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**Vocational education and the binary higher education system in the Netherlands:  
Higher education symbiosis or vocational education dichotomy?**

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## **Vocational education and the binary higher education system in the Netherlands:**

### **Higher education symbiosis or vocational education dichotomy?**

The Netherlands has a binary higher education system in which academic education and higher professional education at EQF levels 5 to 8 co-exist. There is also secondary vocational education at EQF levels 1 up to 4. In this paper I analyse policy documents resulting from the Bologna Process and argue that under neoliberal conditions, higher professional education brings opportunities for both students and employers, but also creates a socioeconomic tension in terms of employability. The gap between higher professional education and secondary vocational education adds to the formation of a labour market in which higher professional education graduates are prepared to an international labour market but employability pressure is being put on lower skilled employees, creating unequal employability opportunities for vocational education graduates.

Keywords: Policy analysis; Vocational Education & Training; Higher Education; Vocational HE; Human Resources

### **Introduction**

One area in which the European Union has been noticeably influential is in higher education (also: HE). Although a plenitude of HE systems still exists in Europe, many have been adapted to form an international degree standard and programme structure. The transformation impetus and foundation for this were the Bologna Process and the subsequent agreements, with the Bologna Declaration being particularly significant. The

aim of the Bologna Process was to create a transparent European HE area, for which streamlining the countries' HE systems was necessary (Bologna Declaration 1999).

During the 1990s there was a growing shortage of people with HE qualifications within the Netherlands. In-service training and upskilling were considered necessary to solve this problem (SER 1999). The Onderwijsraad<sup>1</sup> (2000) reported that international recognition of Dutch qualifications was insufficient. It also emphasised the importance of foreign talent (students) for economic growth and international competition. Prior to this, the Onderwijsraad (1999) already highlighted international competition for high achieving students and the need for the Netherlands to reposition itself as an internationally recognised provider of high quality (higher) education, which would frame the individual as a competitive entrepreneur in an international context and workforce. Hence, it concluded, an internationally recognizable system was necessary, which is why, in its 1999 advice to the Minister of Education, Culture and Science (hereafter: Minister of OCW), it urged the Minister to sign the Bologna Declaration. The Minister of OCW proposed significant changes to the parliament in the policy note 'Towards an Open Higher Education' (OCW 2000), called 'NOHO' henceforth in this paper. This document and its proposed measures were based on the 'Design Higher Education and Research Plan 2000', or 'HOOP2000' henceforth (Rijksoverheid 1999); the HOOP2000 relied heavily on the report 'Implementation of the bachelor-master system in higher education' (IAR henceforth) from an advisory commission (Onderwijsraad 2000).

In this paper, my aim is to analyse the Dutch translation and implementation of the Bologna Process, and specifically the role of higher vocational, or professional, education ('Hoger BeroepsOnderwijs' in Dutch; also HBO henceforth) within this

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<sup>1</sup> **Education Council.**

system. This will be descriptive and analytical. In the documents examined, flexibility and competitiveness relate to students and skills in HE, indicating that these concern primarily HE. This raises questions about the position of VET, and particularly HBO which is both vocational and HE. Does HBO add to the HE arena or result in a gap between senior secondary VET ('Middelbaar BeroepsOnderwijs', in Dutch; also MBO henceforth) and HBO, creating a sort of dichotomy? I will argue that not only does HBO bring opportunities for students (being future employees), education institutions and employers, but also create a socioeconomic tension in terms of employability as it adds to a workforce in which employability pressure is being put on lower skilled employees.

2017's first issue of this journal was characterised by post-secondary and higher VET, and various neighbouring countries such as Germany, England and Denmark received attention. In analysing the situation and processes in the Netherlands, I aim to provide input for this topic. The appositeness of this paper lies in the fact that binary systems, as well as (post-) secondary VET, are quite common in Europe and that there appears to be a debate concerning value and tenability of higher vocational education within binary systems under post-Bologna conditions (e.g. Huisman 2008). Consideration of this from a neoliberal perspective could shed light on their contemporary value. Identification of stakeholders and contemplations could benefit those in VET and policy making in countries where a dual, or binary, system is debated or vocational education exists at different levels.

