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LESSONS FROM THE OLD SCHOOL

European Workforce Development Strategies For Oregon

A White Paper
Based on a German Marshall Fund Tour
of European Education & Job Training Systems

October 31, 1990

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PREFACE

For two weeks this spring, from April 14 through April 28, 1990, we were privileged to participate in an intensive study tour of European education and job training systems. The tour was organized and conducted by Bob Watrus of the Northwest Policy Center in Seattle and made possible with the generous support of the German Marshall Fund of the United States.

Our tour provided us with an opportunity to investigate the human investment strategies of Denmark, Sweden and Germany and to identify possible applications to workforce development efforts in Oregon. During our stay, we met with representatives of government, labor unions, employer confederations, and education, employment, and training agencies. We toured a number of facilities, from orientation and training centers for disaffected youth to vocational training schools for apprentices and highly skilled master craftsmen. Our itinerary took us to Copenhagen and Naestved in Denmark; to Gothenburg and Stockholm in Sweden; and to Munich and Hamburg in Germany. This white paper reflects the best of what we learned.

Denmark, Sweden and Germany were selected for study because of their silimlarity to Oregon. They have climates and topography much like the western part of the state, and their dependence on natural resource based industries and tourism is similar to ours. In addition, they have ocean ports and engage in significant international trade. And like Oregon, their economies rely heavily on small and medium size businesses.

April 1990 was an exciting time to be in Europe. Feelings of anticipation and restlessness hung in the air. Europeans were watching breathlessly as history was being made all around them -- from the preceding November's destruction of the Berlin Wall, to their efforts to form a single common market, to the unprecedented democratization of Eastern Europe. Each of these events gives increased importance to Europe's individual and collective needs for well educated, highly skilled workers, and they gave a sense of immediacy and drama to our discussions about workforce quality.

Many exceptional individuals made our tour an unforgettable experience. They deepened our understanding and most importantly, they made us aware of the possibilities and potential that are ours when we freely share what we know. To each of them, we extend our heartfelt appreciation. Their names can be found in the back of the report. We also thank the Northwest Policy Center and German Marshall Fund for this rare opportunity.

EXECUTIVE SUMMARY

The quality of our workforce is now recognized as one of the most important factors of production and one of the keys to economic success in an increasingly competitive world. Now is the time for Oregon to make a significant commitment to and investment in workforce development. The challenge lies in deciding where the investments can best be made.

Europe has an excellent track record in job training and workforce preparation. The education and training successes of Denmark, Sweden and Germany offer Oregon a model for evaluating and improving its own education systems and programs. Four principles define the European model:

1. Government Policy and Programs Promote Employment
Government assistance programs for the unemployed are designed to keep people working and prevent unemployment. Training is a central part of the comprehensive set of services they offer their unemployed. These services include counseling for personal and health problems, career counseling, vocational aptitude testing, training for as long as three years, and placement services. Unemployment compensation can continue for up to three years and is generous enough to allow individuals to concentrate on retraining and reemployment.

2. Business and Labor Are Powerful Partners in Education
Business and labor are key players in the design of vocational curriculum, the structure of school programs, and the employment of apprentices and vocational students. They hold designated positions on local and national school boards and councils. They finance much of adult and student vocational education and training. Their high level of involvement insures that schools graduate students who match the demands of the labor market.

3. On-The-Job Training Is An Integral Part of School Programs
Apprenticeships, structured work experiences, internships, and work site visitations are central parts of the European school program. On-the-job training is requirement for vocational teachers and is a major part of the vocational curriculum for students. School systems are focused on preparing students for gainful employment.

4. Vocational Education Is Highly Regarded, Highly Developed
Skilled craftsmen in Europe are highly regarded, and vocational programs and apprenticeships are fully developed, well structured, and uniform across schools. Consequently, 65 percent of students elect to pursue vocational careers. This trend will help to provide Europe with an adequate, highly skilled labor pool with the technical expertise demanded by the increasingly technical jobs of the new decade.

While not every European education or workforce development program could be adopted wholesale in America, a number of excellent ideas could be adapted to benefit workers and make Oregon businesses more competitive:

EUROPEAN WORKFORCE DEVELOPMENT IDEAS

FOR THE UNEMPLOYED

- **Extended Unemployment Compensation** - in Denmark and Sweden equals 90 percent of an individual's former wage and can be collected for up to three years, provided the person remains in an approved training program.

- **Centralized Training & Placement Services** - are provided by European employment offices. The offices serve as central clearinghouses for all training services, and they offer the unemployed personal and career counseling, aptitude testing, job placement assistance, basic education, and job training.

- **Subsidies for Hiring the Unemployed** - are offered by the government to private firms willing to provide on-the-job training to the hard-to-employ.

FOR BUSINESS & LABOR

- **Business & Labor Partnerships** - affect government policy making and keep schools responsive to the labor market. Well organized unions and employer associations with high membership participation are critical to the partnerships.

- **Employment Training Fund** - pays for training and retraining and is financed by payroll and income taxes.

