

# Reforming Israel's Vocational Training System

## Executive Summary

A high quality vocational training system allows graduates to join the workforce and improve their position in the labor market by matching the skills of the workforce with the demands of employers. Such a system is needed to reduce poverty and increase the productivity of the labor market. Yet, Israel's vocational training system is lagging behind most developed countries.

Therefore, Friedrich-Ebert-Stiftung and the Macro Center for Political Economic initiated in 2009 a project to reform the vocational training system in Israel. The steering committee of the project was composed of all the main stakeholders involved in vocational training including representatives from the Histadrut, the Manufactures' Association of Israel, the Ministry of Industry, Trade and Labor, the Ministry of Education, Professional Schools, social organizations and experts from the academia. After thoroughly investigating the subject for the past four year, several recommendations have been agreed upon and are summarized in this booklet. With the implementation by decision makers, these recommendations can drastically improve Israel's vocational training system.

### **Recommendation 1: Expansion of the Vocational Training System**

Vocational training is critical for the economy since it increases the participation in the workforce and productivity of workers. More importantly, it provides participants an opportunity to improve their income and often escape poverty. In addition to youth vocational training, lifelong learning is important since the modern workforce is dynamic and workers have to switch workplaces often and the required skills change constantly.

Despite the importance of vocational training for youth and adults, the budget dedicated to vocational training has been cut over the past decade. The state has also made it more difficult to attend the courses by requiring unemployed participants to pay 30% of their unemployment benefits for participation. Instead of creating more obstacles to vocational training the state should encourage greater participation.

## **Recommendation 2: High-Quality Vocational Training Programs**

Many program curriculums have not been updated recently, and when professional knowledge changes at an ever-growing pace, outdated program become irrelevant. The programs should be updated on a regular basis, by law, in cooperation with the employers who know what is currently needed in the industry. The curriculum should include both “hand on” and “minds on” skills.

In addition, the quality of teachers should be addressed. Professional workers should be recruited to work as teachers or trainers in vocational training programs. This will require offering attractive salaries. Teachers should be required to attend frequent internships and/or initial apprenticeships in enterprises in order to remain up-to-date.

The equipment in the school labs should also be improved and updated. Regional technological centers should also be created where students will be able to experience working with various technologies. The center will serve participants in youth vocational training programs, teachers and workers who would like to upgrade their skills.

## **Recommendation 3: Labor Market Analysis**

Experts agree that vocational training programs should be demand driven, since there is no point in investing time and capital in programs if their graduates will not be able to find jobs. In order to determine the skills on which vocational training programs should focus, it is important to conduct detailed labor market research.

The research should focus on the demands of employers and identify skills that are currently missing in the labor market. In addition, the research should discuss trends, and predict future changes in the labor markets, so planners of vocational training program will be able to prepare the programs in advance for the skills of the future.

Like every prediction, the data will never be completely accurate and should not be the sole factor determining the focus of future programs. In some cases vocational training program may create a supply of workers in a new profession, and only then the supply will create demand which cannot be foreseen in advance. Still, generally it is useful to take the research results into account.

#### **Recommendation 4: On-the-Job-Training and Apprenticeships**

On-the-job-training is often very effective both because it can be easily accessed by employees and since the employers know exactly which skills they require. While large enterprises are able to develop independent on the job training programs, SMEs often do not have the appropriate infrastructure and they often fear that the workers they train will end up leaving the company and working elsewhere. Therefore, a national fund to develop skills should be established. The fund should be funded jointly by the state, by employers (possibly through a levy-grant system) and by employees since they will all benefit from its operation. The fund will assist workplaces in developing on-the-job-training programs and will offer training to workers in workplaces which cannot develop their own training programs.

In addition, new apprenticeship programs should be developed. The programs should include the following elements: Wage for the participants, a legislative framework, workplace-based learning environment, on and off the job training, formal assessment, recognized certification and a fixed duration. The employers should agree in advance to hire a certain share of the participants. A successful program can serve as a bridge from school to the world of work and lower unemployment rates.

In Israel, the military service at 18 creates difficulties in developing apprenticeship programs. Three models should be considered. An apprenticeship program for youth will allow the participants to learn new skills which may assist them in their military service or when they look for a job after the service. A program for 21-23 year olds will allow many of the participants to enter the workforce through the company in which they train. A designated program for older populations may help participants from underprivileged communities join the workforce in professions suffering from worker shortages.

#### **Recommendation 5: Advanced Training and Lifelong Learning**

One of the main criticisms against vocational training program in the past is that they set an early ceiling to the participants' future careers, and as such they hampered social mobility. In order to ensure that vocational training programs allow the graduates to pursue future opportunities, it is

important to instill a system of certifications. Graduates of vocational training programs should have an option to have their studies recognized when enrolling to academic programs. In addition, advanced vocational training programs should be offered, so successful graduates will be able to upgrade their skills further and improve their position in the labor market. Furthermore, it is necessary to offer all workers the option to constantly refine and update their skills, through lifelong learning programs.

Once all of these measures are implemented, and once a wide-range of vocational training programs are developed for low-skill and high-skill workers, excellent graduates of vocational training programs will have many options to further develop their careers.

### **Recommendation 6: National Campaign to Improve the Image of Professional Training Programs**

Vocational training programs suffer from an image problem. For various reasons pupils often do not express an interest to participate in the programs and parents tend to prefer their children not to study in professional schools. The negative image is often based on misconceptions and not justified. For example, the professions being taught at the schools are perceived as low-skilled “dirty” professions, while today many of the professions within the manufacturing industry demand high-skills and the use of advanced technology.

A national campaign to improve the image of the program should be conducted in the mainstream media and social networks. The campaign should expose vocational training programs and the career opportunities they offer. Specifically the effort should target girls, who often avoid technological courses. It is not enough to reform the vocational training programs as suggested in this paper, the public should also be informed of the various changes implemented.

### **Recommendation 7: Designated Programs for Population Groups with Low Workforce Participation Rates**

Israel needs to increase its relatively low workforce participation rates in order to maximize its growth potential. Specifically the programs should focus on Ultra-Orthodox men and Arab women

who participate in the workforce in much lower rates than the rest of the population. More than stimulating the economy, the vocational training programs will help the participants escape poverty. Currently 53.5% of Arab families and 54.3% of Ultra-Orthodox families live in poverty.

In order for the program to succeed they should be custom-made for the target populations. For example, programs for Arab women should be conducted close to where they live, or direct transportation should be provided from the participants' homes to the program's location. Apprenticeship programs for ultra-orthodox men should allow them to maintain their religious way of life. The programs should be planned in cooperation with the local population to ensure that they fit their needs.

### **Recommendation 8: National Council for Vocational Training**

One of the main obstacles to promoting vocation training programs in Israel is the lack of cooperation and coordination between all the various bodies dealing with the programs. International experience shows that vocational training is successful when real cooperation exists between the state, the employers and the employees (tripartite cooperation).

The new council should include representatives from all the parties dealing with vocational training. It should define a strategy, and serve as a professional authority which oversees the programs. The council should also promote research on education methods and on the labor market. The council will help improve the image of vocational training in the public and will allow the parties involved to learn from each other and cooperate on joint projects.

The steering committee of the vocational training project which was the basis for this paper demonstrates the importance of bringing all the players under one table in order to increase cooperation and define a set of agreed upon recommendations.