Considering the complexity of parties and relationships in policymaking, I considered several approaches for analysis, while realizing that the overview cannot be complete. I agree with Braybroe and Lindblom (as presented by Hill 2013) that rational models may be insufficient by relying too much on 'clear' causal relations. Disjointed

Incrementalism (Hill 2013), which encourages zooming in on changes and contributing elements, was useful for structured thinking. It assists to identify actors, steps and decisions while paying attention to policy process' chronology. I also used the Policy Programming Model (Knoepfel and Weidner 1982), as 'it sees the detail of a policy as forming a series of layers around a policy core' (Hill 2013, 183). These layers are useful for separating elements of the policymaking process (goals, instruments and procedural elements) as they assist to identify and consider who did what and, as with Disjointed Incrementalism, allow considering fragments of a policy (process) and recognizing some form of order in it.

Section one provides a contextualization of binary systems and the Dutch education system. European, political and ideological backgrounds are discussed here. Next, Dutch policy outcomes on the consequences of the Bologna Process are considered in the perspective of the Bologna Declaration and the foundational documents mentioned above. Finally, using the outcomes from the previous sections, I consider the role of vocational education within the changed HE area.

### **Contextual insights: from social democratic foundations to neoliberal creations**

Binary HE systems were first established in the UK and Australia in the 1960s (Davies, 1992) and nowadays exist across Europe. Countries with a relatively long history in binary HE such as Germany, the Netherlands, Norway and Portugal show that binary systems can be successful (De Lourdes Machado, Ferreira, Santiago, and Taylor 2008). Within some countries, programmes are offered both in university and vocational higher education. Other countries differentiate based on discipline or subject. In 1992, the UK terminated its binary classification; key to diversity in HE would be institutional self-

determination (Taylor 2003). Binary systems are likely to persist under the renewed European HE conditions (De Lourdes Machado et al. 2008), but the Bologna Process inevitably brings about change. For example, Välimaa and Neuvonen-Rauhala (2004) state it could transform the structure of Finish HE as a consequence of renaming Finish polytechnic degrees as bachelor's degrees. This would indicate the end of a dual system and reinforce a binary system because degrees would be on the same EQF level but different in nature. In Norway, intensifying relationships between universities and vocational HE institutions put pressure on the binary system, partially because of vocational drift within universities (Kyvik 2008), and in the Netherlands too, universities are underlining the importance of interaction with the labour market. In general, boundaries between academic and vocational HE in the Netherlands appear to fade (Witte, Van der Wende, and Huisman 2008), a tendency not unique within Europe. Verhoeven (2008) describes how Flemish policy intentionally reinforced the relationship between academic and vocational HE, and Veiga and Amaral (2009, 58) point out the strategy of Portuguese polytechnics to use the 'opportunity to put pressure on authorities to become more similar to universities'.

Dutch government strictly regulates education and takes responsibility by financing institutions and individuals. The 1968 so-called 'Mammoth Law', stemming from social democratic governments in the 1960s, knows three levels for compulsory secondary education with national examination targeting a certain level of knowledge and skills. Most proceed to job-preparatory education: vocational (senior secondary or higher) or academic.<sup>2</sup> A clear distinction exists between HBO and universities relating to the nature of the programmes offered at higher education institutions (HEIs

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<sup>2</sup> Suggestion for more information: <https://www.nuffic.nl/english-information/study-and-work-in-holland/dutch-education-system>

henceforth): vocational education in HBO institutions versus academic education in universities. The social democratic basis reveals itself most clearly in the fact there are no fees for primary and secondary education, and relatively low fees for vocational and academic education, while the government invests about 30 billion yearly to maintain high quality, accessible education.

The Dutch binary system and the government's control on the education system illustrate the government's influence on the creation of a competitive workforce. The social democratic and liberal influence on education in which 'the government actively intervenes to assist the economy's regulation and assure the provision of public goods' (Olssen, Codd, and O'Neill 2004, 112-113) appears, however, to be making room for a more neoliberal approach with the HE system's transformation and the accompanying increase of international comparability and competition. There appears to be a tension between the more traditional values of Dutch education (which I call 'control to provide') and the neoliberal approach to education implied as a result of the Bologna Process ('manage to provide'). The rapid adaptation to this system and the changes in programmes and degrees offered indicates that, although the difference in *focus* of programmes within the binary system continues to exist, conservatism is not politically dominant. On the contrary, the government is adapting the HE system to international standards, aiming at producing competitive graduates that are of value for the (inter)national workforce. By retaining the binary focus but adapting the programme and degree structure, the government might be removing obstacles that prevent individuals from living freely or realizing their potential – a very liberal rationale – while creating competitive HE with marketable, contributing graduates. Simultaneously, restructuring also enables HEIs to marketise their programmes to a broader public, allowing for HEIs to become knowledge producing businesses.