TO BOOST VOCATIONAL EDUCATION

- **Raising the Profile, Quality of Vocational Education** - is accomplished by involving business and labor, supporting programs with funds, policy, and making on-the-job training part of school programs.

- **Employer Driven Vocational Education** - works in Denmark and Germany because business has major responsibilty for the curriculum, delivery, and financing of vocational training.

- **Modularized Training Program Design** - packages adult training programs in well defined blocks that allow workers/employers short-term, intensive training in only the areas needed.

FOR ADULT EDUCATION & TRAINING

- **Job Training Protection** - allows workers up to one year's leave of absence from work to pursue training to improve work performance without losing their jobs.

- **Study Circles** - in Sweden are formed by 5 or more adults who can receive grants to study various subjects for a semester on an informal basis.

FOR SCHOOLS

- **Cooperative Work Experience** - is mandatory for European teachers and students, keeping them abreast of new technology and job skill requirements.

- **Early Learning About the Workplace** - begins during the student's first years of school, when they are taken on field trips to local businesses.

- **Youth Transition Centers** - keep disaffected youth in a school-type environment, arrange for short-term internships with local employers, and teach vocational skills.

INTRODUCTION

In search of better ways of teaching and training workers, many study tours of Americans are traveling to Europe today. U.S. policy makers, educators, business managers, and others are seeking new methods of doing business, producing skilled workers, and becoming world class competitors. A number of those who toured Europe this spring, including the authors of this report, hoped to bring home new insights from the Old School about how to improve the American workforce. They were overwhelmed, not only by what there was to learn, but by how complicated it would be to integrate many of these lessons into the syllabus of the American education system.

Europe may have been the Mother of America, but her offspring in The States bear her little resemblance when it comes to social policy, the role of labor and employers, and the structure and purpose of education. Europeans think collectively; they are concerned with the good of the whole, with an equitable division of wealth and work. Americans, on the other hand, think in singular terms; they form a nation of mavericks, of fortune seekers and upstarts, whose faith is vested in a religion of rugged individualism. Many Americans still believe theirs is the Land of Opportunity--that anyone with a dream, a strong back, and a willingness to work, will prosper. European and American social policies reflect these contrasting ideologies.

European education, employment, and training programs are aimed at keeping the individual employed for life in occupations that match demonstrated skills and talents. Schools are highly structured and in Germany, are authorized to channel children into vocational, technical, or professional career paths based on aptitude and ability. Few people fail at occupations they were never suited for, because few are ever put in that circumstance. Governments strive for "full employment" and will initiate contact and offer multiple services to every unemployed citizen. In Scandinavia, almost no one falls through the cracks. Businesses and individuals pay high taxes to support these policies and programs, but they complain little, because employment and training programs are effective.

By comparison, the American education system is not focused on the job market. Preparing children for gainful employment has not been the primary objective of our public schools. With respect to adult training, key job training programs have had to work against--instead of with--social services and entitlement programs. In fact, public assistance programs in the

Unites States still penalize welfare recipients who receive financial aid when enrolling in education programs. American businesses and individuals pay somewhat less in taxes, while proportionally more of their tax dollars are used to support national military defense than education and employment.

Add to these differences the remarkable levels of organization among labor and employers in Europe. European labor unions and employer associations play leading roles in the design and delivery of education and job training programs. They have significant influence in education and the political process, influence that in many cases is authorized by law.

Fundamental differences in the mindset of the people, in collectivism versus individualism, in social and political programs, and even the purpose of education, pose a prodigious challenge to anyone who wishes to apply the best of European models to America.

Nevertheless, this paper will attempt to do just that. Its two-fold purpose is: (1) to share the most important lessons learned from an intensive 14-day tour of job training and workforce development programs in Denmark, Sweden and Germany, and (2) to offer a number of ideas for improving Oregon's workforce development programs. The paper begins with an explanation of why Oregon should be concerned about workforce quality today, followed by a telling comparison of the differences between European and American high school dropout rates, expenditures for education and a number of other key economic and education statistics. Subsequent sections describe the factors at work in Europe that have led to their remarkable success in education and training, including a short description of labor and social policy, the role of labor and management, and basic school and adult education programs. Last, the paper offers a number of ideas Oregon might borrow from Europe to improve workforce quality and job training systems here at home.

WHY SHOULD OREGON CARE ABOUT ITS WORKFORCE?

Workforce Quality Is More Important Than Ever Before

The 1990's will bring critical changes to Oregon's workforce. Telecommunications and the globalization of the marketplace have reduced the size of our world. Major international sales and purchases can now be made at the touch of a button. These same transactions used to require weeks and months to arrange. In addition, more and more producers have

entered the market as developing countries have gotten their manufacturing feet on the ground. Competition is rising dramatically. Possibly the most significant consequence of these changes is that labor is reemerging as one of the most important inputs to the production process.

