New adult vocational training concept



- Placing the user in the centre

National Education Authority Ministry of Education April 2004

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Introduction

When the Government took office in November 2001 it transferred the adult vocational training programmes and the adult vocational training centres (AMU-centre) from the Ministry of Labour to the Ministry of Education. The aim was to create better coherence between the education and training effort within the initial vocational education and training system and adult vocational training programmes, and between financial governance and the institutional structure providing vocational education and continuing training.

In the past two years an intensive effort has been made to create the framework for modernization of the adult vocational training scheme. This modernization is aiming at providing flexible and relevant programmes of high vocational quality to meet the current and long-term needs of both enterprises and employees for targeted, work-related competence development in an interaction with the experience and competences possessed by the participants.

Well-trained employees are crucial to consolidating and improving Denmark's position on the global market and thus obtaining a high level of welfare. The labour market is in the middle of a major transition towards a hightechnology, service and knowledge society. This transition places heavy demands on enterprises and employees in terms of their flexibility and ability to adjust. It means a continuous challenge for the vocationally oriented training effort, which must always be relevant in relation to new technologies, changed production processes, and new ways of organizing work.

It is the government's opinion that the changes in the labour market emphasize the need for broad, flexible and at the same time open and transparent supply of vocational education and continuing training. This to ensure that the labour market is supplied with qualified labour and to provide the individual with lifelong competence development opportunities.

In the future, the need for competence development must be adressed by including the competence development taking place at the workplace to a larger extent than is the case today. Developments in the labour market and at enterprises are creating new requirements in terms of the organization of adult education and continuing training with a view to minimizing production losses while at the same time ensuring the necessary competence development.

The best vocationally oriented competence development is achieved when learning takes place in connection with the performance of specific work tasks and when competence development supports the learning that already takes place during the performance of daily work. The close interaction between the enterprise, the employees, and the education and training institution therefore becomes pivotal for future vocationally oriented adult education and continuing training efforts.

When in June 2003 the Danish Parliament passed the new Act on adult vocational training programmes etc. the government completed phase 3 of the overall legislative package within the area of vocational adult education and continuing training. The first phase comprised a change in the financing of the effort within vocational training for skilled and unskilled workers. As a consequence, the possibility of charging a collective employers' contribution was abolished and a user fee was introduced in order to ensure a more demand-driven supply of adult training.

The second phase comprised the Act on vocational education and training institutions. This provides common rules for adult vocational training centres, technical schools, business schools and agricultural schools and thus improves the possibility of obtaining a harmonised institutional structure with professionally and financially viable education and training institutions situated in accordance with regional labour market needs.

This booklet contains a more detailed description of the new, flexible adult vocational training concept, and the increased interaction between initial vocational education and training and adult vocational training efforts. The booklet also explains how the changed financial governance and the new institutional structure support the adult vocational training concept.

UQ Tends

Ulla Tørnæs Minister of Education

Facts on Adult Vocational Training

Target group

- Development of training programmes to semi-skilled and skilled employees
- Mainly employees in private-sector and public-sector enterprises
- Special training programmes for immigrants and refugees.

The training programmes

- Approx. 2200 different training programmes with an average duration of one week. Are always part of at least one of the approx. 140 new joint competence descriptions
- Development or revision of approx. 500 training programmes on an annual basis replacing a similar number
- Leading to national recognised vocational or general competences and certificates
- Can give credit transfer in vocational education and training (initial VET)
- The social partners are actively involved in the assessment of training needs, the development of training and quality assurance
- Provision by publicly recognised education and training institutions and private providers.

The training

- Includes in general both theory and practical exercises
- Takes place at education and training institutions, in companies and as distance learning
- Can be completed full-time and part-time and on any day of the week at all hours
- Carried out by teachers with vocational and pedagogical education and work experience.

