# Promoting Adult Learning

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**Promouvoir la formation des adultes**

# *Foreword*

*This publication is the result of an OECD thematic review of adult learning policies and practices in 17 OECD countries, carried out jointly by the OECD's Education Committee and the Employment, Labour and Social Affairs Committee between 1999 and 2004. The main focus of the study has been on understanding adults' access to, and participation in, education and training and on providing policy options for improved delivery. The publication concentrates on institutional arrangements that are conducive to enhancing investments by firms and individuals and, in particular, on policies addressing the barriers of time, lack of motivation, insufficient information, financial constraints and availability of quality supply in a context of policy fragmentation. It draws upon quantitative and qualitative information obtained from participating countries to provide in-depth analysis of recent developments in adult learning policies and practices and presents options for policy choices by illustrating country examples of good practice.*

*The report follows up on OECD (2003),* Beyond Rhetoric: Adult Learning Policies and Practices, *which covered adult learning policy-making in nine countries. It draws heavily on the documentation elaborated for the thematic review of adult learning: background reports submitted by the review countries, country notes prepared by the OECD review teams, as well as information gathered during country visits and expert meetings. All relevant information on the thematic review can be found on the OECD's adult learning website* www.oecd.org/edu/adultlearning.

*A wide range of participants contributed to the success of the adult learning thematic review. National coordinators from each country, listed in Annex D, and national steering committees were vital to the organisation of the country visits and the drafting of the background reports. OECD expert review teams, particularly the rapporteurs, were key to the writing of individual country notes. The Swedish Ministry of Education, Research and Culture, hosted the final conference in Malmö, which benefited from a rich set of experts and exchange of views.*

*The present publication was authored by Mr. Koji Miyamoto, Ms. Beatriz Pont, Mr. Peter Tergeist and Mr. Patrick Werquin from the OECD Secretariat. They benefited from the editorial assistance of Mr. Randy Holden and from many comments by colleagues and review countries. The project was carried out under the supervision of Mr. Abrar Hasan, Head of the Education and Training Policy Division in the Education Directorate and Mr. Raymond Torres, Head of the Employment Policy and Analysis Division in the Employment, Labour and Social Affairs Directorate.*

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# Executive Summary

This book is a follow-up to the 2003 OECD publication *Beyond Rhetoric: Adult Learning Policies and Practices*. It is based on information from the 17 countries participating in the OECD thematic review of adult learning between 1999 and 2004: Austria, Canada, Denmark, Finland, Germany, Hungary, Korea, Mexico, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the United Kingdom (England), and the United States.

### *Going beyond rhetoric: stronger emphasis on financial incentives and on policies to increase the participation of low-skilled adults is needed*

The 2003 publication, based on the experience of a first group of nine countries, focused on understanding adults' access to and participation in learning activities and on enhancing incentives for them to undertake such activities. The insights gained after additional countries participated in the review have helped strengthen the existing knowledge base of policies and practices; it is now possible to enrich the discussion of policy options and develop a sharper policy focus. While still advocating an integrated approach to adult learning policies, this publication contains a stronger emphasis on financial incentive mechanisms and on policies to increase the participation of low-skilled adults.

The focus on the low-skilled results from two main factors. First, these adults rank high on the policy agenda of a number of review countries. Second, recent studies show that an equitable distribution of skills has a strong impact on overall economic performance. This is an important finding, one that helps justify policies to upgrade the skills of disadvantaged groups. It also shows that the distribution of skills is important over the long term for living standards and productivity: more equitable investments in skills can foster growth by making the overall labour force more productive.

The main purpose of this report is to gather the key policy lessons from 17 OECD country reviews, notably as regards countries' approaches to improving access to and participation in adult learning. The report examines in depth the latest developments, including policies and incentives for adults to undertake learning. It addresses potential barriers to learning and possible policy actions to remedy them. Lack of motivation, lack of time, and financial constraints remain key barriers and need to be addressed in wider policy settings.

### *Participation in adult learning varies widely across countries…*

**Chapter 1** shows that there is substantial variation in participation rates across the 17 review countries. Denmark, Finland and Sweden generally rank highest; they are joined by the United Kingdom and Switzerland when ranking is based on the adjusted participation rate developed for the purpose of this publication. Hungary, Portugal and Poland have the lowest participation rates in most surveys. Interestingly, the breakdown of participation and


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duration of training across countries shows that there exists an "extensive" model of adult learning involving a low volume of training to a large number of adults, *vs.* an "intensive" model that concentrates training efforts on a smaller number of people.

*… and across population groups*

Further, there are significant inequalities in participation in adult learning. Participation rates of those with tertiary education are often 5 or 10 times as high as those of the low-skilled. Older individuals tend to participate much less in adult learning than their younger counterparts. Company size is another important determinant; among the review countries, small and medium-sized enterprises in Hungary, Poland, Portugal and Spain are particularly under-represented in continuing training.

Is there under-investment in adult learning, and to what extent does this affect equity of access? While many theoretical studies underline the role of imperfections in labour, capital and training markets in inhibiting investments in human capital, the available evidence is mainly indirect and does not allow a conclusive answer. Yet, evidence points to the fact that under-investment affects certain disadvantaged groups disproportionately, such as the low-skilled and older age groups. This suggests a role for policy intervention.

*Governments have a range of policy levers*

The experiences of the review countries show that governments can indeed play a useful role by: *i)* creating the structural preconditions for raising the benefits of adult learning; *ii)* promoting well-designed co-financing arrangements; *iii)* improving delivery and quality control; and *iv)* ensuring policy co-ordination and coherence. Given the non-conclusive evidence about the overall quantitative impact of market failures, adult learning policy should first and foremost concentrate on schemes with large leverage potential. Regulatory and institutional arrangements that are conducive to enhancing investments by firms and individuals, while limiting public financing, are key within this type of strategy.

*Creating the structural preconditions for raising the benefits to adult learning*

Policies for increasing and promoting the benefits of adult learning are taken up in **Chapter 2**. First, it is important to improve the visibility of rewards to learning as a way to motivate adults to learn. It is also important to remove the structural impediments to increase these returns by strengthening recognition of acquired skills, making them transparent and easily signalled to both individuals and firms. The development of national qualification systems provides a sort of "currency" in this respect. Recognition of informal and non-formal prior learning can contribute to reducing opportunity costs. Schemes allowing individuals to have their skills recognised, independently of whether these have been acquired through formal training or non-formal learning experiences (for example through competence-based exams), are being introduced in a growing number of OECD countries, helping to realise a culture of adult and lifelong learning. At the same time, it is essential to ensure that certification systems are credible and transparent to employers; otherwise, certified skills might be devalued in the labour market.

High-quality information and guidance provision facilitates access to participation, helps improve visibility of the gains resulting from adult learning, and ensures a better match between the demands of individuals and supply. Lack of information on the availability as well as the quality of courses offered may affect perceptions of what individuals can gain from engaging in learning. Countries have adopted different approaches to surmount this problem. Individual counselling support has been found to be effective, particularly in the case of low-skilled and disadvantaged adults. One approach uses the promotion of learning by individual mentors or "learning ambassadors", *i.e.* previous successful course participants or other specially qualified mediators such as trade union learning representatives. It is also important that providers are linked by a network through which they can share and exchange information. One-stop centres are promising avenues in that they integrate information and guidance in already existing networks of services.

*Promoting well-designed financing arrangements*

**Chapter 3** examines financing arrangements aimed at supporting participation and increasing the effectiveness of adult learning. Financial constraints are likely to be particularly acute for low-income individuals and older workers (who usually only have a short period available in the labour market over which training expenses can be amortised). Further, an individual firm may not have sufficient financial incentive to invest in general as opposed to firm-specific employee skills – even when this may be worthwhile for the economy as a whole.

To the extent that it generates considerable private returns, much of adult learning should be co-financed. It could be a waste of public resources to fund learning with public subsidies when it would have been undertaken anyway (the so-called deadweight effect). However, given the inequitable outcomes, there is a stronger case for governments offering co-financing and setting economic incentives for low-skilled and disadvantaged groups, as well as for certain types of firms (such as small and medium-sized enterprises). The challenge is to find solutions that address those cases where financial constraints indeed constitute major obstacles to investment and participation in learning.

Funding mechanisms that co-finance adult learning expenses by firms and adults, or that allow greater choice to individuals, can raise the efficiency of provision. Among the various financing instruments available for firms, profit tax deductions and levy/grant schemes are possible options. However, it is important that eligibility conditions and grant disbursement strategies are designed so that: *i)* deadweight losses are minimised; and *ii)* small firms and disadvantaged individuals have an opportunity to participate. Payback clauses in individual contracts can be another helpful co-financing scheme; these allow firms and individuals to share the cost of training, and help address problems of free-riding and "poaching" among firms. Finally, vertically linked firm networks, where large enterprises provide training directly to small ones belonging to their supply chain, are a promising avenue for the pooling of resources among firms with different training capacity.