Firms that want to remain competitive in the 1990's and beyond must have well trained, flexible workers--workers who can respond readily to customized production orders and provide quality craftsmanship. Producing such workers will challenge Oregon's educators and employers for a number of reasons:

1) **Oregon's Workforce is Aging** - As the baby boom generation reaches middle age in the 1990's, the average age of the population and Oregon's workforce will rise. An older, more experienced workforce could bode well for improvements in productivity *if* these workers are kept abreast of new technology and processes. Without effective retraining, however, these older workers could become entrenched in the old ways, unwilling or unable to learn the new.

2) **Young Adult Workers are Declining** - An expected decline in the number of young workers may lead to labor skill shortages, according to the state Employment Division. Fewer new, entry level workers will be available in all professions and vocations. This situation is expected to have two impacts: (1) Employers will have to offer substantial benefits to new workers in order to compete for the best in the shrinking pool of qualified entry level labor, and (2) Employers will need to look to retirees, the long term unemployed, and the disadvantaged for many entry level hires. This population of would-be workers will require substantial education and training to make them work-ready.

3) **Women, Minorities Will Take More Jobs** - During the 1990's, two-thirds of the entrants to the labor market will be women and minorities, individuals who traditionally have acquired less education and training. Many of these individuals will fill positions left vacant by the shortage of young workers noted above. Employers should expect to provide additional training, especially in English and basic skills, to prepare these workers for jobs.

4) **Women are Approaching the 50 Percent Mark** - Women will make up nearly half of Oregon's total workforce by the year 2000. Consequently, child care will become a critical issue for employers.

Those who offer some form of child care assistance and flexible working arrangements will be in better positions to attract and retain working mothers. Many predict that women and their employers will be compelled to seek changes in the length of the typical school day to accommodate the work schedules of the majority of working mothers *and* fathers.

5) Low Skill Jobs Are Disappearing - In Oregon, between 1979 and 1986, improvements in production equipment and processes resulted in the permanent loss of 40,000 low skill/family wage jobs, according to the state Employment Division. Another 11,100 logging and wood products jobs (jobs that usually did not require more than a high school education but paid a family wage) are expected to be lost over the next five years due to declining timber supplies and environmental protection decisions. At the same salary level, these jobs have been and continue to be replaced by jobs requiring a higher level of technical skill, especially with computers, and some college level education and technical training.

Research on productivity gains in U.S. industry over the last 50 years shows that most gains come from on-the-job training. In fact, about 55% of productivity gains come from on-the-job training, while investment and capital equipment account for 19% and formal learning in schools accounts for 26%. *If the greatest gains in productivity come from job training AND Oregon is facing a serious shortage of well trained workers, as the trends above show, Oregon's future competitiveness is best served by investing in worker education and job training now.*

WHY STUDY EUROPEAN EDUCATION & TRAINING SYSTEMS?

What can and should Oregon do to improve the quality of its workforce? What investments should it make? What partnerships should it form? And where can it turn for good ideas and practical applications? Europe is an excellent choice.

European nations are facing the same major demographic and economic changes in their workforce as Oregon. But Europe's education and job training systems are better equipped to manage the changes than ours. **Table 1** compares Europe to the U.S. and Oregon on a number of key

TABLE I

KEY ECONOMIC, EDUCATION & JOB TRAINING STATISTICS

	DENMARK	SWEDEN	GERMANY	OREGON
POPULATION	5 M	8 M	65 M	2.8 M
HIGH SCHOOL DROPOUTS	5-10 %	5-10 %	5-10 %	25-30 %
K-12 EDUCATION SPENDING (as a % of Gross Domestic Product)	4.8 %	7.0 %	4.6 %	4.1 %
UNEMPLOYMENT 1989	7 %	1.4 %	8 %	5.3 %
VOC-TECH ENROLLMENT	65 %	65 %	65 %	*9 %
STRUCTURED WORK EXPERIENCE IN H.S.	100 %	100 %	100 %	**35 %
HIGH SCHOOL APPRENTICE PROGRAM ENROLLMENT	30-35 %	n/a	30-35 %	0
GENERAL EDUCATION PROGRAM ENROLLMENT	0 %	0 %	0 %	50 %
WORK EXPERIENCE RQMT. FOR INSTRUCTORS	YES	YES	YES	NO
VOC-TECH INSTRUCTOR CONTINUING EDUC. RQMT.	YES	YES	YES	NO
AGE OF 1ST YEAR APPRENTICE	16/17	16/17	16/17	26
AGE OF JOURNEYMEN	19/20	19/20	19/20	29/30
AVERAGE AGE OF COLLEGE LEVEL VOC-TECH STUDENT	20	20	20	30

* Vocational technical enrollment figures are limited to students in grades 10-12. Vocational technical programs in Europe are highly structured, full-time courses of study. Oregon students engaged in a "significant vocational technical program" are defined as those taking three or more hours of vocational courses per day for at least one year.

** Structured Work Experience is a formal course requirement in Sweden, Denmark and Germany, and 100 percent of students enrolled in vocational programs participate in on-the-job training for which they receive course credit. By comparison, only 35 percent of the 9 percent of Oregon students who take vocational classes will engage in a structured work experience which is usually not required, very limited, and for which the student is unlikely to receive any educational credit.

economic, education, and job training statistics, indicating how effective the European model is:

- Sweden's, Denmark's, and Germany's high school dropout rates are 5-10 percent; ours is 25-30 percent.