Facts on Single-subject Courses in Vocational Education and Training

- Vocational modules that can be evaluated independently
- Can be provided to adults on the basis of a state grant (taximeter) and user fee
- Can within the new legislative framework be part of the joint competence descriptions and will consequently be subject to the same terms as the adult vocational training programmes.

Financing of Adult Vocational Training Programmes and Single-subject Courses when part of a joint competence description

- Primarily financed by the state and in general include minor user fees
- Semi-skilled and skilled participants in training are in general entitled to a fixed allowance financed by the state
- Companies paying regular wages to employees participating in training are entitled to receive a state grant similar to the allowance.

I New flexible adult vocational training concept

From education and training to competences

On 1 January 2004, the new Act on adult vocational training programmes etc. will enter into force. The objective of the Act is still to provide vocational adult education and training programmes for unskilled and skilled workers, based on the needs of the labour market and the participants. However, now the new adult vocational training framework also involves a complete shift in the concepts of education and training – from focusing on individual training programmes to focusing on competences on the labour market.

The objective of the Act on adult vocational training programmes etc. is for the adult vocational education and training programmes to

- Contribute to maintaining, expanding and improving the participants' qualifications in accordance with the needs of the labour market and to contribute to the further competence development of participants
- Contribute to solving transition and adjustment problems on the labour market in accordance with the needs of the labour market in the short and long terms
- Provide adults with the possibility of improving their vocational skills as well as their personal competence by means of the possibilities for obtaining formal competence within initial vocational education and training.

By focusing on the competences that are relevant for the labour market it becomes possible to view competence development as a process that effectively combines formal education and training with practical learning at the workplace. This is essential in a situation where the Danish labour market – and therefore the competence requirements – changes with increasing speed within all sectors and at all job levels.

Joint competence descriptions aimed at specific job areas

The basic element of the innovative approach is *joint competence descriptions*. The 12 continuing training committees, which are composed of the social partners within different vocational and trade areas, have – in close cooperation with the Ministry of Education – developed almost 140 competence descriptions during 2003. These are aimed at easily recognizable job areas on the Danish labour market.

The descriptions will provide the enterprises and the employees with a good basis for entering into a dialogue about the need for the specific competence development – in the short and longer terms.

Each competence description consists of three parts:

- A description of the job area
- A description of the competences that are relevant within the job area
- A list of the adult vocational training programmes and selected single-subject courses from the basic vocational education and training programmes that may lead to the competences.

Coherent approach within adult vocational training programmes and single-subject courses

As a new feature, adult vocational training programmes and single-subject courses from the initial vocational education

and training programmes (i.e. the vocational education and training programmes, the basic social and health training programmes and the skilled farmer education and training programmes) are now looked upon in a coherent manner. The continuing training committees have ensured that the same training programme no longer exists both as an adult vocational training programme and as a single-subject course and that the single-subject courses that are especially relevant for the labour market are included in one or more of the competence descriptions.

This has two advantages for the users. Firstly, it has become easier to acquire an overview of the supply of training programmes and secondly the single-subject courses that are part of the competence descriptions will be subject to the same conditions as the adult vocational training programmes.

High degree of flexibility accommodates the different needs of the users

The specific need for competence development is different from one enterprise to another and from one employee to another. Today, enterprises often organize work within the same job area in very different ways and for this reason they also have different strategies for employee development and thus different training needs.

The employees also have very different education and training needs because they have already acquired a number of competences, for example, through previous education and training, work or leisure activities. In case of uncertainty in terms of their specific need for education and training, individual employees are able to have their competences identified through an assessment within the adult vocational training system, which may contribute to targeting and shortening the course of the education and training.

It is important for the government that the new adult

vocational training concept becomes flexible in order to meet the very different needs of the users. This applies not only to the development and composition, but also to the provision of training programmes.

Each year the continuing training committees develop or change approx. 500 adult vocational training programmes that provide national competence as a result of new or changed training and education needs on the labour market. The joint competence descriptions create the framework for education and training development, which means that new and changed education and training programmes can be approved within 6 weeks.