This form of liberalism seems to emphasise one of its core principles, namely individuality, by providing students with differentiation and choice while (re)structuring the education market. The Dutch approach would appear to be modern neoliberalism, with institutions and the education market still being shaped from a socialist point of view by Dutch politics:

it is our [the government's] responsibility to equip the higher education sector in such a way that students are able to develop and flourish in the European knowledge society and that institutions are able to acquire a firm position within the international education market. (OCW 2000, 2)

The quote above demonstrates both traditional values – the government securing people's educational value and development through accessible education – as well as neoliberal principles – the international approach and use of the word 'market' for instance. This framework demonstrates clear connections to Human Capital Theory (HCT), being the 'knowledge, skills, competences and attributes allowing people to contribute to their personal and social well-being and that of their countries' (Keely 2007, 3). HCT implies that 'the state deliberately seeks to create an individual that is an enterprising and competitive entrepreneur' (Kascak and Pupala 2011, 149) to achieve its social and economic goals. The Dutch system leads to a qualitatively reliable educational foundation and a well-prepared workforce with demonstrable knowledge and skills. The more training an individual receives, the higher the social and economic value, the rationale is – and with this, people being more 'appealing to the market by possessing marketable skills' (Schultz 1961). The policy analysed in this paper builds on this belief, because the government and the policies concerned aim at not only creating (highly) educated people, but more specifically a workforce with the

knowledge and skills that are internationally competitive and valuable. This specific neoliberal flavour can be traced down to the documents mentioned in the introduction (NOHO, IAR, HOOP2000) in which the proposed changes were influenced by international processes, rather than by Dutch political core values and traditions.

Nonetheless, there is a remarkable discrepancy: HBO is being prepared for globalization of the education market, while MBO seems to fall behind. The one report that does consider the MBO, considers how MBO students could be lured into HBO. In the next part of this paper I will analyse how these documents relate to the Bologna Process and the European Union's influence on the HE sector.

### **The restructuring process**

In the previous section Dutch (higher) education was put in perspective. This section illustrated how supranational processes and parties influenced politics and the transformation considered necessary to decrease the shortage of higher educated people and increase international recognisability. In the following section, I analyse these influences and the national 'translation' leading to the NOHO. Although Keeling (2004, 11) states that 'a tidy division of actors into classes disguises the diversity of interest groups', in order to provide structure, I have chosen to chronologically present prominent actors and developments.

### ***The NOHO Process***

Particularly significant to the Bologna Process was the Lisbon Recognition Convention, jointly drafted by the Council of Europe and UNESCO. This convention was an

important instrument because it ensured international recognition of qualifications, while creating transparency concerning quality standards. The Bologna Process was ‘presented by the Commission and national governments as deliberate ‘history-making’ politics on a continental-scale’ (Peterson and Bomberg 1999, 10) and fitted neatly in a main EU’s ET2010 and ET2020 goal, which was to ‘realise lifelong learning and mobility with education and vocational training systems being more responsive to change and to the wider world’ (EUR-lex website, July 5, 2017). UNESCO was able to reach goals by promoting international collaboration and security through educational reform, while participating countries realised a greater workforce potential and opened their education market doors in a growing European community. It also positioned European HE competitively within a global context, creating (market) opportunities for institutions. Employers became able to choose from a greater workforce, and possibly at lower costs, because a bachelor’s degree was considered HE too. This also implied that master’s degrees became more valuable, not only for the holder, but also for institutions offering them; a possible downside in the Netherlands was that the distinction between MBO and HBO became more significant and clear. The goal – more flexibility to study and a European workforce – offers potential for both students, institutions and employers because of the mutual recognition of diplomas and the transparency concerning qualifications and levels. Concurrently, competition grows: internationally, as the Anglo-Saxon system is now being used in many countries worldwide, and (inter)nationally, due to a lack of recognition of other vocational education programmes and institutions.

With this background, it was not only potentially beneficial, but imperative to align Dutch HE policy with Bologna. As stated by the Minister of OCW, restructuring the system was necessary to seriously position Dutch HE within Europe (OCW 2000).

The Netherlands was one of the countries rapidly adjusting its system and highlighting the potential benefits of the Bologna Declaration, contrasting some other such as the United Kingdom already partially complying with the structure (Luijten-Lub, Van der Wende, and Huisman 2005). The aims of the Bologna Process resulted in necessary changes for those who signed, and these aims were transferred to the national context in the form of a reason to change and justification for the restructuring. Also, as Dale (2005) reminds us, the fact that some decisions are made nationally does not mean that the power lies nationally; in this case, agenda setting occurred at the European level. Still, this ongoing restructuring process is ‘being actively shaped through local interpretations, strategies and negotiations’ (Keeling 2004, 8), and in the Dutch context, the historical binary strategy underpins these interpretations.