- Sweden ranks first in spending on K-12 education, as a percentage of Gross Domestic Product. Denmark ranks 6th, and Germany is 9th. Out of 16 industrialized nations, the U.S. ranks 14th.

- Unemployment is 1.4 percent in Sweden, 7 percent in Denmark, and 8 percent in Germany. And these percentages are real--virtually all of the unemployed are counted. In Oregon, unemployment includes only those individuals actively looking for work and is reportedly 5.7 percent.

- Student enrollment in vocational/technical programs and apprenticeships is 65 percent in Europe. In Oregon, only 9 percent of students in grades 10-12 enroll in vocational programs and only 35 percent of those students participate in a significant work experience as part of their education. Fifty percent of high school students pursue "general studies" programs.

- On-the-job work experience is a must for European students and vocational instructors, and their education programs are linked directly to the job market in this fashion. No such work experience requirement exists for Oregon students and instructors.

- European apprentices complete their training several years sooner with more skill and on-the-job experience than American apprentices.

Table I clearly displays the gap between education and work in the U.S. This gap that does not exist in Denmark, Sweden or Germany, because European students learn job skills at school and on-the-job during their school years. A strong, formal link between education and employment has shaped the European school system and has ensured over the years that new workers develop the skills and abilities employers need. By comparison, American students generally must acquire skills on-the-job and at the expense of their employers or themselves. Many never receive formal job training of any kind. The consequence of our disconnection between education and employment is the failure of the American education system to produce competitive entry level workers.

WHAT MAKES THE EUROPEAN SYSTEM WORK?

At least four specific ingredients go into Europe's successful recipe for workforce development. First is the people. Second is a willingness to pay. The third ingredient is government policy and programs that give high priority to education and training. The fourth and perhaps most important ingredient is the strong, active involvement of business and labor in the education process.

Ingredient #1: Sterling Work Ethics

Northern Europeans feel strongly that holding down a job is the essence of good citizenship, a part of the social contract. Their work ethic is unquestioned, and few would dream of not working. They described unemployment as a shame and embarrassment. The Danes, Swedes, and Germans we interviewed linked their sense of self-worth to being employed. They identify closely with their unions and employer associations, and have a strong sense of social responsibility that manifests itself in being employed and productive.

Europeans reward themselves for their commitment to work with ample paid vacation, training, health care, and retirement benefits. Income disparity between the haves and have nots is much narrower in their countries. Most people are employed and simply fall into the "haves" category. These factors work together to form an environment that promotes and sustains employment, achievement, and satisfaction.

Ingredient #2: A Willingness to Pay

Danes, Swedes, and Germans are willing to pay a considerable amount to provide themselves with schools, training centers, and other programs to promote gainful, lifelong employment. Their tax receipts are 13 to 30 percentage points higher than U.S. receipts. In 1986, government receipts as a percentage of Gross Domestic Product totaled 61.5 percent in Sweden, 58.0 percent in Denmark, and 44.7 percent in Germany. U.S receipts were 31.3 percent.

When asked about their high taxes, no one interviewed complained. "Yes, we pay a lot in taxes," they said, "but so many of our expenses are covered." And indeed, they are, as shown in **Table 2.**

TABLE 2

TAKING BETTER CARE OF WORKERS

Benefits Provided European Workers

Vacation	5 - 6 weeks annually for all workers.
Health Care	Covered by the government.
Education & Training	Free kindergarten through college, job training also is free to workers.
Unemployment Compensation	Provided at 90% of last wage, available for three years in Sweden.
Maternity Leave	One year in Sweden; 18 months in Germany, with jobs protected.
Retirement	Provided by goverment and business, No personal savings needed in Sweden.

Tax revenues cover all health care, education, and retirement costs. In addition, all workers get five to six weeks paid annual vacation, and in Denmark, one week paid leave for *training* each year (Swedish labor leaders are now petitioning for two weeks training leave). In Sweden, either working parent may take up to one year paid maternity leave; in Germany, parents are given eighteen weeks. In both countries, parents are guaranteed their old job upon returning to work.

In addition to paying more in taxes, Europeans invest more in public education, as shown in **Table 3.** According to the Economic Policy Institute in Washington D.C., public expenditures on K-12 education in top ranked Sweden equaled 7 percent of gross domestic product in 1985. Danish expenditures ranked sixth at 4.8 percent; Germany ranked 9th at 4.6 percent. Among 16 industrialized nations, the U.S. ranked 14th with 4.1 percent. The average expenditure was 4.6%.

