

English summary  
of Fafo-rapport 2023:25

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Towards a new  
competence reform?  
**Continuing professional development  
for Danes, Swedes and Norwegians**

# Towards a new competence reform?

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## **Continuing professional development for Danes, Swedes and Norwegians**

Vocational education and training and other investment in professional development are collective goods but can be susceptible to ‘free-rider syndrome’, where companies fail to contribute and where cooperation and coordination are inadequate. Policies in these areas therefore need to be formulated in institutions outside the market in order to relieve the individual company of the financial responsibility of upgrading the skills of the workforce.

There is currently a major need to boost skills. Digitalisation, climate change and demographic changes in the population are factors that require individual restructuring, knowledge and skills.

The Nordic welfare models are, in principle, well-equipped for upgrading the competence of the workforce. However, Norway has lagged behind both Sweden and Denmark over time in terms of participation in continuing professional development. The differences in participation are the basis for this report’s examination of the provision of and funding schemes for continuing professional development in Denmark, Sweden and Norway. The analysis focuses specifically on the provision targeted at skilled workers and other groups with limited formal education. The reason for this focus is twofold: the future demand for skilled workers is expected to be particularly high, and these groups have proven to be the most challenging to mobilise into participation.

The report poses three questions:

- What continuing professional development provision is available for skilled and unskilled workers in the three Scandinavian countries?
- How are the schemes financed, and how is income loss during the period of study compensated?
- How and to what extent are the parties involved in policy formation and financing?

We present the answers in four chapters, where each country is dealt with separately. The overarching conclusion of the report is that there are many similarities in the competence policies of the Scandinavian countries, but Denmark and Sweden have a more differentiated and more expanded set of options than Norway, particularly in terms of subsistence funding, i.e. wages paid during the period of study, which has been controversial in Norway at times.

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Towards a new competence reform?  
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Research has referred to the tripartite cooperation in Danish continuing professional development as an ‘almost exemplary interaction between the social partners and politicians, where agreements on improvements in the collective bargaining agreements are supported through increased policy funding’. This ‘dual regulation’ is expressed, inter alia, through several tripartite agreements on continuing professional development. Denmark has a tradition of collective employer-financed education funds, where the principle is that everyone contributes, regardless of their individual competence needs. Denmark has thus managed to find a solution to the free-rider problems that often arise in the context of competence: everyone wants qualified workers, but no one wants to pay. However, the funds have not addressed all the challenges related to participation, as their capacity has not met the demand.

In Sweden, restructuring study support has recently been introduced that provides generous compensation for loss of income during postgraduate study. The scheme was part of the collective agreement entered into in 2022. It is partly funded by the social partners and partly publicly financed. Because the scheme has been linked to changes in employment protection, the collective agreement has been controversial in the Swedish Trade Union Confederation, leading some unions affiliated with the organisation to refuse to sign the agreement. Despite some initial administrative issues, the restructuring study support has been highly successful in terms of interest. Sweden has also long had a student loan system that is tailored to workers who are not in the youngest age bracket. The education provision has expanded rapidly in recent years, and, as in Norway and Denmark, the goal has been to create an education provision that is more tailored to the needs of the labour market.

In the concluding chapter, we summarise the three country chapters and give examples of how funding conditions can differ depending on whether an employee is Danish, Swedish or Norwegian.