The education and training institutions may combine short training programmes with great flexibility so that the resulting courses correspond to the specific needs of the users. The dialogue between an institution and an enterprise may, for example, reveal that the competence development of the employees has the highest quality if the programme is organised as a combination of "learning-bydoing" at the enterprise and formal instruction at the education and training institution.

The courses may be provided at education and training institutions, at the enterprise, or as distance learning, during all hours of the day and seven days a week. The many possibilities for flexibility mean that the training programme may be organised so that it suits the work planning of the enterprises.

Each training programme has a recommended duration, but the participants may complete the programme as soon as they have attained the goals for the relevant training programme. Many programmes are held in an "open workshop", which means that several different programmes are being held at the same time and in the same room. In this way, the participants may start a programme at any time without having to wait for the institution to establish an entire class.

Special focus on refugees and immigrants

It is a special task to introduce refugees and immigrants to the labour market since this is an essential prerequisite for successful integration. It is therefore part of the government's integration initiative, "Towards a new integration policy", to establish a more targeted effort in the area of vocational training of refugees and immigrants and to evaluate effectively their formal, non-formal and informal competences so that refugees and immigrants can obtain ordinary employment on the labour market as soon as possible.

In this connection, the adult vocational training programmes – both the ordinary training programmes and the special programmes for refugees and immigrants – and the individual competence identification within the adult vocational training system play an important role. The special programmes for refugees and immigrants may be composed of the adult vocational training programmes and single-subject courses included in competence descriptions, including Danish, as well as practical training at an enterprise. The vocational education and training effort for refugees and immigrants is based on the joint competence descriptions, to ensure that the effort for all target groups leads to the exact same competences.

TAMU – an offer for young people with special difficulties

Adult vocational training programmes and single-subject courses from the joint competence descriptions can now also be included in the adult vocational training programmes of the Training School (TAMU). TAMU is a practical programme for young Danes and immigrants with special adjustment difficulties and without any real connection to the labour market. These may be young people with a poor school background as well as social and personal problems that are expressed through alcohol and substance abuse and crime. TAMU primarily provides vocational and occupational competences for the job areas targeted by the programmes. However, development of the individual participant's ability to be part of a work-related context and handle the social interaction at the workplace is also emphasized. It is a question of having a sense of responsibility towards the work being performed, pace and work rhythm, cooperation with others and not least regular attendance.

Through TAMU, most of the participants obtain competences that are so specifically aimed at the needs of the individual and the requirements of the labour market that they obtain a job or continue with further vocational training after having completed the TAMU programme.

From input management to output quality assurance

The high degree of flexibility within the new adult vocational training concept is resulting in further decentralisation of decision-making at education and training institutions. In the future the ongoing evaluations by the education and training institutions of the output from the training programmes will to a large degree ensure and promote the development of the quality and the impact of the training programmes. At the same time, it is important for the users that the evaluation results are visible and comparable so that they may use the results in their choice of education and training institution.

Within the area of adult vocational training there has been a requirement since 2000 that the education and training institutions carry out comparable quality measurements of the adult vocational training programmes that they offer. All participants and a representative segment of the enterprises whose employees have participated in the training programmes evaluate the training programmes and the results are published on the Internet.

The joint competence descriptions may include both adult

vocational training programmes and single-subject courses. This means that the single-subject courses included in the competence descriptions will now be comprised by the same quality assurance as the adult vocational training programmes.

Inclusion of other target groups in adult vocational training programmes

For a long time, users have been asking for a possibility for employee teams with different education and training backgrounds to participate in a training programme together, for example when new technology or work organisation is introduced. The argument in favour of this scheme has been that it would create more effective utilization of the education and training system in the continuing work at the enterprise.

In the future, employees who have completed an education and training programme at a higher level than the vocational training level will also have the opportunity to participate in adult vocational training programmes. This will also create equal conditions for participating in adult vocational training programmes and single-subject courses.