The visions and ideas expressed in the HOOP2000 became implementation policy material when the Minister, supported by the IAR report, decided to execute the plan, making it the Dutch translation of the Bologna Declaration. The NOHO essentially was the summary, sent to the parliament, and becoming the ratification of this HOOP2000 plan. In the policy making process for the HOOP2000, several parties were involved. I will now shed a light over these, identify their position and contemplate how this policy might be an instrument to realise their goals. Despite thorough research, no significant (policy) documents from students (or unions) were found; also, the MBO Council was not involved nor asked for advice in the process (J. Woudstra, personal communication, June 27, 2016).

The SER was one of the first parties to be involved. Its members are divided in three groups: independent professionals appointed by a minister and the king, entrepreneurs, and employees. This indicates that employees have considerable influence on Dutch policy formulation. However, the employees involved are often

highly educated and might not be very representative for the entire workforce<sup>3</sup>. In its advice for the HOOP2000, the SER states the challenge for HE lies in repositioning itself within the knowledge economy, guided by the government (SER 1999). To strengthen the shrinking workforce, flexibility in education was considered necessary, for which institutions have to be prepared to educate people from different backgrounds, ages and disciplines (SER 1999). Universities and HBO institutions should be increasingly neoliberal, being ‘more actively involved in the education of employees and the unemployed in cooperation with trade and industry parties’ (SER 1999, 77). Finally, the SER (1999, 79) states that the HE sector should be more market-oriented: not simply by creating markets, but by ‘fostering open ‘traffic’ of knowledge between universities, HBO institutions, companies and social institutions’.

The restructuring is considered beneficial for the stakeholders within the SER because of increased flexibility and mobility. The SER’s advice indicates the influence of the private sector and signs of neoliberal ideas when expressing that the necessity to change lies in the need to seriously involve the private sector. Still, it foresees in a social democratic role for the guiding government by providing it with regulation and control. Yet, the SER’s focus is on HE. The employability of employees with MBO diplomas was considered to be increasing (SER 1999, 14), but this was proven wrong during the previous years, in which employees with MBO diplomas face difficulties finding a job because of the amount of employees with HBO degrees (Ponds, Marlet, and Van Woerkens 2015).

The Association of Universities in the Netherlands (VSNU) and the HBO-Raad<sup>4</sup> were also asked to comment on the concept. Primary stakeholders are the HE

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<sup>3</sup> In this case, only 8 out of the 37 committee members did not have had academic education.

<sup>4</sup> HBO Council; advisory and representative body

institutions. A renewed structure was expected to result in opportunities for new programmes and more self-regulation, while the government would primarily be responsible for the education system as a whole (accessibility and government funding) (Onderwijsraad 1999). The organizations stress the importance of the distinction between bachelor's and master's level, and between academic and vocational HE (Onderwijsraad 1999; Onderwijsraad 2000). The expected increased autonomy and the possibility to attract a whole new range of (inter)national students, together with fear to fall behind other countries and international institutions, led to a vote for both the Bologna Declaration and the HOOP2000 policy, the latter being an instrument to engage in more collaboration with the private sector.

The IAR advisory report's commission, consisting of professors and politicians led by dr. Rinnooy Kan, was possibly the most influential stakeholder next to the parties mentioned above, given the attributed value of advices from such commissions in the Netherlands. The IAR report too considers flexibility to be one of the advantages of implementing the bachelor-master system. This report however is the only report to elaborately describe the design and implementation options. Flexibility, the authors state, requires master programmes to allow for having a paid job while studying (Onderwijsraad 2000). Also, the level of academic and HBO programmes should be the same, but the content (focus) clearly distinguished (Onderwijsraad 2000). Given the composition of the commission, and the affirming nature of the advice, it seems that the IAR's objective was to support the policy. The IAR itself was an instrument to enable the ministry to implement the HOOP2000 plans and policy, while the following restructuring process created opportunities for the professors and politicians themselves, as well as for the government, to proceed and create the necessary policy after signing the Bologna Declaration.

The signing of the Bologna Declaration spurred the government to reconsider the HE system. The advisory reports and stakeholder bodies felt the need to develop a system able to withstand international pressure and to be flexible enough to deliver a highly skilled workforce in an international environment, in which the government's role would be to secure quality and manage the education system as a whole, not the details. HBO and the growing gap between HBO and MBO programmes were not considered explicitly, and the upscaling of the (status of) HBO and the systematic absence of the MBO in establishing a balanced workforce seems ominous for this effect. In the following, I outline how this led to the NOHO as a policy product.

