuing further studies or with a view to improving their job prospects.



4.2. Day folk high schools

The activity of the day folk high school shall strengthen the personal development and prospects of the participants in relation to the labour market and the education system.

In principle, the day folk high schools are open for all, but their general target group is the educationally weak groups, including in particular the unemployed. As a main rule, the teaching here is conducted as a 16-week uninterrupted course of approx. 30 hours per week; they do however also arrange shorter courses.

A course offered at a day folk high school comprises cultural, social, creative, esthetic and craftsman-like elements. The teaching is as a rule theme and topic-oriented in relation to the day-to-day life of the participants. The teaching is not formally qualifying.

4.3. Other generally qualifying continuing training

The education and training activities within this area are first and foremeost initiated by private foundations or private associations such as the adult education associations.

The public control of this area is primarily limited to the allocation of subsidies and control of whether the conditions for the allocation of subsidies have been met.

Leisure-time education for adults

General non-qualifying education for adults are offered to all people over 18 years of age in the form of evening school/study circle evening folk high school activities etc.



University extra-mural activities

It is the aim of these activities, which are not formally qualifying, to disseminate information on research methods and results.

5. Offers for particularly disadvantaged groups

In addition to the fact that there is a generally good offer of continuing training which can be followed while receiving social benefits and unemployment benefits, there have been established several special offers of training to the particularly disadvantaged groups.

In the following, we only include offers of an actual educational nature. We thus do not include activities of a more work training etc. nature.

5.1. The selective programmes of the labour market training system

In addition to the ordinary programmes for people in jobs and for the unemployed, the labour market training system also comprises programmes which are selectively directed at introducing the weaker groups into the labour market.

Furthermore, the labour market training system initiates different uninterrupted courses of a more innovative nature, e.g. for unemployed women, often in cooperation with municipalities, courties, trade organizations etc.

Courses preparing for a vocation (the socalled EIFI-courses)

The EIFU-courses were established in the beginning of the 1970's in view of young people with special problems. It is the aim of the courses to give young unemployed people under



30 years of age an experience-based general and concrete knowledge of the labour market and the education and training sector.

The EIFL-courses are guidance courses for unemployed adults. It is the aim of the courses to give unemployed people over 18 years of age and particularly the long-term unemployed knowledge of employment and education and training opportunities within new areas and to strengthen their affiliation to the labour market.

On the lines of the EIFU-courses, the individual school organizes the courses on the basis of standard modules. The EIFL-courses are of 7 weeks' duration on an average with a possibility of practical training periods. The courses have been used as an introduction of the long-term unemployed to employment offers - particularly in the municipal sector.

Labour market courses of a long duration for unemployed people over 25 years of age (LAMU)

The LAMU-courses were introduced in 1985 as an offer for the long-term unemployed over 25 years of age.

The LAMU-courses are of a duration of between 15 and 26 weeks. The average duration is of approx. 20 weeks. It is possible to include practical training periods of a typical duration of 4 weeks into the courses.

Courses for refugees

Special courses for refugees were established in 1987. The courses are implemented as specially organized courses of an average duration of 25 weeks.



5.2. Offers to the long-term unemployed/rehabilitees

UTB-courses and inspiration courses

Long-term unemployed persons have a <u>right</u> to be given an <u>educational offer</u> (UTB). This right implies that the labour exchange is to give the long-term unemployed a concrete offer of education and training which is adapted to the wishes and prerequisites of the unemployed person and to the needs of the labour market.

A total of 1.8 billion DKK has been earmarked to cover the education and training activity during the period 1989-1992.

A regional UTB-administration may purchase courses from the educational institutions on the basis of a centrally established course catalogue.

5.3. Generalities about possibilities of support during continuing training

Remunerations within the labour market training system

Participation in the ordinary programmes of the labour market training system with full Government subsidy gives a right to a wage compensation (remuneration) which is according to more detailed rules computed on the basis of the rates governing unemployment benefits.

Unemployment benefits during education and training

As a main rule, it is not possible to receive unemployment benefits while undergoing education and training.

Unemployment benefit recipients may however participate in courses during the daytime without loosing their right to



unemployment benefits.

Educational benefits

Long-term unemployed unemployment benefit recipients have under certain circumstances a right to receive educational benefits instead of unemployment benefits, while they are participating in courses.

Furthermore, educational benefits are granted to participants in courses under the scheme of educational offers to the long-term unemployed.

The educational benefits are computed in relation to the benefits which the unemployed has received previously.

Educational support for adults

Act no. 336 of 24 May 1989 on Educational Support for Adults came into force on 1 October 1989. It is the aim of the act to create the economic basis so that adults with a short educational background who have a job get the possibility of participating in general and vocationally oriented teaching during working hours.

The student is free to choose a course according to his needs, and the act places the general and the vocational education on an equal footing.

Leave of absence for participation in courses during working hours is based on an agreement between the student and his employer.

The target group is wage earners, small self-employed and their assisting spouses belonging to the age group between 25 and 60 with a short school and/or vocational education. The condition for receiving educational support is that the



applicant has been employed in the present workplace for at least 6 months.