However, the main target group remains unskilled and skilled workers. The training programmes are developed for this group and it is this group that may receive the special allowance when participating in adult vocational training. In order to further prevent an unintended shift in the group of participants, marketing regulations have been introduced according to which the education and training institutions may only market the training programmes in relation to unskilled and skilled workers and in relation to the labour market oriented objective of the training programmes. Furthermore, no later than 3 years after the entry into force of the Act, a follow-up process will be conducted to determine whether the education and training needs have been met within the framework of the Act. As a whole, the new adult vocational training concept leads to

- Transparency and openness in the vocationally oriented competence development for adults
- Targeting of the labour market relevance of the training programmes
- User-friendly flexibility and vocational targeting
- Possibility for local adjustments
- Dynamic development within the area of education and training
- Main emphasis on quality assurance of output instead of input management
- Simple and quick administration
- Targeted and effective utilisation of resources.

Il Increased interaction between initial vocational education and training programmes and adult vocational training programmes

The transfer of adult vocational training to the Ministry of Education has led to enhanced coherence between adult vocational training programmes and initial vocational education and training programmes. This has primarily been expressed in the joint competence descriptions, where adult vocational training programmes as well as selected single-subject courses from the vocational education and training programmes may lead to the labour-marketrelevant competences within the job areas.

However, the development of a common tool for competence assessment and most recently the development of vocational education and training plus (eud+) are among the most recent examples of the increasing interplay between initial vocational education and training and adult vocational training programmes.

The interaction so far between adult vocational training programmes and vocational education and training programmes

The guidelines for each of the initial vocational education and training programmes state credit transfer to be awarded for adult vocational training programmes. The extent of *credit transfer* varies from programme to programme but it is most frequently stated within the vocational education and training programmes covering areas that were previously solely covered by adult vocational training programmes, for example the paviour, service assistant and industrial operator programmes.

Basic adult education is a special opportunity for adults who have reached the age of 25 to obtain full professional competence within a vocational training programme or training as a qualified farmer without having a training agreement with an enterprise. The participant in a basic adult education programme must – after completing a competence assessment and the preparation of a personal education and training plan – complete the missing parts. These missing competences may, for instance, be obtained through participation in single-subject courses from vocational education and training programmes or a number of short-time adult vocational training programmes.

Within most vocational education and training programmes, specialisation takes place when the individual student, in cooperation with the enterprise at which practical training takes place, chooses among the special subjects that are defined in the guidelines for the training programme – *optional special subjects*. In many programmes, adult vocational training programmes are included in the options.

In addition to the obligatory period reserved in initial vocational education and training programmes for completing special subjects, the student may choose up to 4 weeks' additional instruction in special subjects. This provides a possibility for the students during their training period to complete adult vocational training programmes in the form of optional special subjects as part of vocational specialisation. This also means partly that the supply of the relevant adult vocational training programmes will be larger and thus more flexible for the users, and partly that the students in the vocational education and training programmes gain an insight into their future options for continuing adult vocational training.

Assessment of prior formal, non-formal and informal learning

For a number of years the adult vocational training system has provided Individual Competence Assessment as part of the overall provision. The purpose of Individual Competence Assessment is to identify the applicant's competences with a view to planning adult vocational training courses. In connection with the development of the Basic Adult Education concept, individual assessment of competences was also developed. The purpose of this is to evaluate whether an applicant for Basic Adult Education is able to complete the required vocational education and training programme as a Basic Adult Education course and subsequently to form the basis for the preparation of a personal education plan.

The Ministry of Education has come quite far in its efforts to consolidate these two frameworks for competence assessment into a common concept that may include both objectives.

As a result of the review of the Act on vocational training dated 1 July 2003, all participants must undergo an assessment of their formal, non-formal and informal competences when entering a vocational education and training programme in order to work out an individual training plan for the student. Experience from the adult education and training area is now being used in the implementation of assessment and recognition of formal, non formal and informal *competences within initial vocational education and training*.