### ***The NOHO: implementation policy***

The NOHO was written on behalf of the Minister of OCW, who based this policy on the HOOP2000 report and the IAR. The HOOP2000 on its turn was an elaborated version of the 'Policy agenda HOOP2000' (Rijksoverheid 2006). The NOHO presupposes that greater mobility and internationalisation of the labour market blurs education system boundaries, and that the knowledge economy requires a highly educated workforce (OCW 2000). Again, HCT supports this neoliberal view given the emphasis on a skilled, competent workforce able to contribute to its own and the countries goals. Flexibility, the ministry states, 'meets with the diversity in learning needs at all ages' (OCW 2000, 2). However, flexibility does not appear to apply to diversity in levels. The ministry fails to mention MBO and contemplate the effects of the restructuring on the workforce as a whole. As a result, the HE system was to be flexible and open, creating a gap between 'flexible, higher learning' and the MBO skilled employees. In order to serve the nation best, the ministry aims at creating a HE sector equipped to scaffold the

lives of students in the European knowledge society and to maintain a firm position within the international education market (OCW 2000). The formulation of this neoliberal goal was clearly given in by the EU Lisbon's agenda that aimed at the EU becoming 'the most competitive and dynamic knowledge-based economy in the world' as the European Council stated on its website on in March 2000. The pillars on which this system rests are the bachelor-master structure and diversity in programmes offered, led by the quality and accreditation of HE. Interestingly, the issue of quality is mentioned in relation to the rise of private institutions and other untraditional forms of education, such as online studies. The ministry prepares for marketisation of the HE sector, implicitly approving institutions being not government-funded but remaining in charge of the quality control system and the awarding of (legally recognised) degrees. The policy also builds on the Bologna Declaration, mentioning that the goal was to create greater transparency in European HE; this policy reproduced literally this aim. Learning and flexibility at all ages, as does the notion of an open system, reminds us of LifeLongLearning and the EU's ET 2020 and ET 2010 goals. Interesting is the use of the term 'education market' in combination with the knowledge society. This neoliberal approach to education provision contrasts with the traditional foundation of Dutch education, but the two converge in the government's new approach in which human capital is the key to both individual growth and a strong position in the market.

In line with the IAR, implementation of the bachelor-master structure was considered essential in reaching future preparedness. The traditional system only offered two types of programmes: HBO diplomas and university degrees, which usually both took four years to complete. Separating academic education into bachelors and masters degrees created more possibilities and flexibility. Also, if HBO had to fit in, it had to become bachelor's level, because academic education was historically seen as the

original HE. Hence, HBO would offer bachelor programmes at EQF level 6, and the traditional four-year academic programmes were split into a three-year bachelor and a master's phase. The Netherlands replaced the 'old' programmes with new ones, particularly in terms of diploma structure, whereas other countries like Germany temporarily offered bachelor's and master's programmes alongside the traditional programmes. Implementation created the opportunity for the HBO institutions to develop professional masters, offering vocational students ways to develop skills and knowledge and gain a more thorough preparation for the international labour market. However, the equalisation of HBO and university in terms of level emphasises the difference between attractive, highly skilled graduates and inflexible MBO-trained employees, labelling the latter as less adequate employees.

To meet with the private sector's wishes implicitly present in the recommendations of the 1999 SER advice, the NOHO pays attention to the combination of work and studies. Bachelors should be able to enter the labour market, while continuing to study should remain possible. Differentiation in the master's programmes offered is said to be the key. Obviously, HBO prepares for a job, and this is considered a significant distinction between academic and HBO by the ministry as well as the IAR report.

It is not hard to imagine the value of the vocational nature of HBO programmes for the creation of a competitive workforce with flexible learning opportunities. Yet, if the relation between jobs and learning is considered an important aspect, and if the government aims at creating an adequately skilled workforce actually aligning with Human Capital Theory, the apparent avoidance of MBO in the whole process is remarkable.

## **Vocational education forward: Best of both worlds?**

In this section I debate where the changes described above lead. Following Buenaventura de Sousa Santos' argument that globalisation inevitably implies localisation (Dale and Robertson 2004), it should be noticed that the binary system seems culturally and nationally rooted to abolish – I consider this national flavour a way to express the 'rights to roots' as Dale and Robertson (2004) describe it.

