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Topic 4

**Training of Adult Workers in OECD Countries:
lessons from “HARMONISED” SURVEYS**

Invited paper submitted by OECD

1. The critical importance of a highly skilled workforce in an increasingly “globalised” and “computerised” economy has become a commonplace. At the individual level, a good education is increasingly decisive for employment prospects and earnings levels. Human capital formation also appears to be an important precondition for the economic success of firms and national economies, although these links are more difficult to verify. The skills and competences of the workforce are the product of a large variety of learning activities that take place in diverse institutional contexts. While good initial education provides an essential foundation, learning continues through the working years. In that sense participation in training and its outcomes are fully part of quality of job.
2. This contribution presents an extract of the main findings of a recent publication by Paul SWAIN, from the Directorate for Education, Employment, Labour and Social Affairs of the OECD. [Employment Outlook, OECD, June 1999].
3. The main findings are:
 - The level of training differs significantly across OECD countries. Although it is not possible to make precise comparisons, the evidence is quite robust that formal, continuing training is

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relatively low in southern European countries such as Greece, Italy, Portugal and Spain, and relatively high in the United Kingdom, France and most Nordic countries. There also appears to be some trade-off between the extensive and intensive margins of training, with the average duration of training being higher in countries with lower participation rates.

- Overall, men and women appear to participate in job-related training at fairly equal rates, although men may receive more financial support from their employers. When expected hours of training are calculated over the 40-year period between the ages of 25 and 64, women have significantly lower training expectancies than men, due to less continuous employment. Lower training rates for part-time and temporary workers may also lower relative training access for women.
- The extent to which training falls off with age varies strongly across countries, suggesting that progress in reaching the goal of life-long learning has been uneven. Workers aged 50-54 years receive almost as much training as those aged 25-29 in the United States and the Nordic countries (except Finland), while the older group receives much less training than the younger in France, Greece, Portugal and Spain.
- Training tends to reinforce skill differences resulting from unequal participation in schooling in all countries, although the strength of this relationship varies significantly between countries. Training appears to be most evenly distributed across educational levels in Ireland, Japan, New Zealand, the Netherlands and several Nordic countries, and least equally in Belgium, Hungary and southern Europe. The positive association between more schooling and training remains strong even after controlling for other characteristics affecting the probability of training.
- Workers tend to receive more training in countries with higher overall average levels of educational attainment and achievement, as well as in countries devoting a larger share of GDP to research and development and achieving a strong trade performance in “high tech” industries. A higher overall training rate is also associated with more equal age and educational distributions of training. These patterns suggest that education and greater training are mutually reinforcing due, at least in part, to an associated tendency for firms to specialise in economic activities requiring a highly skilled workforce.
- Workers reporting recent training are paid more than other workers, but the strength of this relationship varies across countries. The pay “premium” associated with training differs between educational and gender groups within all of the countries, with the most common pattern being higher training premiums for the least educated workers.
- The strong link between national levels of educational attainment and achievement, on the one hand, and the level of workforce training, on the other, suggests that an indirect strategy of strengthening schooling is a potent -- if slow -- means of encouraging continuing

training. Since a key distinguishing feature of high-training economies is that participation in training is more evenly distributed, policies enhancing the incentives and resources for investing in the continuing training of workers typically receiving little training are of particular importance. However, the theoretical and empirical analysis of the determinants and consequences of continuing training are not yet sufficiently developed to provide policy makers with reliable estimates of the economic returns that would accrue to specific policy approaches. Further harmonisation of training statistics could make a useful contribution to filling that gap.

4. This contribution analyses only one type of job training, namely, continuing and more or less formal training received by incumbent workers. Most of the analysis is limited to workers between the ages of 25 and 54 years, since this restriction avoids complications related to international differences in initial education and retirement patterns. Because most continuing training of employees is sponsored -- at least in part -- by employers, employer-provided training is emphasised.