Vocational education and training plus (eud+)

The interaction between adult vocational training programmes and vocational education and training programmes has also been included in eud+. In a recently presented bill this is being proposed as a new possibility for completing a vocational training programme. Eud+ is being introduced as part of the political agreement in phase II "Renewal of the principle of alternance training and new solutions instead of workshop training (practical training at the school)".

This scheme means that students who have completed the 1st level of a vocational education and training programme (if it has more than one level) can return to school to complete the 2nd level or perhaps subsequent levels without having a training agreement (practical apprentice place). The conditions for returning are that the student is under the age of 25 and has had at least 6 months' relevant paid employment on the basis of the level 1 training programme. The participant will undergo a competence assessment at the school and receive a training plan indicating school modules, courses and any requirements in terms of vocational training at the school or/and practical training periods at an enterprise. Eud+ may comprise elements from the vocational education and training programmes as well as the adult vocational training programmes.

III Changed financial management supports the adult vocational training concept

The "tax burden" option is replaced by demand-driven management

The first phase in the overall reform of adult education and continuing training comprised changes in financial governance. The tax burden that previously threatened employers because it was possible to issue an extra bill if the limit in the annual state budget on adult vocational training was exceeded. The abolishment of the tax burden option was one of the elements in the government's policy regarding a general tax stop.

At the same time, the government wanted a higher degree of demand-driven supply so that efforts within education and training better reflected the actual needs of the enterprises and the employees. In order to promote a more demand-driven supply and create budget guarantees, a number of different governance tools were introduced: user fees, grant and activity ceilings, and reduced allowances.

Previously the board of the Labour Market Training Institution for Financing advised the Minister on the application of financial governance tools, but from June 2003 this advisory function has been transferred to a new body, the Council for Vocational Adult Education and Training. This body has replaced the board of the Labour Market Training Institution for Financing and the Training Council for Labour Market Training. The government believes that by introducing user fees for adult education and continuing training it will ensure that the demand reflects the real needs of the labour market. When users have to contribute themselves to financing their training, they will consider their needs more carefully than if the training programmes are free of charge. However, a few special priority areas have been and will still be exempt from user fees – primarily for those with short educational backgrounds.

There have been grant and activity ceilings on a number of education and training areas, but in 2003 these ceilings have been restricted to areas where it could be expected that the demand would be "insatiable" and not just aimed at the needs of the labour market. This applies to areas such as IT training programmes, general programmes, and language programmes.

However, with the new adult vocational training concept it will be possible to distinguish between on the one hand adult vocational training programmes and single-subject courses within a competence description, which are therefore especially relevant to the labour market, and on the other hand single-subject courses outside a competence description.

To this end, in addition to the existing possibility for using reduced allowances, the government proposes that a number of supplementary control tools are provided, including authorization for the Minister of Education – upon consultation with the Council for Vocational Adult Education and Training - to remove the allowance for participants in certain programmes during the fiscal year. This may, for example, involve participants in single-subject courses that are not comprised by competence descriptions – with the exception of special priority areas. In this way the application of the total grants becomes targeted and the training programmes forming part of the joint competence descriptions are prioritised.

Free intake within the agreed framework

It may be difficult to avoid exceeding a fixed grant in the annual state budget, if the only tool applied is user fee. Nevertheless, the government intends to abolish the ceiling control within vocationally oriented adult education and continuing training.

The reason for this is that the new adult vocational training concept further decentralises decisions to the education and training institutions, including decisions on how the priority given to education and training best reflects the needs of the enterprises and the employees.

From 1 January 2004, an agreement model has been introduced to allow education and training institutions free intake to the entire area of vocational adult education and continuing training within an agreed framework. According to this model, the Ministry and the individual institution will agree on a budget target, i.e. a target for the expenditure of the institution in 2004.