TABLE 3

K-12 EDUCATION SPENDING

As a Percentage of Gross Domestic Product in 1985

Rank	*Nation*	*Percentage*
1	Sweden	7.0
2	Austria	5.9
3	Switzerland	5.8
4	Norway	5.3
5	Belgium	4.9
6	Denmark	4.8
7	Japan	4.8
8	Canada	4.7
9	W. Germany	4.6
10	France	4.6
11	Netherlands	4.5
12	Britain	4.5
13	Italy	4.2
14	**U.S.**	**4.1**
15	Austrailia	3.9
16	Ireland	3.8

Source: Economic Policy Institute

Businesses pay taxes specifically for job training and education programs. In Sweden, for example, employers paid 10% of their 1985 net profits in excess of 500,000 SEK (or $80,000) into a worker training, development and research fund. The fund was dedicated to cover worker retraining needs and R&D through 1991. Business's training expenditures over this period were expected to level the playing field between white collar and blue collar workers, after studies showed a disproportionate amount of funds being spent on training for managers and professional employees.

A hefty American expense not shared, at least not proportionally by Sweden and Denmark, is the cost of a strong military. Denmark has few military expenses beyond the palace guard, and Sweden expenses are significantly lower than those of the U.S. Unburdened by high defense costs,

far more money is available for social works, such as a free education, fully paid retirement and health care, extended unemployment benefits and job training.

Ingredient #3: Government Policy & Programs

The governments of Denmark, Sweden, and Germany appear to operate under at least two common principles: (1) They do not tolerate poverty, and (2) Every individual who is physically and mentally able is expected to go to school, prepare for a job, and work.

To facilitate those principles, government makes it easy for the worker to stay employed, or if a job is lost, to be re-employed. Public assistance programs are organized to reward those who actively seek to improve their skills and find work. Among the services and programs offered the unemployed:

1) **Employment Offices Offer Comprehensive Services**
Employment Offices offer a "holistic" kind of service to the unemployed, providing career counseling, counseling for personal or medical problems such as alcohol abuse, job search services, and assistance arranging short or long term training for job skill improvement and acquisition. These services are offered to all of the unemployed. In Denmark, every employed and unemployed individual is tracked by computer and is contacted by the Employment Office within 3 months of losing a job, if he or she does not contact the unemployment office first.

The office counsels clients about problems leading to the loss of their job, preferences for different kinds of work, job opportunities, etc. Individuals are also tested to determine their aptitudes and abilities. Office staff then work with them to develop plans for re-employment, including additional training, possible work experiences or internships, counseling for personal problems, and eventually, a job.

Virtually all training, for the unemployed and employed adult is coordinated through the Employment Office. The office plays the pivotal role in providing worker assistance. Until recently, employment offices were the only entities allowed by

law to provide job placement services in Denmark. This is still true in Sweden. Centralizing services at employment offices has two advantages. First, it reduces confusion for workers. Second, it makes service delivery and employment tracking, and quality control easier.

2) **Unemployment Compensation Equals 90% of Wages**
The unemployed in Sweden and Denmark collect compensation at about 90% of the wages they were earning when they lost their job. Compensation continues for up to three years, provided an individual is working with the Employment Office and is enrolled in approved training programs. The unemployed may also be placed in subsidized jobs temporarily to develop job skills that will lead to permanent employment. Only after an individual fails to find new employment within three years will the state reluctantly place him or her on welfare.

3) **Incentives Given for Hiring the Unemployed**
Firms willing to hire low skill individuals in need of job training can receive subsidies from the Swedish government to defray the firm's training costs. This program provides an incentive for businesses to hire low skill persons. It also provides the hard-to-employ with valuable on-the-job training that will make them more employable.

4) **Self-Employment Is A Viable Option**
For the entrepreneurial, the Employment Offices of Denmark will give qualified unemployed persons 70 percent of their estimated unemployment benefits (for the allowable three year period) in a lump-sum payment to start their own business. The offices also arrange for technical assistance and special business training for the entrepreneur.

This kind of employment system protects the dignity of the unemployed. It rewards their efforts to improve themselves and ultimately leads to very high placement rates. It is closely tied to business and labor which helps to ensure that real jobs are available and filled. And it accurately reflects the sentiment of government in these countries as summmarized by one European interviewee: "Poverty? We simply don't allow it."

Testimony to the success of their employment and training systems, the rate of unemployment in Sweden is a mere 1.4 percent, close to the Swedish government's zero percent objective. In Denmark, unemployment hovers at 7 percent and in Germany at 8 to 9 percent. At first glance, rates for Denmark and Germany may seem high, but these percentages are exceptionally accurate. In the United States, hundreds of thousands of depressed workers who have given up the job search are not included in the unemployment count. This is not so in Denmark, Sweden or Germany where nearly all of the unemployed are accounted for. Admittedly, people are easier to track in these smaller countries.

Ingredient #4: Labor & Business are Powerful Public Partners

Perhaps the most significant difference between European and American education and job training programs, and the factor most responsible for their remarkable success, is the hands-on participation of labor and business. Labor and business have kept schools and government in touch with the demands of the marketplace, heavily influencing curriculum and policy choices.

In Denmark, Sweden and Germany, the governments of these parliamentary democracies have established by law and in practice structures in which business, labor, and government function as equal partners. For instance, representatives of business (employer associations) and labor (union representatives) are elected or appointed to boards and committees at all levels of government. This tri-partite structure helps establish public policy, implements and administers programs, and funds them. Very few decisions are made without the involvement of all three parties.