Individual learning accounts (ILAs) and subsidies (vouchers and allowances) can facilitate learning among low-skilled adults, as long as the schemes are appropriately targeted. Experiences with ILAs and vouchers from several review countries have proven to be effective in addressing the needs of the disadvantaged, since they can be targeted and stimulate competition among training providers. Individual allowances have been

successful in promoting take-up of learning in Nordic countries. Support for training leave is also a useful instrument to promote learning take-up by workers, but mechanisms need to be found to ensure that low-skilled workers are among those who benefit through financial and social partner support.

*Improving delivery and quality control*

Issues regarding the delivery of adult learning and quality control of programmes are taken up in **Chapter 4**. First, appropriate delivery methods are essential in improving adults' participation. A wide range of institutions – folk high schools, community colleges, community institutions, regular educational institutions and more informal venues – deliver learning to adults with different needs. Experience from the review countries highlights the importance of targeting. For example, in several review countries, intergenerational learning programmes are an outstanding method for dealing with problems of literacy. Effective delivery also implies responding to the key constraint to participation: time. Easing time arrangements and providing flexible alternatives for learning have been successful in helping a number of countries reach high participation rates. These include the development of part-time learning and distance learning programmes employing information and communication technologies.

Effective delivery of training in the workplace can also contribute to raising overall participation. Real involvement on the part of employee representatives and a well-structured dialogue between business and labour on education and training issues can be an important element contributing to improved training provision. The social partners are well equipped to jointly define education and training curricula leading to recognised qualifications. The involvement of employee representatives can reduce asymmetric information on costs and benefits, help shift employer supply towards more general types of training, and create more equitable learning opportunities.

In view of existing inequities in access to adult learning, and considering that many employers seem to assume that they profit more from training the higher-educated and do not consider it in their interests to engage in basic skills instruction for their low-skilled employees, governments are well advised to develop incentive programmes to increase workplace learning of the low-educated and low-skilled.

Turning to the issue of quality control in adult learning, there is no doubt that poor-quality programmes and lack of knowledge of programme outcomes can result in low investment and participation. Thus, there is a need for quality assurance and programme assessment and evaluation as integral components of adult learning systems. To improve market transparency, governments can set an appropriate regulatory framework for competition among providers and make information on provider quality available to users. They can set quality standards, certify adherence to these standards and disseminate information about adhering providers to the general public. Public employment services should be encouraged to further enhance their own quality standards when referring unemployed clients to continuing training courses provided by the private or community sector. More generally, providers' participation in public tenders constitutes a promising way of ensuring quality of provision.

By verifying what works and what does not, for whom and in what circumstances, assessment and evaluation can contribute to more efficient and effective policy making.

Evaluation in this area is a particularly challenging task, since the goals of adult learning are more varied and idiosyncratic than those of conventional education or employment-focused training programmes. Still, evaluation of adult learning activities outside of labour market programmes can be much improved. Moreover, evaluation of these programmes – while having made some progress in recent years – still faces the challenge of finding appropriate performance indicators and assessment methods that give room to both efficiency and equity objectives.

### *Enhancing policy co-ordination and coherence*

**Chapter 5** argues that the development of more coherent policy frameworks can also assist in enhancing adult learning investment and participation. As a rule, a wide variety of needs are covered by adult learning systems, and there is a high diversity of stakeholders in the policy-making process. Against this background, a certain lack of co-ordination and coherence has been a common trait in adult learning policy making in most countries.

Ideally, policy frameworks would require co-ordination with all stakeholders involved: co-ordination within education policies, in terms of reducing early school dropout rates and developing lifelong learners; effective co-ordination between education and employment policy objectives, in the use of adult learning to assist the unemployed in finding a job; linking adult learning to social welfare programmes, so that benefit recipients can also develop their skills; and co-ordination with the social partners, in the definition of skills needs and the development of learning opportunities.

A way to improve the lack of co-ordination between the different partners involved is to create adult learning institutions for policy formulation and programme delivery. Depending on the national contexts, these institutions can act as co-ordinators, advisory bodies or actual policy-making bodies. A co-ordination institution would establish priorities, define appropriate financial incentive mechanisms for increasing participation, and improve the quality of provision through enabling the collaboration of the different partners involved. Setting targets in terms of numbers of learning participants and final output may also help to get a diverse range of actors to work towards common goals.


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# *Introduction*

## The issues at stake

This comparative report of the second round of the OECD's thematic review on adult learning comes at a time when there is increasing recognition of the importance to invest in adult learning, in the interests of both economic efficiency and equity. Recent research has shown that the macroeconomic returns to investment in human capital can be considerable: a 10% increase in the stock of human capital, as measured by an increase in years of schooling, can increase per capita GDP by between 4% and 7% in the long run (OECD, 2000a; OECD, 2003b). Adult learning is an important additional input into the development of human capital, with a strong positive impact on productivity, innovation and employment chances of individuals (OECD, 2001a; OECD, 2004a; Ok and Tergeist, 2003). Furthermore, recent analysis has shown considerable returns to the working-age adult who resumes formal education to obtain upper secondary or tertiary-level degrees (Blöndal *et al*., 2002; OECD, 2004b).

Other recent studies show that an equitable distribution of skills across populations also has a strong impact on overall economic performance. Coulombe *et al*. (2004) demonstrate that raising the basic skills of all individuals can have a larger impact on economic growth than investing in improving the skills of a select group of high-skilled individuals. This is an important finding, which helps justify policies to upgrade the skills of disadvantaged groups. It also implies that the distribution of skills is important over the long term for living standards and productivity: more equitable investments in skills can foster growth by making the overall labour force more productive. A similar finding emerged from the analysis of PISA data on the educational performance of 15-year olds.[1] It is thus possible to combine high performance standards with an equitable distribution of learning outcomes.

In addition to the economic implications, adult learning can bring with it the political benefits of improved civic participation, a strengthening of the foundations of democracy. Learning for civic and cultural purposes helps people acquire competences as conscious actors in political and social change and for taking independent decisions in the design of their career and private life. There is also a range of individual benefits such as improved health and well-being, self-confidence and personal satisfaction.[2]

Despite these obvious benefits of adult learning, participation remains unequal, favouring those with higher educational attainment, younger adults and those working in larger firms, among others. Many adults are either not aware of the need to upgrade their skills, or they find different barriers to participation, as already highlighted in the first comparative report produced for the thematic review on adult learning, *Beyond Rhetoric: Adult Learning Policies and Practices* (OECD, 2003a). That report highlighted two important issues: *i)* the fact that there is a growing consensus on the need for continued improvement of adult skill levels – not only of those who already have high educational attainment, but

in particular of those with lower skill levels; and *ii)* that one important prerequisite for more equitable participation in adult learning is the development of coherent adult learning policy frameworks. While there are positive developments in many countries, adult learning is characterised by a high diversity of actors and stakeholders, and policy-making remains fragmented and often lacks coherence and strategic direction.

The 2003 report, based on the analysis of the nine countries which participated in the first round of the thematic review (Canada, Denmark, Finland, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom), argued that it was indeed time to go beyond rhetoric and consider concrete policy answers to expand learning opportunities for all adults. Focusing on the problems adults face to participate, it proposed a set of desirable features of effective adult learning systems.

The focus of this second comparative report is to provide additional insights into policy, actual practice and results based on the participation of nine additional countries: Austria, Hungary, Mexico, and Poland, which participated in a full-scale review, and Germany, Korea, the Netherlands, the United Kingdom and the United States, where the focus was on addressing adult learning for low-skilled and low-educated adults. It also benefits from additional and updated information from the countries that participated in the first round of the review.

The report thus provides an overview of participation in adult learning and of the range of corresponding policy approaches adopted in 17 OECD countries. It examines in-depth recent developments in education and training activities, as well as available incentives for adults to undertake learning. It concentrates on ways to improve participation based on policies to address the barriers of time, lack of motivation, insufficient information, financial constraints and availability of quality supply. Based on quantitative and qualitative information obtained from participating countries, it presents both a broad cross-country comparison, and more detailed examples of good national and local practices.

