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Media Release

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Page 1

avenir debatte

"Continuing education, as long as it's targeted"

Could the coronavirus pandemic and its effect on digitalization increase technology-related unemployment? So is it time for a broad-based continuing education and training offensive? In their latest publication, senior researcher Valérie Müller and research director Marco Salvi provide differentiated answers to these questions. Basically Switzerland has a very broad and well used training offering, meaning that general efforts to promote it aren't necessary. But there are people who are largely failing to engage in lifelong learning and whose longer-term employability is therefore in jeopardy. There should be systematic endeavors to encourage this group to engage in continuing education.

Technological progress has substantially altered the Swiss employment market in the last few decades. This can be seen most clearly in changes in the qualifications required: demand for highly-qualified workers has increased considerably. Back in 1996 around 650,000 working people were in an academically based profession. By 2019 this figure had risen to 1.25 million. In the course of this period these people's share of overall employment increased from 17.4% to 26.5%. Over the same timeframe there was a decline in all medium-qualified job categories – especially trades. All in all the employment prospects of working people with a vocational apprenticeship and no further tertiary qualifications have worsened in the last 25 years. But there is also good news from the labor market. For example, these days the younger generations have a steeper career path than they used to, as many of them, particularly women, already have higher qualifications when they enter the market. Career progression from age 35 is a contributory factor, but a secondary one.

Lively Training Activity

In general the Swiss could be said to have a very great interest in continuing education, also by international standards. But behaviors in terms of continuing education and informal learning depend to a great extent on people's level of education. The more highly qualified are more active, which is why continuing education per se does not reduce the educational differences between groups, but actually exacerbates them.

Businesses play a particularly important role in continuing education. The large majority support their workforces' ongoing training endeavors with time and financial resources. This doesn't include informal learning on the job – which given that additional pay for additional work experience (a measure of the importance of informal learning at the workplace) has remained constant in the last 25 years appears to play as significant a role as ever.

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Page 2

Focus on Jobs in Jeopardy

Public spending on education focuses on the first third of people's lives. Given that the returns on continuing education and informal learning primarily benefit employees and employers, extending public investment in general to cover continuing education and informal learning wouldn't be appropriate. Targeted state support for education during people's working life is only justified for groups that rarely or never participate in lifelong learning and thus presumably see their employability erode in the longer term. As these are often people who have only completed compulsory education, it would make sense to provide state support on the basis of their level of qualifications and income.

Continuing education vouchers or accounts, and loans for longer retraining programs, would be particularly suitable mechanisms for doing this. Tax breaks make less sense when it comes to promoting ongoing training because they primarily benefit people on higher pay, where there are no signs of a lack of continuing education endeavor. The study concludes that no additional support mechanisms are required for older working people. However, their access to state support should not be restricted by low age limits.



Media conference: 29 April 2021, 10.00am, <u>www.avenir-suisse.ch</u>. With Peter Grünenfelder, Valérie Müller, and Marco Salvi.

Publication: "Weiterbilden, aber gezielt. – Antworten auf den Strukturwandel am Arbeitsmarkt" (Continuing education, as long as it's targeted: responses to structural change in the employment market). Marco Salvi and Valérie Müller, 64 pages, <u>available online from 7.00am</u>.

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