The tri-partite system works because it is built on a foundation of mutual respect between parties, ample capacity to respond to issues, and a shared concern for human and industrial development at the national level. This system is not perfect: the parties--business, labor and government--have divergent viewpoints. But as many of those we interviewed explained, "Of course we don't always agree, and yes there are strikes. But when we resolve the differences, we move as one."

Labor and business are powerful players in the political ballpark. High membership rates and active organizations give them strong influence. For example, nearly 90 percent of all Danish and Swedish workers, blue *and*

white collar, belong to unions, as do 42 percent of their German counterparts. By comparison, approximately 17 percent of the U.S. workforce and slightly more than 20 percent of working Oregonians are organized. Many of the latter are concentrated in the manufacturing and public sectors where upwards of 40 percent are union members.

Employer organizations are similarly well organized in Europe. The Danish Industries Employers Federation (DA) and Swedish Employers Confederation (SAF) are comprised of industry associations and individual firms. Approximately 50 percent of Danish companies are members of DA. In Sweden, with a population of 8,000,000, SAF represents 35 private sector associations and 42,000 firms. By comparison, SAF's Oregon and Washington counterparts, Associated Oregon Industries and the Association of Washington Business have a combined membership of 4,500 firms: 1,500 in Oregon and 3,000 in Washington.

Not only are business and labor more highly organized in Northern Europe, but the roles of their associations also differ from those of American business and labor organizations. Both engage in lobbying and collective bargaining as we know it. But European organizations are also involved in electoral politics and the development of social policy. They provide a long list of education, training, and other services to their members. Their involvement in work force training particularly highlights the broader role and capability of European business and labor associations.

Employer Associations Promote Job Training - In Denmark, for example, with a population of 5 million, DA employs 300 people in its Copenhagen offices. Oregon's AOI employs 30. DA staff provide a broad range of services to members, including industry information, organizational activities, information about changing labor trends and technologies, and job opportunities. In Sweden, SAF provides similar services and was described as a "combination of the Chamber of Commerce, the American Management Association, and more."

Although individual employers are responsible for training employees, associations like DA, SAF, and the German Chambers of Trades & Crafts and Industries & Commerce are key to making the connection between the education system and employers, particularly through the promotion of apprenticeships and work experience programs. The associations help to assure the high quality and quantity of workplace based training. They play a leading role in gathering information, evaluating data, and developing policy

at the local and national levels to improve education and job training for workers.

Unions Also Promote Education & Training - The picture is much the same among the trade unions. Unions are constantly organizing, training, and recruiting their members to actively participate on local education committees and school boards. In the workplace, members are expected to identify the training needs of fellow union members in their firms and help them get the training they need. They also evaluate training policies, serve on planning committees, design curriculum, and keep abreast of technological change and work place impacts. Like employer associations, unions conduct in-house research and analysis of labor issues to support their participation in national and local policy development. As a result, unions in Europe operate at the forefront of technological change and directly influence the education and job training system.

European labor and management organizations have no real counterparts in America. With the exception of the building trades and only recently, a few manufacturing sectors, unions have had little say in decisions about education and training. Likewise, American business associations have spent little time with education and training issues, traditionally focusing their efforts on lobbying regulatory issues. This is reflected in how little is spent on training and in the nearly exclusive provision of training for only the most educated white collar employees. Recent studies show that U.S. employers spend less than 1.5 percent of total payroll on education and training. The same studies also show that only 10 percent of all workers receive any formal training and most of those workers are "managers and technical elites."

EDUCATION AND WORK - AN IRONCLAD RELATIONSHIP

With the attention of business and labor riveted on workforce development, European schools and job training programs are designed, as one might expect, around the objective of producing high quality, work-ready graduates. Internships, cooperative work experience programs, and, in particular, apprenticeships are used extensively for children and adults. They lie at the heart of an education system that is exceptionally responsive to the needs of the labor market.

Children Learn By Doing

In Sweden, Denmark, and Germany, 95 percent of all students graduate from compulsory school. What kind of school system produces such an enviable statistic? One that has institutionalized its connection to the world of work. School is not an end in itself, but it is the means to the highly visible objective of getting a job. Below are five ways in which the European school system achieves this objective.

1. No "General Studies" Option - By the end of the freshman year, students in Denmark, Sweden, and Germany have made important career choices. They have chosen to begin apprenticeships and/or vocational programs which devote a significant amount of time to on-the-job training, or if qualified for professional, white collar careers, they may choose to prepare for a university education. There is no "General Studies" option.

Most German and Danish students who choose apprenticeships are skilled, licensed journeymen by the age of 19. They have over two full years of paid work experience. These qualifications make them exceptionally employable. In fact, many remain in the employ of the firms that hired them as apprentices. In Oregon, the average age of a beginning apprentice is 26, and the average age of a journeyman is 30. Oregon high schools do not have formal vocational programs leading directly to apprenticeships.