## Methodology and country participation

The thematic review on adult learning was launched in late 1999. Up to 2002, nine participating countries were visited by review teams and background reports and country notes were produced. A comparative report, *Beyond Rhetoric: Adult Learning Policies and Practices*, was published in February 2003. Subsequently, nine further countries joined for the second round of the thematic review: four in the full-scale review which covers adult learning more generally, and five in the focused review, which focuses on problems faced by low-skilled adults. The activity concludes with the publication of this final comparative report.

The review methodology involves the analysis, in a comparative framework, of country-specific issues and policy approaches to adult learning. A five-step procedure used for other thematic reviews in education has been adopted:[3]

- Preparation by the country of a background report.
- Preliminary visit to the country by the Secretariat.
- Mission to the country by the review team.
- Preparation of a country note.
- Preparation of a comparative report.


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Each participating country has prepared a background report on the basis of a common outline and data questionnaire. These reports provide a concise overview of the country context, current adult learning policies and provision, major issues and concerns, and available data. The preparation of the background report was managed by a national co-ordinator or team of co-ordinators, and guided by a steering committee that brought together experts and officials from both education and labour. The reports were written either by government officials or by commissioned authors. By providing a state-of-the-art overview and description of policy and provision in each participating country, the background reports have themselves been important outputs of the review process, beyond serving to brief the reviewers prior to their country visits. In several countries, it was the first time that such information had been brought together in one comprehensive document. In some cases, background reports have been published separately in the specific country.

Following the preparation of the background report and a visit by the OECD Secretariat to prepare the programme for the full visit, each participating country hosted a multinational team of two OECD Secretariat members and one to three reviewers (including the rapporteur in charge of the preparation of the country note) for a one- to two-week review visit. The visits, which were organised by government officials in co-operation with the Secretariat, enabled the experts to study both education and labour market issues related to adult learning. The background report formed the basis for analysis, and the visiting teams discussed the issues with a wide range of stakeholders: senior policy makers, officials in education and employment, trade unions, employers, representatives of training institutions, education professionals, NGOs and members of the research community. Usually there were field visits to institutions and organisations. A total of 41 external experts from 18 countries and six members of the Secretariat took part in the 18 review visits. This wide range of participants – with varied backgrounds in fields such as economics, education, political sciences and sociology – furnished a rich set of perspectives for analysing countries' experiences, while also facilitating cross-national discussions of policy lessons. The details of the national co-ordinators and members of the review teams are provided in Annex D and in the country notes.

After each visit, the review team prepared a country note drawing together observations and analyses of country-specific policy issues. The qualitative assessments of the review teams have been supplemented by statistics and documents supplied by participating countries and the OECD. Data sources include the International Adult Literacy Survey (IALS), Labour Force Surveys (LFS), the European Union's Continuing Vocational Training Survey and national surveys. The country notes provide insights into current adult learning policy contexts, identify the major issues arising from the visit, and propose suggestions to improve policy and practice. In addition, each note highlights examples of innovative approaches with the goal of promoting cross-national exchange of best practice.

Information and analysis included in this publication draw heavily upon the background reports and country notes. These reports are not individually cited in the text (unless directly quoted), but they can be found on the OECD's adult learning thematic review website together with other relevant material (*www.oecd.org/edu/adultlearning*). They offer rich contextual material on each of the participating countries; the country notes provide the review teams' assessments and policy suggestions.

## Structure of the report

The report is structured in five chapters. Chapter 1 presents an analysis of participation in adult learning which reveals large country variations. It then reviews different sources of inequality in provision, and of the barriers and obstacles to participation that adults face. This chapter lays the groundwork for the remaining text, which presents four policy levers through which governments can contribute to improving adult learning participation levels. The policy levers are presented separately in four chapters: Chapter 2 focuses on creating the structural preconditions for raising the benefits to adult learning; Chapter 3 promotes well-designed co-financing arrangements; Chapter 4 reviews effective delivery mechanisms and quality control; and Chapter 5 raises ways of improving policy co-ordination and coherence.

The report contains a large number of examples from individual country observations and good practices. Comparative tables provide comprehensive overviews of what countries are doing in specific domains. Whenever possible, evidence is presented of the results of different initiatives. Finally, Annex B provides a useful country by country table describing key approaches to adult learning.

### *Notes*

1. In the OECD's Programme for International Student Assessment (PISA), Finland, Korea and Canada manage to attain high levels of average skills with a relatively narrow range of differences in reading and mathematical performance (OECD, 2004c).
2. The OECD is now engaged in a study on the social outcomes of lifelong learning, exploring the impact on health, ageing or civic engagement, among other factors (*www.oecd/edu/socialoutcomes*). Further research in this area can be found at the Centre for Research on the Wider Benefits of Learning (*www.learningbenefits.net*), or in Schuller *et al.* (2004).
3. The adult learning review is the fourth thematic review of this sort. It follows similar studies undertaken on different subjects such as tertiary education (OECD, 1998), school-to-work transition (OECD, 2000b), early childhood education and care policy (OECD, 2001b) and *Attracting, Developing and Retaining Effective Teachers* (OECD, 2005). Another thematic review currently in process is *The Role of National Qualification Systems in Promoting Lifelong Learning*.

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*Chapter 1*

# Participation in Adult Learning: the Figures and the Problems

*This chapter lays the groundwork for the policy sections that follow. It provides a broad picture of participation in adult learning in 17 OECD countries, highlighting disparities in provision. It then examines participation patterns by sub-group, focusing on gender, age, educational attainment and labour force status. A new participation indicator combining incidence and duration of adult learning participation is also presented. The chapter concludes with a look at possible barriers to optimal outcomes.*

The scope of the discussion should be made clear from the beginning. "Adult learners" are adults aged between 25 and 64 who engage in learning activities.[1] The types of adult learning activities considered here vary widely. They include both formal and informal learning, work-related education and training for the employed, language and citizenship courses for immigrants, labour market training programmes for job seekers, and learning for personal development. Some engage in adult learning on a part-time basis, others full time.

Providing a clear picture of adult learning participation across OECD countries is a challenging task, since the available data are often not suitable for comparison. The differences encountered across countries in the definition of adult learning and in the reference period used by surveys constitute major problems in analysing participation patterns. Some surveys focus on workplace training only, while others also consider learning for personal reasons. The inclusion of formal, informal and non-formal learning components may also vary. Even if surveys have the same sectoral focus, cross-country differences in the wording of survey questionnaires can be an additional problem. The data used in this chapter are based mainly on the European Union Labour Force Survey, the recent Eurobarometer Survey (CEDEFOP, 2003) and individual surveys from Canada, Korea, Mexico and the United States.

## 1. Patterns of participation

Table 1.1 provides available data on the extent of adult participation in learning activities in the 17 review countries. It contains three data sources for European countries (the 2003 European Union Labour Force Survey, EULFS; the 1999 European Union Continuing Vocational Training Survey, CVTS; and the 2003 Eurobarometer Survey); data from national sources, which are used for the non-European countries in the thematic review; and data based on the International Adult Literacy Survey (IALS) from the 1990s. The EULFS data refer to a reference period of four weeks, the other four columns to a period of one year.

There is substantial cross-country variation in participation rates, quite apart from the difference in reference periods (Table 1.1). For example, in surveys with a one-year reference period, rates range from 12% to 56% according to CEDEFOP and from 15% to 60% according to the IALS. Participation in the four countries shown in the "National sources" column range from 10% to over 50%. The four-week participation rates registered by the EULFS are generally lower and range from about 3% to 25%. However, country rankings remain broadly similar across surveys. Denmark, Finland and Sweden rank highest in most of the surveys, followed by the United Kingdom and Switzerland. By contrast, Hungary, Poland and Portugal rank lowest in most surveys.

Figure 1.1 – based on the EULFS and national sources – shows that across the board, the incidence of participation varies considerably depending on individual characteristics. In other words, all review countries share important inequalities in access to adult learning. The four panels of the chart present the variations in participation of sub-groups *vis-à-vis* national average participation rates (which are given the value 1).

