

## **Measures taken for competence reinforcement in Västra Götaland in order to respond to the current crisis**

### **1. Background**

Lars Bäckström, county governor of Västra Götaland, and Kent Johansson, member of the regional executive board were on October 2, 2008 appointed coordinators of public and private actions in order to respond to the crisis due to the lay-off situation within the auto industry. Their main task is to coordinate public and private measures in order to reduce the effects of the crisis. Since they were given their official mission in October 2008 the labor market within Västra Götaland has continuously deteriorated. In February 2009 the total number of unemployed people within Västra Götaland was 53 000 – an increase of about 50% since February 2008.

The unemployment allows scope for competence upgrading, further training and education of employees. Beside the difficult situation for the companies due to a combined finance and auto industry crisis, competence development and further training are highly prioritized areas within Västra Götaland. Special attention will be given to the unemployed, those who risk being laid-off or becoming unemployed and those who study but soon will enter the labor market.

The main aim of the measures taken within Västra Götaland is that the labor force should be as competitive as possible when the demand for labor returns. Another aim of the measures is to strengthen Region Västra Götaland's competitiveness in the long term by offering different training programs that broaden, complement and deepen a person's competence and skills. There is a demand for a technological shift within several areas where co-operation between region, industry and universities is a prerequisite for a sustainable community and working life.

In order to reach these goals state, region and municipalities within the region must co-operate with the industry at respective level. Educational organizers within Västra Götaland have suggested co-operating on issues concerning competence development and further education. The main aim is to connect changing demands with measures taken that lead to the strengthening of people's competence. Region Västra Götaland and the municipalities within

the region have started negotiations concerning an extensive co-operation between educational organizers and now wish to continue this co-operation with better co-ordination within the educational area.

## **2. Summary of the most important conclusions and recommendations**

### **i) Better opportunities to financial aid for adult students**

There is a strong demand for adult education. Municipalities within the region report an increased number of applicants for programs and courses that give upper secondary qualification. There is also a growing demand for taking additional upper secondary courses after meeting upper secondary qualification requirements. The present proclamation of state grants for adult vocational courses does not meet the demand. There is reason to believe that additional state grants for adult education must be granted in order to give all citizens the requested qualifications in order to apply for post upper secondary studies. In order to facilitate for adult students, the possibilities for financial aid should be further examined. There should be better possibilities to combine income with study allowance (loan + grant) and the study grant part needs to be raised.

### **ii) Support for leave of absence/sabbatical that aims at competence development**

A great number of the labor force within Västra Götaland lacks a 3 year upper secondary certification. In most municipalities the number of people employed who lacks a 3 year upper secondary certification is over 50%. The present low degree of capacity utilization within the industry could allow this part of the work force to start competence development programs. This can be done by allowing employees leave of absence/sabbatical. The state should finance this leave of absence/sabbatical for studies/competence development by study grants aimed at those individuals who still are employed but may risk getting laid-off. This measure would lead to a strengthening of the competence level within the work force and at the same time contribute to a reduction of employees who risk getting laid-off.

### **iii) Further resources to universities and university colleges**

Universities and university colleges within Västra Götaland need special development resources in order to design and develop new programs which are suited and adaptable to changes in the labor market as well as in the industry. This could imply adjustments concerning content and form, for instance offering distance learning. The development work within the university should be in close co-operation with industry and public partners.

Experiences from Göteborgs University and Chalmers show that that there is a great potential to develop top programs within the field of entrepreneurship.

iv) Competence development and training as employment measures

Employment measures should allow more space for (adult) vocational education. Those from the Government prioritized measures concerning coaching and trainee positions will only have a limited effect on a quickly shrinking labor market. The capacity of the Swedish employment agency's programs could be further developed and extended. These programs should be aimed at competence development and employability among the unemployed. Also young people should be given the possibility to receive further education and other measures during the first six months of unemployment. There is a need to adjust the Swedish employment agency's programs to a local context. Therefore, the Swedish employment agency should be able to operate with greater flexibility and local decision-making.

### **3. Too many applicants for adult vocational education**

With regard to a new decree this spring on state grants to national adult vocational education, the appointed coordinators Kent Johansson and Lars Bäckström, have contacted the four Associations of Local Authorities (GR, Fyrbodalen, Sjuhärads and Skaraborg) within Region Västra Götaland concerning adult vocational education. The four Associations of Local Authorities have coordinated the municipalities' applications to the Swedish National Agency for Education for state grants to adult vocational education.

After having been in contact with the municipalities it appears that there are too many applicants for the offered adult vocational places financed by state grants. The demand for these places is twice as big as the granted places based on the population within Västra Götaland. The municipalities within Västra Götaland experience a great demand for adult education as the labor market deteriorates. Those who usually apply for adult education are young people who lack leaving certificates from the upper secondary school and immigrants who wish to study Swedish.