2. Educational Standards are High, Courses Rigorous - On standardized tests of academic achievement, European students consistently place well ahead of American students. This fact seems even more remarkable when one considers how much time students spend learning on-the-job, outside of the classroom. "Applied academics" permeate their curricula. Course work is rigorous, and focused on the basics, with extensive emphasis on math, science, and languages. Most European children learn three languages: their own, English, and one other of their choosing, often French or German.

One explanation for the academic success of European children may lie in the schools' use of aptitude testing and placement. All students are tested (at about age 14-15 in Denmark and Sweden and at age 9 and again at age 15 in Bavaria) to determine their aptitudes and abilities. On the basis of test results and other factors, they are then encouraged to pursue vocational, technical, or professional tracks. Enough flexibility has been built into this

process to allow students who bloom late to transfer from one track to another, as their changed test scores permit.

This practice naturally runs against the grain of American free choice, but it has two important effects in Europe. It channels children into career areas in which they will have the ability and opportunity to excel. And, it nearly eliminates dropouts and underachievers. Most students will graduate in a career that matches their abilities and assures them job satisfaction and security. Later career changes, as from vocational to professional are possible and occur regularly.

3. Vocational Training is Highly Regarded - Integral to the success and popularity of vocational programs is the respect schools and society give to blue collar occupations. Highly skilled workers are well regarded, and they are paid well for their craft. Pay differentials between blue and white collar workers are much narrower in Sweden, Denmark, and Germany. In Germany, those who have achieved the highest levels of skill in their field are aptly called "Master Craftsmen", a title that requires 1,000 hours of additional training and certification. Only Master Craftsmen are accorded by their Chambers the privilege of owning their own businesses and teaching apprentices.

4. On-The-Job Training is Vital to Vocational Programs - It is in the vocational arena that Europe differs markedly from America. Vocational program tracks are complete and comprehensive. They involve much more than a few classes in wood shop and auto repair. In Germany, students choose from among 380 vocational occupations and, in Denmark, from 300. In Oregon, community college students may select from 103 vocational courses leading to a certificate. Programs in Germany and Denmark require students to spend the majority of their time learning their craft on-the-job.

About 65 percent of students select careers in vocational/technical fields. Training generally lasts three years. In order to enroll in vocational training programs, students in Denmark and Germany are required to find employers who will contract with them for their services as apprentices. Student apprentices generally spend 70 percent of their time each week working with their employers. The remaining 30 percent of their time is spent in traditional classroom situations learning math, science, the native language, English, history and civics and practical applications of their trade.

Germany ensures that all apprentices meet national standards by teaching them additional job skills and standard subjects in training centers operated by the Chambers.

Sweden lacks an apprenticeship program, but its vocational technical students spend gradually increasing amounts of time in on-the-job learning situations. By grade 12, they may spend up to 60 percent of their class time on-the-job.

5. Employers Responsible for Hiring, Training, and Licensing - The European vocational education system would not work without the participation and cooperation of the business community. Firms must hire students as apprentices, a prerequisite for enrollment in many vocational programs. Firms must provide significant training to their apprentices, training that meets nationally adopted criteria and standards. It is the business that bears full responsibility for preparing apprentices to pass national licensing exams.

The role of employers reaches even further than apprenticeship training. Employers also work with schools to write curriculum. They work with government to set national standards. And they finance the bulk of the cost of apprenticeship training, including paying wages to all apprentices.

Adult Training is Simple & Convenient

Adult education and training has also been heavily influenced by employer and union involvement. Programs are simple and convenient. Government sponsored training is offered at adult vocational and basic education centers in all three countries. Training can be offered at the job site, during or after working hours, or at the schools, depending on the skills being taught and the type of equipment required for teaching. Today, community colleges in Oregon are becoming more involved in offering customized training programs for businesses.

One of the most convenient aspects of adult education is "modular" programing. Modular programming is the term applied to the segmentation of training into distinctly defined units that can be taken consecutively or one unit at a time, as needed. This system allows trainees to learn only the skill they need when they need it and as they can afford the time to learn. It

allows employers to purchase training for their employees that closely matches the skills they would like their employees to have. Little time or money is spent on unnecessary training.

Training for adults who need additional basic training in math, reading, language arts, etc. is offered by Adult Education Centers. Adults may take their courses in the evenings and on weekends, and their expenses are often covered by their unions or employers.

Government policy promotes adult education in a number of ways. First, all workers in Denmark and Sweden are allowed one week of paid leave for training. Second, Swedish workers may take up to one year's leave from work to learn relaed job skills at school or at another firm. Individuals are guaranteed their old job upon returning to work. Third, the Swedish government promotes continuing adult education by offering small grants to groups of five or more adults who elect to form a "study circle". Study circles must spend one semester studying a topic of interest to them. Circles usually meet in one another's homes and hear lectures from invited experts and discuss readings on their chosen topics. Most circles study current issues, such as acid rain, global warming, international affairs, and child rearing, or topics related to their employment. This informal education opportunity attracts 2.5 million participants annually.