In the NOHO and HOOP2000, fully supported by the Onderwijsraad's 1999 and 2000 reports and the HE representatives, there is without doubt broad support for a binary system. The 'work-oriented nature of the vocational bachelor is considered a great asset' (OCW 2000, 3) because of the close link to the labour market. In these documents and policies, there is no sign of the possibility or wish to disconnect or devalue HBO – after all, this would mean devaluing many diplomas and programmes and weakening the existing labour force's mobility and value. The fact that the labour force discussed only includes HE graduates remains unmentioned, as does the notion that increased mobility and status for this group of vocationally trained employees affects employees with MBO qualifications.

Bearing in mind the goals of the EU ET 2010 and 2020 programmes and the aims of the Bologna Process, a binary system should be considered useful. According to the European Council as stated on its EUR-lex website on June 10, 2017, 'the strength of the European higher education systems lies in the (...) diversity of the institutions' and higher education and higher vocational education fulfil a crucial role in providing highly educated workforce.' Quality and efficiency of education, and learning mobility are key elements, and a binary system provides for greater mobility, more options and diversity in institutions, programmes and focus. For institutions, this system creates

opportunities to respond to the market. The autonomy of the institutions is an important feature to make this happen. For student and employees, this means their education, if chosen well, matches their future job smoothly. The policy results in a growing variation in educational options for individuals in different labour market situations, as the programmes offered will not only suit their field of work but also their focus: vocational or academic. The contrast with countries without a binary system, or at least without a similar distinction, may benefit Dutch graduates nationally because they better match certain vacancies, and internationally because of their focus and specialised skills. Offsetting this neoliberal transition I note the SER's 1999 advice, which clearly influenced the HOOP2000. As noted earlier, the SER proposes repositioning of the position of HE within the knowledge economy, *guided by the government* (SER 1999). In the HOOP2000, the ministry refers to the SER, showing its social democratic foundation. The SER differentiates between market-orientation and the (free) market forces (SER 1999). In HOOP2000 paragraph 5.2, the ministry endorses this and accentuates the public task of education: being responsive to society (Rijksoverheid 1999).

As consequence of technical process after World War II, reaching HE level is not the only aim of (upper) MBO; instead, secondary vocational education qualifications can be seen as terminal qualifications to enter the labour market (Bricall and Parellada 2008). In a research project that included 13 countries, Shavit and Muller (2000) show that secondary vocational education reduces the risk of unemployment. Nevertheless, MBO is still used as entry route to HE. Kyvik (2008) emphasises the importance of permeability between the university and non-university sector in Norway, where, comparable to the Dutch position, an upper secondary vocational qualification can provide HE access. Critique of this interplay between MBO and HE however points

at the possible undesirable consequence ‘that a number of relatively high achieving school-leavers abstain from higher education’ (Hillmert and Jacob 2003, 332) because of the existence of various vocational alternatives to HE. Hillmert and Jacob (2003) also show how (social) inequalities influence, or hinder, mobility and student pathways, especially transferring to HE. One difficulty, when taking into account neoliberal conditions, arises from a difference between MBO and HBO. Rauner (2006), in identifying qualification strategies, distinguishes between two types of VET systems. The first is aimed at occupation, with qualifications based on programmes developed in cooperation with social partners. The second targets higher employability through certifying competencies and work experience, partly based on individual choices within programmes. Germany, which like the Netherlands has a binary tradition, fits the first system, England the second, while the Netherlands would be somewhere in between (Brockmann, Clarke, and Winch 2008). While Dutch MBO clearly resembles the first type with a large social partners component, in HBO there is more space for individual choice (e.g. through minors) and marketable competencies. This benefits HBO graduates within the neoliberal labour market, making them flexible and educated for employability purposes. Although MBO graduates do have work experience, this often is quite specific which makes them less flexible. Present undesirable tendencies are the increased employment of HE trained employees and decreased demand for employees trained at secondary level (Ponds, Marlet, and Van Woerkens 2015). Employers preferably hire HE graduates, and these supplant lower qualified (i.e. MBO) graduates (Wolbers 2011). This replacement effect was possibly reinforced by the economic crisis that lasted several years. Indeed, Wolbers (2011) specifically points out a cyclical effect on the unemployment of lower qualified graduates, and a crisis also causes (HE) graduates to accept jobs beneath their level of qualification (Wolbers 2014). Between