Table 1.1. **Adult learning participation rates**

| Survey | EULFS[a] (2003) | Eurobarometer[b] (2003) | CVTS[c] (1999) | IALS[d] (1994-98) | National sources[e] |
|---|---|---|---|---|---|
| Reference period | 4 weeks | 1 year | 1 year | 1 year | 1 year |
| Austria | 12.5 | 35.5 | 31.0 | . . | . . |
| Canada | . . | | . . | 40.6 | 34.7 |
| Denmark | 25.7 | 56.2 | 53.0 | 60.1 | . . |
| Finland | 25.3 | 53.3 | 50.0 | 64.8 | . . |
| Germany | 6.0 | 32 | 32.0 | . . | . . |
| Hungary | 6.0 | . . | 12.0 | 25.5 | . . |
| Korea | . . | . . | . . | . . | 18.9 |
| Mexico | . . | . . | . . | . . | 9.6 |
| Netherlands | 16.5 | 41.5 | 41.0 | 42.9 | . . |
| Norway | 19.6 | 41.7 | . . | 53.5 | . . |
| Poland | 5.0 | . . | 16.0 | 19.0 | . . |
| Portugal | 3.7 | 11.9 | 17.0 | 15.7 | . . |
| Spain | 5.8 | 28.2 | 25.0 | . . | . . |
| Sweden | 34.2 | 51.9 | 61.0 | 59.2 | . . |
| Switzerland | 24.7 | . . | . . | 45.3 | . . |
| United Kingdom | 21.3 | 39.6 | 49.0 | 53.7 | . . |
| United States | . . | | . . | 48.1 | 52.1 |
| **Unweighted mean** | **15.9** | **38.9** | **35.2** | **44.0** | **28.8** |

*Source:*

*a)* Eurostat (2003), European Union Labour Force Survey.

*b)* CEDEFOP (2003), *Lifelong Learning: Citizens' Views,* Office for Official Publications of the European Communities, Luxembourg.

*c)* Eurostat, Continuing Vocational Training Survey (CVTS).

*d)* International Adult Literacy Survey.

*e)* Statistics Canada (2004), *Working and Training: First Results of the 2003 Adult Education and Training Survey*; INEGI (2001), Census of Mexico; Ministry of Education and Human Resources Development (2000), Lifelong Education Survey, for Korea; National Center for Education Statistics (2001), National Household Education Survey, for the United States.

To begin with, according to Panel A, there is little differentiation in participation by gender since all values deviate from the national average by less than 20%. In 10 of the 17 countries, women are engaged in learning activities to a somewhat higher extent than men.

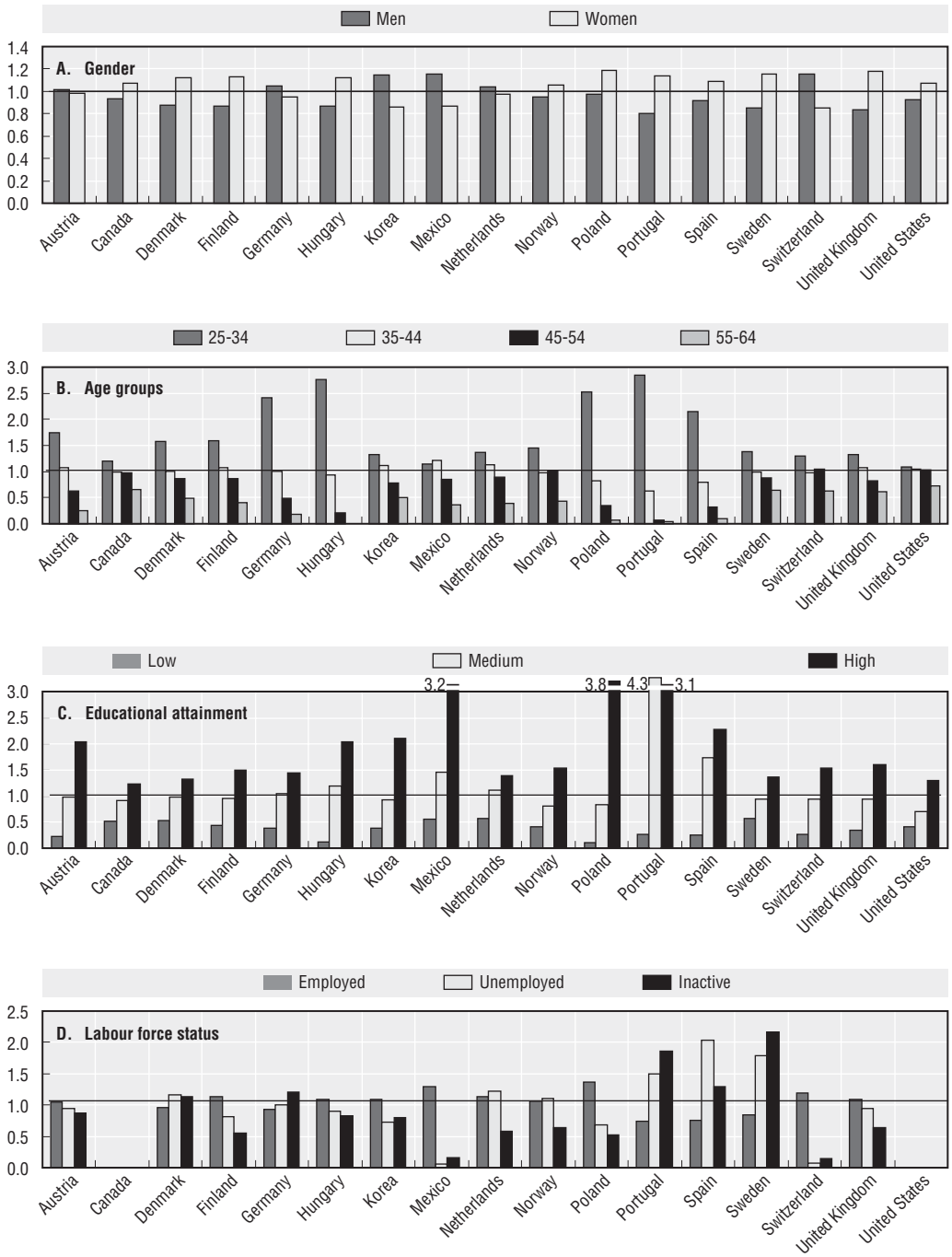
Panel B confirms for every review country the well-known fact that participation in learning declines with age. For example, the learning participation rate of 25 to 34 year-olds is often more than twice as high as the national average, while participation of cohorts between 55 and 64 is often below half, and sometimes (in Hungary, Poland, Portugal and Spain) only about one-tenth of the national average.

Panel C confirms that education and adult learning are complementary. Those who are more educated receive more training and participate in employment that requires the use of higher skills, and therefore receive more opportunities to continuously update their skills (OECD, 1999 and 2003a). The panel shows that as a general rule, with the exception of Portugal, persons with the highest level of educational attainment are also enrolled in learning activities to the highest extent.

Finally, the situation is more diverse when it comes to learning participation by labour force status (Panel D). While the employed have the highest participation rates in 8 of 16 countries, the unemployed have the highest participation in four, and those out of the labour force in another four of the countries. Most outstanding in relation to national averages are participation rates of the unemployed in Portugal, Spain and Sweden, and of the inactive in Portugal and Sweden.

## Figure 1.1. **Adult learning participation by socio-economic characteristic, 2002**

Ratios of participation rates for each subgroup to the national average participation rate, 25 to 64 year olds[a]




*a)* A ratio superior to 1 implies that the proportion of persons in adult learning in a specific category is above the country's average participation rate; a ratio between 0 and 1 implies that it is below the average rate. The ratios of sub-group participation allow the comparison of countries with data for a four-week reference period with those of countries with data for a one-year reference period.

*Source:* OECD calculations based on Eurostat, European Union Labour Force Survey, and national sources given in Table 1.1.



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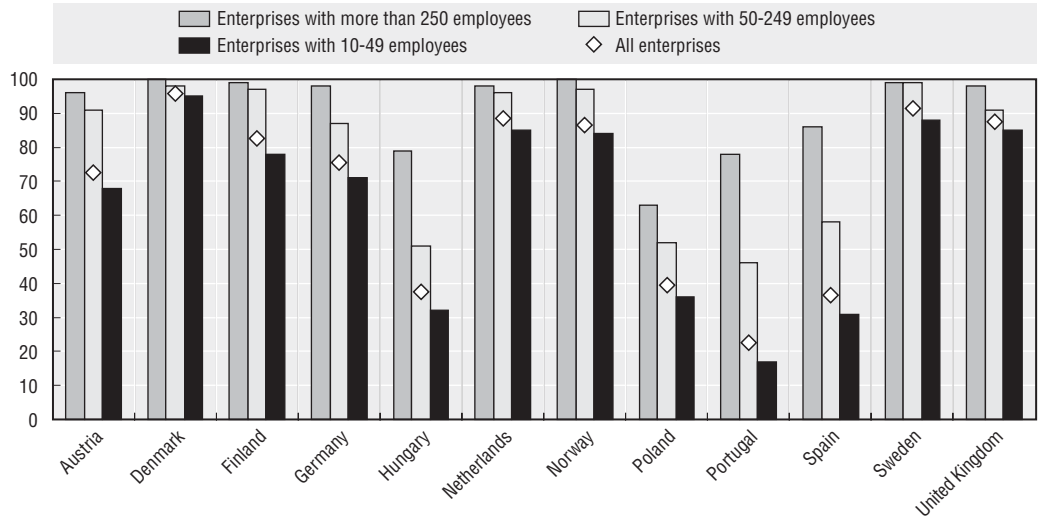
Figure 1.2. **Share of enterprises providing training by size in selected countries, 1999**

Percentages, 25 to 64 year olds




*Source:* Eurostat, Continuing Vocational Training Survey (CVTS), NewCronos database.