Within this target, the institutions are free to plan the supply of training programmes in accordance with demand. As a main rule, 10% of the instruction rates is withheld and will be paid as an award to the institutions that – within a certain margin – meet the agreed budget target at the end of the year. Institutions that fulfil the agreement – perhaps by cooperating with other institutions – will thus receive a 10% higher grant than institutions that do not fulfil the agreement.

The success criterion is for all institutions to meet the budget target or achieve an amount that is close enough to receive the award, including a targeted application of the overall funding of labour-market-relevant adult vocational education and training.

New taximeter rate system supports the new adult vocational training concept

In cooperation with associations of school principals, the Ministry of Education has prepared a model describing how the taximeter rate system may support the joint competence descriptions.

The rate structure is based on the following considerations:

- The rate structure must support the schools' incentive for a labour-market-relevant supply
- The fixing of rates must be as simple as possible to manage
- The rates must as a whole reflect the costs of executing the training programmes (according to the principle of "win some, lose some")
- The rate structure must not make it easy to exclusively focus on the "bottom line"
- The rate system must support the development and use of short education and training programmes
- The rate system must be transparent and easy to manage for institutions.

The new taximeter rate structure distinguishes between the adult vocational training programmes and single-subject courses within a competence description, and the single-subject courses outside a competence description. The single-subject courses that are outside competence descriptions will receive a low rate but on the other hand, in 2004 the education and training institutions will be free to fix their own user fees. Furthermore, as a new feature, the rate structure supports the supply of short education and training programmes to a larger extent than before.

IV New institutional structure supports the adult vocational training concept

Larger and vocationally broader institutions

The second phase of the overall reform within adult education and continuing training was a change in the institutional structure by means of a new Act on institutions for vocational education and training. The government wanted to preserve local education and training environments out of consideration for young people and adults who have a right to education and training options nearby, while at the same time ensuring broader education and training environments in all regions with options for young people and adults.

On this basis, a number of expectations from the institutions were established. These could result in different solutions but the common denominator would be larger and vocationally broader schools.

What is expected from the institutions:

- They must be able to sustain independent, decentral responsibility for the supply of training programmes, development of training programmes, and pedagogical development.
- They must be able to sustain high streamlining requirements through the utilization of cooperation advantages in the areas of administration, buildings, equipment, task distribution, and education/training.
- They must be able to support synergy advantages environmentally, professionally, and in external profiling.

With respect to the technical schools and adult vocational training centres, institutional cooperation between adult vocational training centres and technical schools in the same town – or in different towns within the same region – received the highest priority. An extensive process has therefore been carried out in the course of 2002 and 2003 in close cooperation with the Ministry of Education.

The institutions have carried out an analysis project on the future regional institutional structure in their own area. As part of this project, they had to consider and justify whether the aim should be amalgamation or cooperation. The result of this analysis by the institutions was available in October 2002 and as follow-up on the analysis work a number of debates between the institutions and the Ministry of Education were conducted in the autumn of 2002 and spring of 2003.

As a result of these debates, the Ministry has approved – or will approve – a number of amalgamations of adult vocational training centres or adult vocational training centre divisions and technical schools. The most significant changes have taken place on Zealand, Bornholm and Lolland-Falster, where there are no independent adult vocational training centres today, while there is still one adult vocational training centre on Funen and five adult vocational training centres in Jutland.

The government finds it important to underline that it is not a question of one institution swallowing the other. A new institution arising from an amalgamation of one adult vocational training centre and one technical school must be based on the strong points of both institution types so that the adult vocational training profile is taken into consideration.

All in all, the number of institutions for vocationally oriented training has moved from 127 in 2002 to 110 institutions in 2003. It is, however, important to point out that the amalgamation of institutions does not in itself mean that local places of education and training have been closed. These continue as local units in a new institution.

Provision of the joint competence descriptions and technical vocational education and training programmes

Simultaneously with the new institutional structure the Ministry of Education has invited tenders for the provision of the adult vocational training programmes within the joint competence descriptions and the technical vocational education and training programmes. This invitation to submit tenders has just been completed and the institutions have been notified of which adult vocational training programmes and technical vocational education and training programmes they have been approved to offer from 1 January 2004.