People who recently have been laid-off constitute an increasing category that now applies for adult education. Within this category many people apply for subjects like Swedish, English and Mathematics as well as vocational courses. Often their intention is to complement or improve earlier upper secondary grades in order to gain access to university. Advanced

vocational education (= KY) programs also require a leaving certificate from upper secondary school.

Different categories of people apply for adult vocational education. Those who lack leaving certificates from the upper secondary school constitute a large group. Those who recently have been laid-off are another group and finally those who have a leaving certificate from a theoretical upper secondary program but now wish to start an adult vocational education.

Information from the municipalities within Region Västra Götaland shows that today's resources is not enough in order to grant all applicants a study place this autumn. A highly prioritized group within the municipalities is people who lack any upper secondary education. However, it is apparent that many other people who do not belong to this category are in great need of adult education in order to advance in their careers.

In order to meet a growing demand for adult education the Government should also be prepared to contribute with additional financial resources to adult education organizers like folk high-schools within the municipalities. Local education needs should be analyzed in dialogue between labor market and industry. The four Associations of Local Authorities and Region Västra Götaland constitute a good platform for this cooperation which can be further developed.

#### **4. Individuals' financial support while studying**

See above: 2) i) Better opportunities to financial aid for adult students

#### **5. Universities and university colleges play a central role in a time of readjustment**

See above: 2) iii) Further resources to universities and university colleges

Previous contacts with universities and university colleges within Region Västra Götaland show that these institutions are prepared to cooperate with the labor market, industry and the community to meet a new knowledge demand. It is assumed that the number of university applicants will rise radically this coming autumn, this mainly due to great numbers of young people and a weak labor market. Several university colleges have launched targeted campaigns aimed at people who have been laid-off or unemployed. A special science and technical oriented base year is offered to those unemployed coming from the industry in order

to make it easier for them to apply to university. Many of the courses that will be offered will belong to the category of contract education. Those courses are mainly externally financed.

#### *Entrepreneurial courses and applied research*

University of Gothenburg and Chalmers University of Technology have a long experience with four different entrepreneurial programs where students acquire theoretical as well as practical knowledge. In order to further develop this unique entrepreneurial education a new platform called Göteborgs Entreprenörskola is planned. This new platform would facilitate an international top environment which could combine innovation, entrepreneurship and research.

#### *Planning of new programs (undergraduate and post graduate studies)*

New programs should be designed and developed in order to meet the current crisis. Chalmers has developed several new program suggestions aimed at energy and environment. Several university colleges within Region Västra Götaland have designed special courses aimed at those unemployed coming from the manufacturing industry. It is of vital importance that new programs that are developed and designed should be compatible with labor market demands and not hampered by university faculty confines. Chalmers has also put forward a proposal to strengthen post graduate studies on sustainable and effective transportation.

#### *First Year Experience*

This initiative aims at strengthening the guidance function. The proposal has been developed by University of Gothenburg but can also be used by other university colleges within Region Västra Götaland. The aim of *First Year Experience* is to strengthen the internal support offered to students during their first university year. This is of great importance especially to university colleges that offer many single courses. All these new educational initiatives coming from universities and university colleges require additional financial funding beside already allocated resources for extra study places.

### **6. State study grants for competence upgrading**

See above: 2) ii) Support for leave of absence that aims at competence development

### **7. The role of employment agencies, possibilities, powers and competencies**

See above: 2) iv) Competence development and training as employment measures

The labor market within Västra Götaland shrinks continuously. Recent statistics show that fewer and fewer vacant positions are reported to the employment agency and there are many more applicants for jobs than there are jobs available. During week 13 (this spring) the number of people recently registered at the employment agency in Region Västra Götaland increased by 1754 individuals, an additional 856 individuals compared with the same week (week 13) last year (2008).

The Swedish Government's labor politics aims at matching unemployed individuals with suitable vacant positions, finding trainee positions and coaching. These are the main instruments in order to find new jobs for those unemployed. But a constantly shrinking labor market makes it more difficult to put these instruments into practice. Therefore, a further analysis needs to be conducted in order to find out if it is possible to expand the educational capacity within the municipalities. In many municipalities a doubling of study places is already realistic in 2009.

There is also great educational need for young people under 25. Only 11 out of 49 municipalities within Region Västra Götaland presented unemployment statistics below the national average for young people in January. Today certain rules restrict the Swedish employment agency to take measures to reduce the unemployment rate among those under 25. Only after six months, jobless people under 25 are eligible for certain measures.

Educational courses that are purchased by the Swedish employment agency are aimed at vocational education relevant to the labor market. Therefore, it is of vital importance that the same rules are applied to young unemployed people in order to adapt their competence to demands on a changing labor market.

Finally, there is reason to believe that a national coordination of recognition/validation services is needed. Especially in times of recession there is special demand for recognition/validation services that can be used within different trades. The Government has commissioned the newly established Authority for Advanced Vocational Education to coordinate national recognition/validation standards.