2008 and 2014, the percentage of MBO graduates that found employment within a quarter declined from 83,3% to 73,3%, whereas this percentage for HBO graduates declined less strongly, from 86,2% to 81,5%, Onderwijsincijfers (government's education statistics) website shows on August 15, 2017. At the same time however, the Dutch labour market's demand for HE graduates has not increased as much as the HE graduate supply, causing HE graduates to accept jobs that actually better fit MBO-trained employees (Wolbers 2011). As a result of the replacement effect, MBO-trained individuals struggle finding employment. For instance, although cities with relatively many highly educated people require more people with lower qualifications because of consumption increased spending, this effect is not as strong as one would expect (Ponds, Marlet, and Van Woerkens 2015). Here too, highly educated employees replace those with lower qualifications. The combination of the discrepancy between HE supply and labour market demand, and the hiring of HE graduates at MBO-level jobs, suggests that it is not necessarily competencies and skills that cause this replacement effect, but the possibility for employers to distinguish between levels while benefiting from a crisis with a great supply of labour. This replacement effect is especially apparent when programmes are offered at both MBO and HBO. Although statistical data at labour sector level could not be found for this paper, Canwood and Antonius (2015), researching the MBO sector in the Dutch province of Flevoland, find that for various jobs and contexts within the care and cure sectors HBO graduates are favoured over MBO graduates. In other sectors too, HBO graduates find jobs at the expense of MBO graduates. As of January 18, 2011, Computable stated on its website that job opportunities for holders of EQF-level 2 and 3 diplomas in ICT are diminutive, and these are still expected to decrease even more, as stated on the ECABO website on June 15, 2016.

A tactic for MBO graduates might be to ‘upgrade’ their skills in HBO.

According to Statistics Netherlands’ website on June 12, 2017, while the number of MBO students remains roughly the same, the number of HBO students and graduates keeps increasing. If this growth was attributed to MBO students’ mobility (progressing to HE), which could be related to the Global Economic Crisis of 2008, the problem would be less significant. Unfortunately, this does not appear to be the case. Until the crisis, the progression rates increased, whereas during the crisis they stabilized or decreased. The overall progression rate to HBO directly after leaving MBO was 8,2% in 2003, 8,5% in 2004 (OCW 2006), and 13% in 2008 (OCW 2010) and continued to decrease in 2010 (12%) and 2012 (11%), only slightly increasing again when the crisis neared its end with 14% in 2013 (OCW 2014). The direct progression rate from MBO EQF level 4 (which grants admission to HBO) developed from 50% in 2003 via 52% in 2008 to 40% in 2013 (OCW 2006; OCW 2010; OCW 2014). During the same period, as discussed above, employment opportunities decreased, suggesting that unemployment did not result in MBO graduates progressing to HE. August 15, 2017, Onderwijsincijfers mentions that approximately 50% of those from MBO who start in HBO actually graduate – a number that has been declining since 2009. About 20% leave in the first year of HE (OCW 2015), often because they were insufficiently prepared (Lowe and Cook 2003), for example because of the differences in education, which is mostly inductive in MBO and deductive in HBO (Van Asselt 2014).

This interplay between graduates, jobs and employers’ preferences might result in fewer opportunities for those without a HE background. However, there is growing attention to this mobility issue. In the education sector for example, significant shortages are expected within a few years. MBO and HBO have collaboratively developed and are launching initiatives to smoothen the step to HE in order to educate

more teachers in the future.

### *Institutions*

Now that an international context has broadened HE horizons, institutional autonomy including differentiation might be a way to deal with the HE arena. Differentiation is a process indicating the emersion of new entities in a system, while diversity refers to variety within a system (Van Vught 2008). This way differentiation can lead to diversity. On differentiation within HE, there appear to be ‘remarkably few studies’ with empirical outcomes (Van Vught 2008, 163). However, it can be assumed that increasing numbers of foreign students and internationalisation of the HE sector resulted in the urge for HE institutions to specialise and distinguish themselves to be compatible and competitive with other (inter)national institutions. An intended outcome of the policy – international recognisability and synchronisation – also might have brought an unintended outcome: HEIs were now placed in a much bigger context and this urged them to be distinctive. HBO institutions had to be more than adequate and professional to prove their value compared to HBO nationally. From this point of view, diversity could be the key.