The Ministry's decision on placing supply is based on an assessment comprising two general and equal considerations: Ensuring professionally sustainable education and training environments and ensuring a regionally adequate supply in relation to demand.

The requirement with respect to ensuring a regionally adequate supply will be different depending on the relevant competence description. There are competence descriptions that only need one, two, or three places of supply and there are competence descriptions that need more places of supply or places of supply in all regions.

Regionally adequate supply may be promoted either by means of an independent supply approval for an institution or by means of transferring teaching tasks from an approved institution to an institution that has not been approved but has the necessary quality in its education and training environment.

An important prerequisite in the invitation to submit tenders has been that the joint competence descriptions and the technical vocational education and training programmes had to be viewed as a whole. One of the most important considerations has been to obtain a geographically coordinated and proper supply and optimal utilization of capacity.

In connection with the approvals, the Ministry of Education therefore considers it very important that all institutions in a region have participated in a dialogue regarding which approvals they are to apply for so that the result becomes a practical division of work based on considerations of quality, demand and resource utilization, and so that the users may obtain a clear picture of the supply of vocationally oriented basic, adult and continuing training.

Private suppliers

It has been very important for the government to improve the possibilities of private suppliers to undertake teaching tasks in connection with adult vocational training programmes. Private places of education and training may thus either be approved independently to offer the adult vocational training programmes in a joint competence description, or have teaching tasks outsourced to them – through an agreement with an approved supplier.

Several private places of education and training have already applied for approval for joint competence descriptions. The applications have primarily been concentrated within the transport area but there have also been a few applications within IT.

The approved suppliers may also, as has been the case so far, outsource teaching tasks in connection with adult vocational training programmes and single-subject courses for, for example, private places of education and training.

As far as possible the government wants outsourcing to take place at the initiative of the education and training institutions and the private places of education and training. In the future, the institutions will be obliged to have an outsourcing policy comprising, for example, the teaching tasks that it would be relevant to outsource.

Supply and financial governance – "the Supply Policy"

Approvals to offer adult vocational training programmes are given subject to the individual institution or private supplier fulfilling a number of conditions. If these conditions are not fulfilled the approval may be revoked.

It should especially be pointed out that institutions approved to offer joint competence descriptions are obliged to meet the local and regional labour market needs for education and training activities aimed at unskilled and skilled workers within the grant limits available.

As part of the supply and financial governance, from 1 January 2004 institutions approved for joint competence descriptions must draw up a policy stating how, within its budget target, the institution will ensure that the labour market needs in the region will be fulfilled. This "Supply Policy" will be a precondition for receipt by the institutions of financial grants.

The board of the individual institution decides on the supply policy on the basis of a proposal from the head of the institution. In this way, the most important political goals are brought into focus and the head of the institution is committed to the policy vis-à-vis the outside world. In case of subsequent occurrence of circumstances of which an institution has not been aware or which are beyond its control, the specific policy may be changed. In this case, there will be a precisely worded basis for discussing which changes are needed. The Danish labour market has never before changed as rapidly as it is at the moment. This requires great flexibility and ability to adjust by both enterprises and employees. Vocational education and training efforts must always be relevant in relation to new technologies, changed production processes, and new ways of organising work.

When the Government took office in November 2001 it transferred the adult vocational training system to the Ministry of Education. The aim was to create a dynamic interaction between initial vocational education and training and adult vocational training programmes. Over the past two years intensive efforts have been made to create a framework that ensures that future education and training becomes so targeted and flexible that they will be able to handle the very different needs of enterprises and employees for competence development.

This booklet provides more detailed information about the new flexible adult vocational training concept and the increased interaction between initial vocational education and training and adult vocational training efforts. It also describes how the changed financial governance and the new institutional structure support the adult vocational training concept.