Firm size also matters; Figure 1.2 shows the incidence of continuous vocational training by three firm size classes in European countries. Even if in 8 of 12 EU countries participating in the OECD review, over 70% of companies tend to provide training for their employees, disparities by company size are striking – and would be even more so if companies with fewer than 10 employees had been included in the survey. In Portugal and Spain, for example, the share of enterprises with more than 250 employees that provide training is four and three times higher, respectively, than the share among firms with 10 to 49 employees.

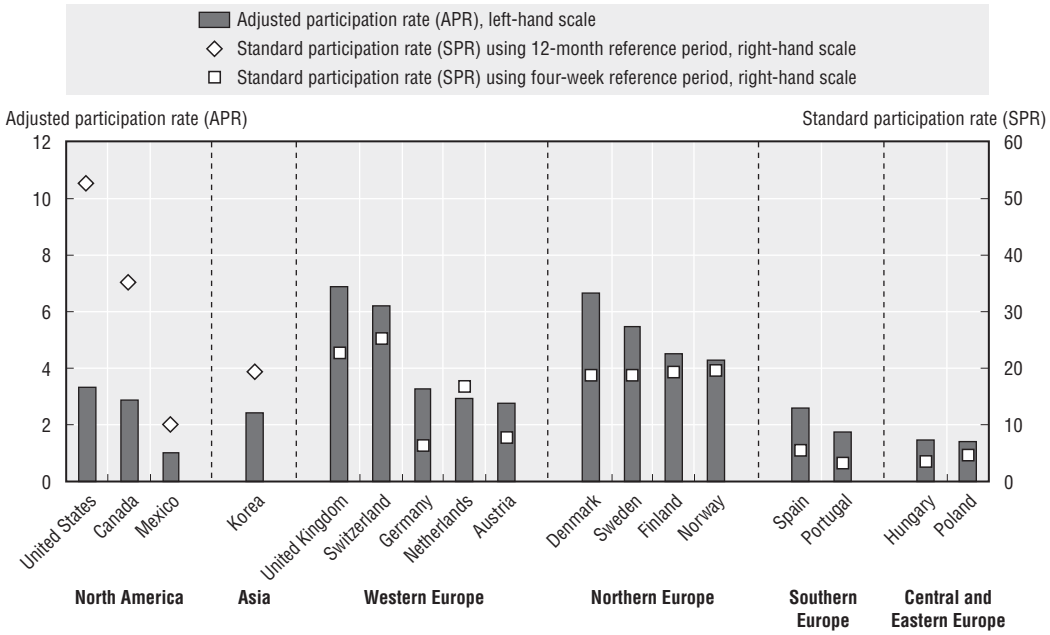
OECD (2003b) presents further analysis of demographic groups that are less likely to participate in adult learning, by separately estimating the demand and supply of employer-provided training to quantify the gap between the two. The results indicate, *inter alia*, that immigrants are less likely to receive training from their employer, although they are as likely as non-immigrants to seek training. Workers with part-time (involuntary) and temporary contracts are also less likely to be trained than full-time and permanent staff, despite seeking more training than other groups. Short expected periods of recovering the returns to training, tenure effects and higher probability of quitting may explain under-investment among these workers. Those in low-skilled occupations also receive less training from their employers than those in higher-skilled occupations. This may reflect the fact that employers sort more able employees into better career and training opportunities. On the other hand, the analysis indicates that older workers tend to seek less training than younger workers, even though firms would be prepared to supply them with more training. This may be so because of the limited time left for older workers to reap the benefits of training.

## 2. A new participation indicator

As noted above, cross-country comparison of national participation rates suffers from variations in reference periods. Further, the standard participation rate neglect an important dimension: the duration of learning activities. In an effort to overcome the problem, Figure 1.3

Figure 1.3. **Adjusted participation rate (APR) in selected OECD countries, 2002**

Percentages, 25 to 64 year olds[a, b]




*a)* Countries are ranked in descending order of APR by region.

*b)* For example, the APR in the United States is 3.3% (left-hand scale), while the SPR using a 12-month reference period is 52.1% (right-hand scale). The APR in Denmark is 6.7%, while the SPR using a four-week reference period is 18.4%.

*Source:* Eurostat (2002), European Union Labour Force Survey, for European countries (except for the Netherlands, where data refer to 2001, and Switzerland, where they refer to 2003); Statistics Canada (2004), *Working and Training: First Results of the 2003 Adult Education and Training Survey;* INEGI (2001), Census of Mexico; Ministry of Education and Human Resources Development (2000), Lifelong Education Survey, for Korea; National Center for Education Statistics (2001), National Household Education Survey, for the United States.

introduces a new participation indicator that addresses some of the drawbacks associated with indicators used in the past. The standard indicator and its variants examine whether the individuals surveyed participate in adult learning or not – disregarding the duration of learning over a given period, which varies often considerably across countries. The new indicator provides a full-year and, when possible, full-time equivalent measure of participation, and is defined as the fraction of time an average person spends on learning activities during the year.

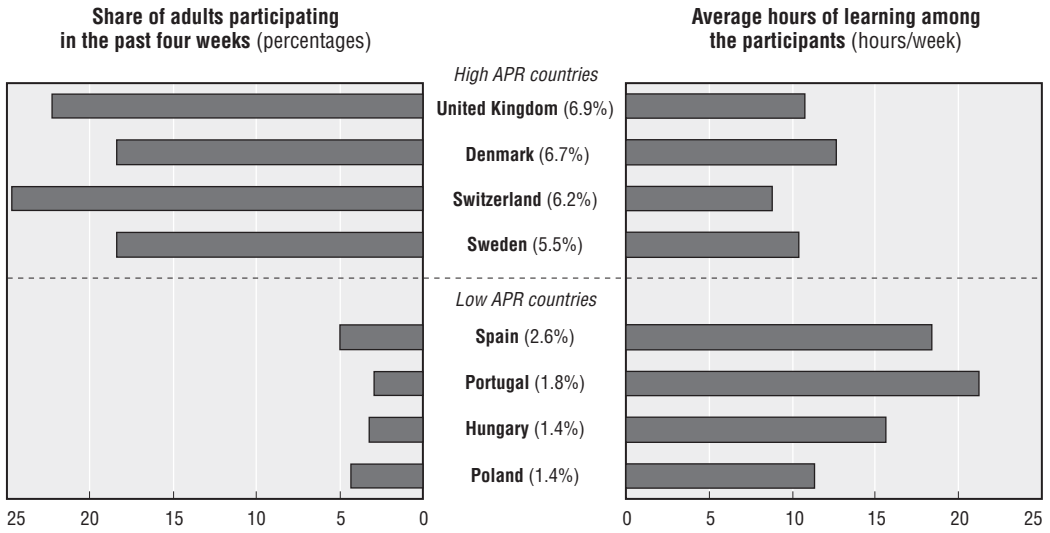
The adjusted participation rate (APR) allows a comparison of aggregate rates across countries by combining information on participation and its duration. The standard rate and the APR are in fact identical if all participants in adult learning spend all their time learning during the reference period. (Annex A provides a fuller definition.) According to the APR, on average 3.5% of adults participated in learning in 2002. The United Kingdom has the highest APR (6.9%) among the 17 review countries. The participation rates in the Nordic countries range between 4 and 6.7%. On the other hand, those in Hungary, Mexico, Poland and Portugal are fairly low.

Analysis of the two main components of the APR – the share of adults participating in learning activities (*i.e.* SPR) and the average duration of learning activities – illustrates that countries follow two different models of investment in learning. There is an "extensive" model of adult learning, which provides a low volume of training to a large number of

adults, and an "intensive" model, which concentrates training efforts on a smaller number of people. Figure 1.4 shows how countries with a high APR (upper half) tend to have a larger fraction of adults participating (on average, 20.9% per four weeks), and their average duration tends to be relatively short (on average, 10.6 hours per week). Countries with a low APR (lower half) tend to have a smaller fraction of adults participating (on average, 3.9%) with a longer duration of adult learning (on average, 16.6 hours per week). This suggests that countries with a high APR have a relatively equal distribution of adult learning. By contrast, countries with a low APR have a relatively unequal distribution, with a selected group receiving a large volume of adult learning.

