

Institutional Change and Employers' Perceptions: does the Expansion of General Education Compete with VET?

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Abstract

In knowledge economies, technological advancements have brought about new occupational skill demands. To accommodate these needs, an expansion of general education (GE) has followed across levels at the cost of dual vocational education and training (VET) tracks. However, dual VET remains a dominant educational pathway in coordination-based economies where skill formation is collectively organised, such as Switzerland. Yet, this trend challenges well-established collective action among training firms as it reshuffles their dependency on VET. In this paper, we study how different institutional settings under structural change affect training-providing firms. We explore how the regional labour market situations and the expansion of GE shape firms' perception of general education as a competitor to VET. This perception is important as it has major implications for a firm's skill acquisition strategy and how it wants institutions to adapt. We show that, by combining novel survey data (with over 2'000,000 training firms) with labour market and educational statistics, GE expansion has no significant effect on the view of GE as a competitor; other factors primarily shape firms' perceptions.