The act is being administered in such a way that it is ensured that students with the shortest education can obtain educational support. Unskilled workers with 7 or 8 years of schooling are the primary target group of this support scheme.

Adult Apprentices

The Minister of Education may furthermore grant support to adult (over 19 years of age) semi-skilled workers who enter into an apprenticeship contract.

The support is granted with a view to motivating more adults to undergo vocational training after their 19th birthday. The support is granted, as masters are not according to the legislation in force obliged to pay the adult apprentice any wages during the school period.



Survey of continuing training possibilities

Education	Aims	Target group	Financing/ remuneration	Duration	Institution
Labour market courses (excl. EI, LAMU etc.)	Vocational (continuing training/re- training)	Skilled, semi- skilled, super- visors, em- ployed (unem- ployed)	The AUD-Fond/ unemployment benefit level	Short courses (1-4 weeks), during normal working hours Modular cour- ses	Semi-skilled/vocational schools, bu- sinesses, Technological Institute
Act on open education, incl. qualify-ing part-time courses	Vocational continuing training	A11	20% user pay- ment, 80% block grants	Modular, Or- ganized in long courses for people in full-time em- ployment	All under the auspices of the Ministry of Education
Single-sub- jects, incl. general adult education	Basic gene- ral further training	All over 18 years of age with short edu- cational back- ground	Counties, li- mited user payment	Modular, in- dividual courses	Adult Educa- tion Centres
Education for iong-term un- employed	Promotion of vocation- al qualifi- cations	Unemployed, in- dependent of age and educat- ional background	the AUD-fond	3 months to 2 1/2 years	All institu- tions offer- ing recog- nized courses
Act on continu- ing training	training at	Over 25 years of age - group be- tween skilled workers and uni- versity graduates	development and operations	From 1 to several weeks. Organized individually	All institu- tions under the Ministry of Education
Educational support for adults	Promotion of general educational qualfica- tions of adults in employment	Adults between 25 and 60 years of age who do not obtain sup- port according to other legis- lation	Remuneration of up to max. un- employment be- nefit rate	Individually	At all institutions. main- ly outside of the AMU-area



Table 1

The Labour Force under 67 Years of Age Distributed on Formalized Vocational Qualifications

	None*	EFG/Appren- tices etc.	Short- cycle high	Medium- cycle ner educa	cycle	Total
Agriculture etc.	77	20	2	1	1	100
Raw materials	55	30	7	4	4	100
Production	54	37	3	3	2	100
Elect.,gas,heating						
and water supply	35	43	14	5	4	100
Construction	44	49	4	2	1	100
wholesale and reta	ail					
trade	49	45	3 3	2	1	100
Transport	60	33		2	2	100
Finance etc.	37	43	4	8	9	100
Other private						
service	60	32	2	3	4	100
Public services	40	25	14	12	8	100
Employed, total	49	35		6	4	100
Unemployed	68	26	3	2	2	100
The labour force	50	34	6	6	4	100

^{*} Incl. the basic year of the EFG-programme (basic vocational education and training course)

Source: Danish Bureau of Statistics



Table 2

Activity and Resource Consumption in the Field of Continuing Training 1990

	Influx 1000 persons	Partici- cipants per year	Total Expenditure (operations and fees in million DKK 1991 PL-level)
t. Voc. continuing training			
- AMU-ordinary progr. (incl. VTP)	169.4	7.272	1,655,0
- Advanced technicians' courses (2) 3,9	5,036	209,6
- Continuing train, of farmers			
and seemen		240	25,6
- Special vocational groups		4,411	206.6
- Continuing training of em-			
ployees in the public sector (3)		20.000	1.100.0
- Continuing training, private (3)		35.000	1.700.0
- Act on open education	141.3	23.555	325.4
- Act on continuing training			(4) 93.0
TOTAL	314.6	95.514	5.315.2
2. Generally qualifying continuing tr	a1 n 1 n a		
- General adult education (5)		34.438	710.0
- Day folk high schools		0 1 1 1 0 0	(4) 21,8
- Other	1,208,0		1,229,0
TOTAL	1,208.0	34.438	1,960.8
3. Offers for particularly disadvanta	ged groups		
- AMU-selective programmes	17.5	1,989	263,2
- Educ. offer/educ. benefits	12.8	5,120	516.0
- Rehabilitees in education (7)	43.0	21,000	1.871.8
- Courses for long-term unempl. (7)		21.0
- Educational benefits (7)	17.3	9.988	1,147,9
TOTAL	90.6	38,097	3,373,9

- 1) Comprises only direct expenses
- 2) Is mostly used as continuing training uninterrupted from the basic training
- 3) Rough estimate, excl. wage expenses and production losses
- 4) The 1991 Budget
- 5) The Leaving Examinations and the Advanced Leaving Examinations of the Folkeskole (Danish primary and lower secondary school) and the Higher Preparatory Examination (examination at upper secondary level qualifying for admission to higher education)
- 6) Courses with a great part of initial and further training elements
- 7) The expenditure does not comprise operational expenditure. On a rough extimate, it amounts to 40,000 DKK per participant per year.