Figure 1.4. **Share *versus* intensity of adult learning, 2002**

Percentages, 25 to 64 year olds[a]




*a)* Figures in parenthesis correspond to the adjusted participation rate (APR). Countries are ranked in descending order of APR.

*Source:* Eurostat (2002), European Union Labour Force Survey.

## 3. Sources of inequality in adult learning

Before raising policy responses to improve these inequities in the subsequent chapters, it is important to discuss possible reasons for the patterns observed in the participation data. One explanation is that outcomes simply reflect investment choices made by firms, adults and society. Alternatively, there may be market imperfections leading to a sub-optimal level of adult learning provision (Box 1.1).

Assessing under-investment in adult learning is an extremely difficult task (see OECD, 2003b; and Brunello and de Paola, 2004 for recent attempts). While there is limited evidence of under-investment by individuals, there is indirect evidence that firms under-invest in workers' skills. This includes relatively high private rates of return to training (Loewenstein and Spletzer, 1998, 1999; Barron *et al.*, 1999; Booth and Bryan, 2002), evidence of wage compression, the difficulty workers have internalising the benefits of training (Bassanini and Brunello, 2003), and negative effects of labour turnover on training (Brunello and Gambarotto, 2004; and Brunello and de Paola, 2004). In addition, while it has been empirically shown that social returns to initial education are significant – primarily due to externalities or spill-over effects[2] – there is limited evidence of these externalities in the area of adult learning.[3]

Box 1.1. **Sources of under-investment in training**

Market imperfections may lead to sub-optimal levels of participation by adults, especially workers.* These include: *a)* labour market imperfections leading to wage compression, which reduces the benefits of participation for workers; *b)* information failures, such as difficulties in assessing non-certified skills, or uncertainty regarding the quality of providers, which reduces the perceived benefits of participation; *c)* imperfect contractibility of learning arrangements between workers and employers, which makes it difficult to strike private agreements on learning schemes; and *d)* financial market failures that make it difficult for individuals to borrow in order to invest in their human capital. There are also cases where the market for adult learning does not even exist (on the supply side). The review has identified a number of areas within OECD countries where no training providers exist due to remote access (rural indigenous communities), or due to prejudice (providers do not want to operate in certain ethnic communities).

Firms can also under-invest in training out of fear that their investments in employees' skills will be "poached" by other firms. As with individual employees, firms can also be affected by lack of precise information on the quality of training providers and the non-contractibility of training arrangements.

* OECD (2003b) provides a good summary of the literature on the impact of market failures on training outcomes.

## 4. Barriers to adult learning

Analysing the reasons why adults do not participate in learning can provide ideas about how to improve supply to meet potential demand. Most of the evidence points toward the fact that adults do not participate either because they are not motivated or interested, or because they originally wish to participate, but find obstacles to do so.

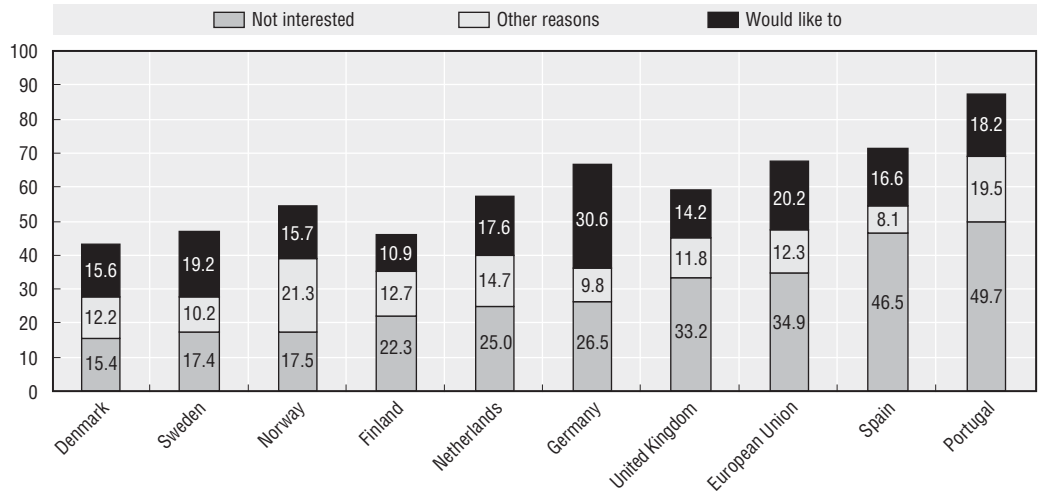
A recent survey on lifelong learning undertaken in European Union countries (CEDEFOP, 2003) showed that among those adults who did not participate in education and training, in almost all countries a large fraction indicated that they were not interested (Figure 1.5). Lack of information, lack of incentives, or a perception of low returns may be behind these responses. In fact, on average, around 43% of those adults participating in learning in EU countries chose to do so because of a personal decision, while the rest participated based on an external decision, because it was required or paid for by the employer, or because they were so advised by work or social relations. Conversely, others would have liked to participate, but for specific reasons could not do so.

The same CEDEFOP survey asked what the main obstacles to participation in learning were. The results are telling (Table 1.2). While more than 25% of all survey participants replied that they found no obstacles, the larger majority replied that they were faced with time-related obstacles. These mostly refer to either having job or family commitments or feeling that participation posed a threat to their leisure time. The option of financing was not included in the question, but it is implicit in many of the multiple choices in terms of the opportunity costs of having to take time off from work.

This information was also discussed in OECD (2003a), which provided information on the main hurdles to taking adult learning. Time-related constraints such as "lack of time" and "too busy at work" are the biggest, followed by financial reasons. There are other

Figure 1.5. **Reasons for not participating in learning in selected EU countries, 2003**

Percentages, 25 to 64 year olds




*Source:* CEDEFOP (2003), *Lifelong Learning: Citizens' Views*, Office for Official Publications of the European Communities, Luxembourg.

Table 1.2. **Main obstacles to future participation in education and training**

Percentages

| | Austria | Denmark | Finland | Germany | Netherlands | Norway | Portugal | Spain | Sweden | United Kingdom |
|---|---|---|---|---|---|---|---|---|---|---|
| No problems | 34.6 | 45.7 | 32.9 | 29.6 | 35.2 | 22.8 | 24.8 | 35.1 | 38.2 | 27.6 |
| Time-related obstacles | 28.3 | 27.7 | 31.5 | 35.8 | 33.9 | 36.8 | 31.9 | 35.2 | 27.8 | 39.4 |
| Job-related obstacles | 15.2 | 16.7 | 16.9 | 18.7 | 14.4 | 16.9 | 17.9 | 19.8 | 13 | 15.7 |
| Family-related obstacles | 17.9 | 17.3 | 16.5 | 21.6 | 17.2 | 17.8 | 19.9 | 17.4 | 15.6 | 26.2 |
| Perception of being too old | 10.8 | 5.3 | 16 | 14.5 | 14.9 | 10.8 | 13.9 | 10.6 | 11.2 | 11.8 |

*Note:* Percentages do not add to 100 because respondents could select more than one item from a list of 16. The items included in this table are grouped under aggregate categories.

*Source:* Chisholm, L. *et al.* (2004), *Lifelong Learning: Citizens' Views in Close-up: Findings from a Dedicated Eurobarometer Survey*, CEDEFOP, Office for Official Publications of the European Communities, Luxembourg.

reasons such as "lack of employer support" and "course availability", but these are much less significant. The data suggest that any under-investment in adult learning is rather due to demand-side reasons than to supply constraints.[4]

Yet another reason noted for not participating in formal adult learning is the fact that people think they learn best in informal settings, through activities at home, via leisure activities, or at work. Thus, informal settings are also an important component in adult learning (Pont, 2004).

Finally, it is important to know which factors would be likely to help reduce these obstacles. The CEDEFOP survey asked what the main incentives would be for future enrolment in education and training. The most common responses were: the possibility of flexible working hours (21%), the existence of individualised programmes of study (20%) and personal choices of methods of study (20%). Access to good information and advice was also highlighted by 14% of the respondents. This suggests that to increase participation in adult learning, policies and practices must be designed to enable people to combine learning activities to suit them in a practical way.

## 5. Conclusion

While comparing national participation rates in adult learning is a challenging task because of the broad range of surveys available and their diverse methodologies, country rankings remain broadly similar across surveys. Denmark, Finland and Sweden rank highest in most of the surveys, together with the United Kingdom and Switzerland when using the newly developed adjusted participation rate (APR). Hungary, Portugal and Poland rank lowest in most surveys. The breakdown of participation and duration of learning across countries shows that there exists an extensive model of adult learning, involving a low volume and a high participation rate, *versus* an intensive model where learning is concentrated on a smaller number of people.