LESSONS FROM THE OLD SCHOOL

The European Model Has Much to Offer Oregon

Not every education or job training program in Europe could be implemented wholesale in America. But, a fair number of excellent ideas could be adapted easily and beneficially. In this final section is a list of European workforce development ideas, many of which have been described more fully in the body of this paper. They are intended to spark discussion and debate among individuals who are concerned about the quality of Oregon's workforce and would like to improve it.

WORKFORCE IMPROVEMENT IDEAS

IDEAS FOR:	WHAT GOVERNMENT & SCHOOLS COULD DO:	WHAT BUSINESS & LABOR COULD DO:
THE JOBLESS	**Extend Unemployment Compensation** - In Europe, unemployment compensation is provided at 90 percent of the last wage earned and can last for three years if a person remains in training or school.	**Subsidize On-the-Job Training** - In Sweden, SKF Corp. initiated a program with government under which SKF provides on-site training to the hard-to-employ and government subsidizes a portion of SKF's training costs.
	Centralize Training In The Employment Office - Danish and Swedish employment offices coordinate virtually all adult job training, for the employed and unemployed. Centralized services makes it easy for adults and business to learn about what is available and get the right training. It also keeps the Employment Office focused on worker skill improvement.	
FOR ADULTS	**Promote Study Circles** - In Sweden, government makes small grants to informal groups of five or more adults who are willing to spend 30 hours together studying a subject of their choice during a semester. Circles usually study current issues such as acid rain, child rearing, or conflict management and grants cover the cost of books, learning materials, and speaker fees.	**Offer Training Leave** - Similar to vacation time, firms in Denmark provide all workers with one week's paid leave for job-related training to improve and expand worker skills. Swedish firms currently are considering offering their workers two weeks training leave.

IDEAS FOR:	WHAT GOVERNMENT & SCHOOLS COULD DO:	WHAT BUSINESS & LABOR COULD DO:
BUSINESS & LABOR	**Build Partnerships with Education:** European government provides business and labor with policy-making positions on education boards and training at national and local levels. These partnerships result in education programs that are responsive to the needs of the marketplace. **Capacity Building:** European unions and business associations are well-organized and staffed; membership rates are high. Thus, they operate as full partners with government and educators. Oregon organizations need the same capacity. Government could help develop it by assisting with marketing, organization, recruitment and training for new members as well as research and evaluation. **Labor-Management Cooperative Committees:** The U.S. Dept. of Labor has formed labor-management cooperative committees in 15 states. Their purpose is to improve productivity and quality, while strengthing the organizations. Oregon has used this model to improve quality in the contruction industry and could expand to include other industries.	**Fund Employment Training -** Business and Labor tax themselves in Europe to pay for job training and retraining, and apprenticeship training. In 1983, California businesses began contributing one tenth of one percent of unemployment insurance funds to job training.

IDEAS FOR:	WHAT GOVERNMENT & SCHOOLS COULD DO:	WHAT BUSINESS & LABOR COULD DO:
STUDENTS AND TEACHERS	**Establish Youth Transition Centers** - Disaffected high school students in Sweden are channeled into Youth Transition Centers where they receive counseling, job training, and continued schooling. The Centers also arrange for students to participate in mini-internships with local businesses in which students have career interests. The goal of the Centers is to return students to regular school or if that is not possible, to assist them in finding full-time employment. **Expose Children to the Workplace Early** - European children are exposed to the workplace early through field trips to local businesses and parents' workplaces. Field trips to business and industry continue throughout their compulsory school years. Swedes credit their low dropout rate to the strong connection they make between school and work.	**Offer Cooperative Work Experience for Teachers** - Teachers, like students, also need to be exposed to the labor market. Firms in Europe provide teachers with cooperative work experiences to teach them first hand about the jobs for which they are preparing their students. Cooperative work experience is an academic qualification for vocational and technical instructors, and in Denmark, teachers are required to take two weeks leave for on-the-job training biannually.

IDEAS FOR:	WHAT GOVERNMENT & SCHOOLS COULD DO:	WHAT BUSINESS & LABOR COULD DO:
VOCATIONAL EDUCATION	**Raise the Profile of Vocational Education** - Sixty-five percent of students in Denmark, Sweden and Germany choose vocational or technical training. Vocational programs are well financed, comprehensive, and linked directly to local businesses. Graduates are respected, well trained and well paid. Vocational education is not a last resort. High schools offer vocational and technical training OR preparation for college. No "general studies" option is available. **Modularize Training Courses** - Danish vocational training programs are modularized to permit individuals to take short-term, intensive training for specific skill development. Each "module" can stand alone but is part of a comprehensive program. In most cases, firms and individuals need not fulfill prerequisite courses before taking the course they need. The flexibility of the modular course structure promotes a high level of use of vocational training programs.	**Begin Apprenticeship Training in High School** - European students begin their apprenticeship training in high school, combining on-the-job training with regular classroom instruction in the basics. Firms hire students as apprentices and are responsible for their job training and for preparing them to pass national licensing exams. Firms and schools jointly establish curriculum requirements to ensure a complete, quality education.

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