As outlined in their strategic vision ‘#HBO2025 Wendbaar & Weerbaar’ and articulated through the The Netherlands Association of Universities of Applied Sciences website on May 19, 2015, HBO institutions increase their focus on evidence-based vocational education and research, maintaining focus on vocational training but creating a bridge to academic institutions and the world market. Also, HBO institutions, as do HBO institutions, increasingly focus on specific areas such as hospitality or social studies. Additionally, although relatively late, HBO institutions started offering minors

in 2017. Within universities, the necessity for differentiation was greater. Partly because of the existence of about fifteen universities in a small country with few national customers, and international students seeking something particular or special. Another reason is overeducation, especially among bachelor's graduates and within the humanities (Barone and Ortiz 2011). To appeal and connect to the market, specialisation is continuously required (Veerman et al. 2010). Adding distinguishing branding helps to successfully raise an institution's profile and some, such as Tilburg University School of Economics and Management's prof. dr. De Roon via the Me Judice website on June 29, 2012, plead for investment in highly specialised research. The VSNU and the Ministry of OCW came to an agreement in 2011 in which the universities committed to differentiation concerning levels, content and programmes offered (Rijksoverheid 2011). Similar agreements have been made with HBO institutions. Outcomes of these have become tangible – some desirable, some undesirable – with universities having terminated unprofitable or relatively small-scaled programmes (such as Arabic and Portuguese at Utrecht University), establishing specialised centres for, for example, medicine research or HRM, or creating honours tracks for excellent students.

Differentiation also means that new functions emerge in a system (Parsons and Platt 1973). This can result in market opportunities for institutions, and learning opportunities for students. In the Netherlands for example, the bachelor-master breakdown created space for graduate schools and university colleges, and the Associate degree was introduced in 2010, creating EQF level 5 programs in HE. The vocational nature of HBO institutions offering these Associate degrees again proves to be valuable given the desirability of enabling people to get skilled and be productive at the same time. Nevertheless, there are also undesirable, paradoxical (if not conflicting)

outcomes. Specialisation and differentiation, combined with decreasing government financial aid, in the short term resulted in the discontinuation of small, specific, yet financially unattractive programmes. In the long term, the separation of national institutions based on disciplines or focus might result in less national and increased international collaboration – the University of Amsterdam’s Strategic Agenda explicitly aims at this (UvA 2012) –, weakening the national HE market and system as a whole.

### **Concluding thoughts**

Neoliberal supranational influences changed Dutch education and its social democratic values in the face of globalisation. The provision of good, accessible and affordable education aimed at personal and national prosperity, is being reshaped through policy aiming at creating institutional autonomy and competitiveness for providing education focused on (inter)national productivity. The policy analysed has been crucial in implementing core neoliberal values into the existing national, binary system, changing it from national education engine focused on wellbeing and work to an international, marketable network focused on a competitive workforce. The question posed in the introduction concerns the position of HBO within this new context. There are obvious benefits: internationally recognised degrees, increased student mobility, and closer connections between employers, institutions and students. The HE sector profits from diversity arising from a vocational and academic branch with institutions that are able to differentiate programmes and modes of study. Students and employers are presented with a wider range of choice. Taking into account other countries with binary systems, it is plausible to speak of symbiosis. Yet, there are areas of concern when MBO comes into the picture. One implication arising from this analysis that could be of interest for other countries is that changes within HBO influence MBO in terms of

permeability. The rising standards in HBO affect chances for MBO graduates to continue their studies, as shown by the statistics. This might amplify the process Hillmert and Jacob (2003) describe with MBO graduates considering their qualification as their personal terminal qualification. This, on its turn, could lead to greater social inequality. Here, HE admittance (criteria), as well as preparation within MBO, are areas of interest. A second implication has to do with actual employability. If MBO qualifications are considered terminal qualifications, then there have to be sufficient jobs for graduates. A replacement effect is a threat to MBO graduates, which could be reinforced by the context described above. MBO standards and qualifications have to mirror labour market demands broadly, while being different from HE qualifications to be competitive. This leads to a third implication, which concerns variety and differentiation. Considering HBO to be a branch on its own and complimentary to academic HE, while the different levels of vocational education are respected, it should offer specific programmes and distinguish itself not only from direct competitors, but also from institutions offering qualifications in similar disciplines, at whatever level. In order to avoid vocational dichotomy, it is wise must keep in mind that the process of HE specialisation and flexibility also can embody loss of solid, well established structures for interaction and collaboration between institutions, and increases financial and collaborational interdependence for institutions and countries, as well as national inequalities concerning employability. These processes urge for continuous analysis of outcomes.

### **Abbreviations**

EQF: European Qualification Framework; HBO: Dutch Higher professional education; HCT: Human Capital Theory; HE: Higher education; HOOP2000: 'Design Higher

Education and Research Plan 2000'; IAR: report 'Implementation of the bachelor-master system in higher education'; MBO: Secondary vocational education; NOHO: policy note 'Towards an Open Higher Education'; OCW: (Department of) Education, Culture and Science; SER: 'Social Economic Council'; VET: Vocational education and Training; VSNU: Association of Universities in the Netherlands.

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