Across countries, the incidence of participation also varies considerably depending on individual characteristics – that is to say, countries share large inequalities in access to adult learning. The disadvantaged groups are mainly low-educated adults, older individuals and those working in small and medium-sized enterprises. However, there are no common trends relating to employment status. While the employed have the highest participation rates in half of the countries, the unemployed have the highest participation in four, and those out of the labour force in another four.

Is there under-investment in adult learning? If so, to what extent does that affect equity of access? While a number of studies claim that imperfections in labour, capital and training markets inhibit investment in human capital, the available evidence is mainly indirect and does not allow for a conclusive answer. On the other hand, scattered evidence – including that analysed in this chapter – points to the fact that under-investment seems to be more pervasive in the case of certain disadvantaged groups, such as low-skilled adults, older adults, low-wage earners (OECD, 2003b; Brunello and de Paola, 2004) and workers in small and medium-sized enterprises.

In fact, available data on barriers to participation suggest that any under-investment in adult learning would more likely be due to demand-side reasons than to supply constraints. Analysis of the reasons for participating or not in adult learning suggests that many adults are simply not interested. This can be because they are not aware of the need for training or because of lack of information, lack of incentives, or a perceived lack of returns. When asked about the obstacles, most refer to the key problem of lack of time, mainly due to work or family reasons. Lack of funding is also a key issue. Having flexible working hours, developing individualised programmes of study, and more information and advice could contribute to improving participation.

Indeed the analysis available, as well as the experiences of the countries reviewed, shows that policy actors can play a useful role in redressing these barriers. Well-designed adult learning policies can address the diversity of issues concurrently by: *i)* improving underlying structures so as to raise the benefits to adult learning; *ii)* promoting well-designed co-financing arrangements; *iii)* improving delivery and quality control; and *iv)* ensuring for improved policy co-ordination and coherence. These four policy levers will be discussed in Chapters 2 to 5 below.

## Notes

1. Restricting the analysis to 25 to 64 year-old adults is in line with the approach taken in OECD (2003a). Formal learning is defined as learning activities taking place in an organised, structured setting. Informal and non-formal learning refer to learning that can occur in very different settings – work, family, leisure – and can even be an unintended outcome of activities outside of learning environments.
2. For example, Marshall (1890) argues that social interactions among workers in the same firm or industry create learning opportunities that enhance productivity. Lucas (1988) shows that human capital externalities in cities are considered to be key determinant of economic growth.
3. A recent study by Coulombe *et al.* (2004) shows that the average social returns to adult skills (*i.e.* literacy and numeracy) are fairly high and presumably exceed private returns.
4. See OECD (2003a), Figure 5.9, based on data from the International Adult Literacy Survey.

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Promoting Adult Learning


*Chapter 2*

# Increasing and Promoting the Benefits of Adult Learning

*This chapter focuses on ways of promoting and improving the benefits of adult learning. To overcome the obstacles of lack of interest or lack of time, adults need to be motivated into learning. One way of providing that motivation is to clarify the benefits of adult learning. Economic benefits are normally expressed in terms of wages, employment and labour productivity. There can also be other, non-economic benefits such as greater self-esteem and increased social interaction. This chapter argues for improved visibility of economic, social and/or personal rewards for learning as a way to motivate adults to learn. It promotes improving information and evidence on returns and removing structural impediments to increase these returns, either through the recognition of prior learning, adequate certification of skills, the provision of useful course content and better information and guidance on learning opportunities.*

This chapter focuses on ways of promoting and improving the benefits of adult learning. To overcome the obstacles of lack of interest or lack of time highlighted in Chapter 1, adults need to be motivated into learning. One way of providing that motivation is to clarify the benefits of adult learning: on one hand, benefits exist but there is often lack of information available on them; on the other hand, benefits can be increased by removing structural impediments. The rewards to learning can be made more transparent, in terms of benefits or reduced opportunity costs. Economic benefits are normally expressed in terms of wages, employment and labour productivity (see Box 2.1 and OECD, 2004a). There can also be other, non-economic benefits such as greater self-esteem and increased social interaction. This chapter argues for improved visibility of economic, social and/or personal rewards for learning as a way to motivate adults to learn. It promotes improving information and evidence on returns and removing structural impediments to increasing these returns, either through the recognition of prior learning; adequate certification of skills; the provision of useful course content and better information and guidance on learning opportunities.

It is well known that the more highly educated are generally more "convinced" of the benefits of learning and thus have much higher participation rates than those with lower educational attainment levels. In fact, "learning begets learning" and enrolment in adult learning is likely to increase with the quantity and quality of initial education. Therefore, making the returns and benefits transparent to those who are not convinced – often the low-educated – is one of the challenges for policy makers.

## 1. Towards more transparent returns

### *Improving information on returns to adult learning*

Figure 2.1 shows the potential impact that obtaining formal qualifications had on the wages of Canadian adults in the mid-1990s. For those aged 30 to 49, there was a 32% wage increase within two years of obtaining a university degree and a 37% increase after obtaining a college certificate, while high school graduates who did not upgrade their qualifications experienced less than 10% wage growth. These increases may however be counteracted, depending on the total amount of time spent in learning. Full-time learning tends to imply foregone earnings during the study period which can result in lowering the rates of returns to individuals over the life cycle (OECD, 2003b). Different alternatives to lessen these direct or indirect costs of studying are proposed in this publication, such as recognition of informal and non-formal learning to reduce the total time spent learning (below), training leave to allow workers to make work compatible with studies (Chapter 3), and part-time or flexible learning arrangements (Chapter 4).

The public needs to know about the potential economic and non-economic returns to adult learning in specific national contexts. Available research has shown evidence of substantial returns to some learners, and that under certain conditions learners may have economic incentives that cover a large part of the financial burden (Box 2.1). Returns can vary by level and field of study; at a given level, some programmes yield much greater

### Box 2.1. **Adult learning pays: some evidence**

Several studies have found that adult education and training have a significant impact on earnings. Ok and Tergeist (2003) present evidence that reveals the positive association between training and worker productivity and between training and wage levels in countries such as the United Kingdom, the United States, France, the Netherlands, Spain and Germany. In the United Kingdom, Loewenstein and Spletzer (1999) estimated that one week of employer-paid training of newly hired workers led to 1.4% higher wage growth after two years, with 17% of this wage growth due to the training. Similarly, Booth and Bryan (2002) found that one week of accredited formal training led to about 1% greater wages from subsequent employers.

A more recent study undertaken by the OECD also finds wage premiums in a number of Member countries (Austria, Belgium, Denmark, Finland, Germany, Greece, Ireland, Italy, the Netherlands, Portugal and Spain) when comparing wage growth for those who have and have not received training. Based on European and national panel data, wage premiums through participation in education and training courses in the latter half of the 1990s ranged from a bit over 0% in France to 2.5% annually in Germany and 5% in Portugal (OECD, 2004a). This study also shows that workers usually get a lower wage premium if they stay with their employer after receiving training. There seem to be higher returns to learning taken with previous employers, with best results achieved by young and highly educated workers. Trained workers also enjoy a lower probability of unemployment than their non-trained counterparts, and better re-employment chances after lay-off. However, some researchers question the scale of returns presented in different studies, which may be overstated due to the difficulties in clearly identifying the effects of training relative to other factors (Leuven, 2004).

Employers also benefit from training their employees, through increases in productivity and (therefore) profits. In a study from the United States, Barron *et al.* (1999) showed that the impact of on-the-job training on productivity growth was much stronger than its impact on wage growth. In the United Kingdom, Dearden *et al.* (2000) showed that productivity levels of training-intensive sectors are higher than in other sectors, and that both the participating workers and firms gain from training.

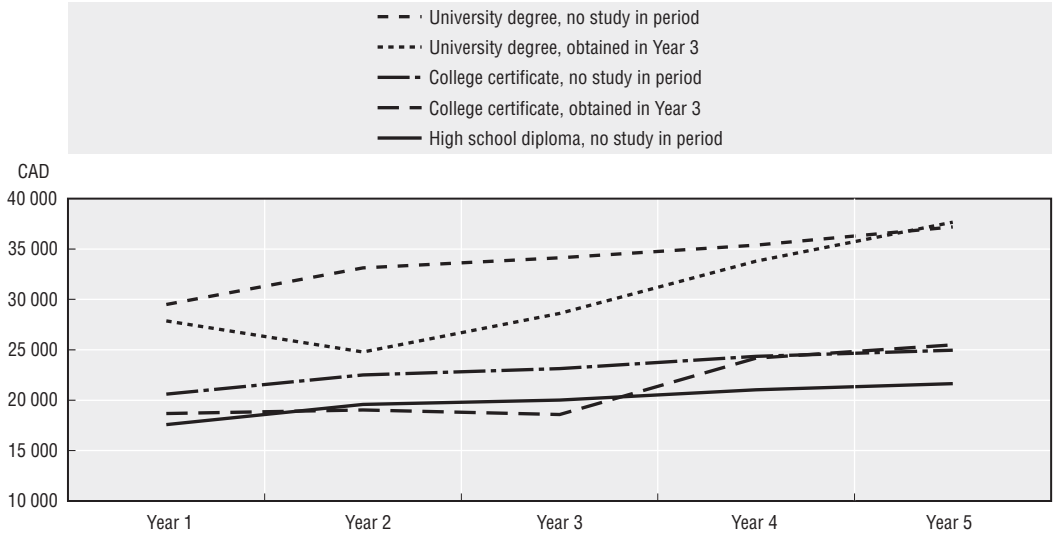
A recent study of publicly traded firms in the United States linked information on education and training investments to publicly reported financial performance data. The study examined whether higher training investments in 1996, 1997 and 1998 were accompanied by higher total stockholder returns (TSR)* the following year. The central finding was that training investments do indeed help predict the future TSR of a firm (as well as other measures of firms' financial performance). Even when controlling for individual firm characteristics such as industry, firm size, prior financial performance and earnings, and other financial factors (*e.g.* expenditures on capital equipment and research and development), the study found a significant, positive relationship between training investments and stockholder returns. The inclusion of the education and training investment variable improved the power to predict future TSR returns by 18% (Bassi *et al.*, 2000).

* TSR is defined as the change in stock price plus any dividends issued.

earnings gains than others. They can also vary depending on individual characteristics such as age, gender and socioeconomic or employment situation. Thus, governments have a role to play in better informing their citizens. Just as there have been efforts to clarify the returns to increases in the stock of human capital, improved measurement of the returns to adult education and training as a source of human capital can also contribute to increasing investment and participation.[1]

Figure 2.1. **Earnings growth by initial education and education acquired in adulthood, Canada, mid-1990s**

Comparison of adults' average annual earnings by initial education and whether they obtained an additional qualification in adulthood (between the ages 30 and 49) over a five-year period (1993-98)




*Source:* OECD (2003), *Education Policy Analysis*, Paris.

### *Human capital in company accounts*

Providing better information on firms' investment in training and its impact on business performance and firm value can be a way of successfully promoting adult learning in enterprises. The OECD has encouraged the transparency of human capital investments in firms and the inclusion of training investments in company accounting procedures (Box 2.2).

### *Wages and skills*

Embedding newly obtained qualifications in wage-setting systems, for example via labour/management negotiations – although challenging to set into motion – may encourage workers to take up training. Pay-for-knowledge compensation systems propose that an employee's pay is contingent on demonstrated acquisition of skills acquired in company training. In effect these systems compensate workers for the range of jobs they are capable of performing for the organisation instead of paying for the performance that is applied to their specific job. The development of individual training plans is vital here, since pay increases depend on the availability of training opportunities within the organisation (Celani and Weber, 1997).

Qualifications-based salary systems adopted in Denmark are a case in point. In the Danish metal industry and several other economic sectors, training participation is recognised as part and parcel of the wage-setting procedure. The concrete criteria for assessment of skills and competences are agreed by the joint work committees and normally include participation in vocational training and other forms of competence development related to the specific job functions held by the individual worker. A similar approach was adopted in an enterprise in Norway (see OECD, 2003c, Box 5.5), where the introduction of an internal wage scale based on seven competence levels increased workers' motivation to develop individual training plans for moving up the competence ladder.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### Box 2.2. **Promoting greater transparency of training investments in firms**

In general, training is treated as a current expense in company accounts rather than as an investment; a firm's stock of human capital does not appear on the balance sheets of corporations. It has been suggested to make available more details on the human capital in a firm's labour force. Failure to adequately measure and value that capital results in a wide gap in the information of interest both to those with responsibility for training programmes within firms and to potential outside investors in these firms. With respect to lifelong learning, this can result in managers having less incentive to devote resources to training, and institutional and individual investors making uninformed decisions.

Some recent recommendations (Blair and Wallman, 2001) suggest that indicators of human as well as physical capital, and of investment in people as well as in machinery, need to be developed and then included in the disclosures required for publicly traded companies. Many companies at present are adopting more voluntary approaches. Some add a complement to their financial statements which includes non-financial information, both quantitative and qualitative, which can describe for example, how they treat and invest in their human capital. Such information is useful for internal and external reporting.

According to a project recently launched at the OECD (2004c), intellectual assets tend to be inadequately measured and are rarely reported in enterprises' financial statements. While there have been efforts to make information regarding intellectual assets more available, no widely accepted methods exist for defining, measuring or reporting them. According to the project, improving the quality of information on intellectual assets would enhance decision-making processes of corporate managers, investors and policy makers.

There are, of course, advantages as well as disadvantages to this type of approach: higher-quality products and improved productivity can be a plus, but increased costs for training and personnel administration can be one of the drawbacks. In pay-for-knowledge systems, workers tend to receive higher pay, enjoy higher job satisfaction, and show increased commitment to the organisation, but such systems also tend to require substantial changes in firms' established salary structures. There is also the issue of closer linkages between wages and skills acquisition translating into a reduced importance of seniority. Furthermore, it is difficult to act upon this lever from a government perspective, as wage determination in most countries remains the prerogative of the social partners.

#### *Focusing on useful content*

Individuals tend to act rationally and finance learning activities when they expect clear returns, whether these come as higher wages or in the form of useful content that can improve their daily lives, open up career opportunities, help them set up a business or learn a new hobby. Assisting in their job search and helping them acquire literacy through useful and relevant content close to their individual needs are particularly useful approaches to teaching adults. The fact that employers tend to require from (prospective) employees a basic education qualification as a precondition for hiring and/or training is a key motivation to attain this level.

For example, one of the main difficulties in getting more adults to participate in literacy programmes is that the present content most of them offer is not sufficiently attractive to those with low skills. A number of countries have modified their literacy curriculum to address practical content and real-life issues, increasing the chances that the learner will obtain useful results from the course.

### Box 2.3. **Combining classroom and work experience in Germany**

*Lesen und Schreiben* (reading and writing), the Berlin charity that targets adults with low basic skills, combines literacy and numeracy courses with work experience and training in repair, painting and home care skills in an on-site workshop. Its clients also operate its café, open to the public. Enrollees are mainly unemployed persons who have difficulty regaining employment due to their low reading and writing skills. The project is based on the conviction that these deficiencies are more likely to be eliminated if an autonomous contribution is made to self-sufficiency through employment, since gainful activity is a crucial element in stabilising the motivation to learn.

The *Tages- und Abendschule* (daytime and evening school) in Cologne has until recently offered young adults undertaking remedial education an 18-month programme that combines classwork with 25 hours of paid employment per week in the local care home for the elderly. Of the latest cohort of students, three out of four obtained the lower secondary education qualification (*Hauptschulabschluss*), despite the demanding nature of the employment involved.

*Source:* OECD review team meeting with *Lesen und Schreiben*, and with *Tages- und Abendschule*, Köln, December 2003.

In Germany, a number of projects stand out in this field. For instance, a literacy training project in Berlin (*Lesen und Schreiben*) aims to improve learners' motivation through a combination of training and work (Box 2.3). In literacy courses, it was found more useful not to make "literacy" the sole objective, but rather to offer "elementary education", which is to say a step-by-step transition to courses aiming to finalise lower secondary education (*Hauptschulabschluss*, itself a stepping stone to a successful apprenticeship).

Providing useful and practical content is also the approach adopted in Mexico. During the 1990s, the Mexican government initiated the Education for Life and Work model (MEVyT), which offers a highly practical curriculum: language courses can be combined with subjects such as health issues and administrative procedures. Another programme specifically targeted to the Mexican-Indian population is called Bridges to the Future (*Puentes al Futuro*). It combines language training (Spanish and indigenous) with other education that addresses employment and practical life issues. The learning materials used in this project are developed locally in order to reflect the culture of the local ethnic groups.

A number of countries, such as the Netherlands, Norway and Sweden, have adopted similar methodologies to help integrate their immigrant populations. Norway and Sweden have developed a specific Introduction Programme for Immigrants, featuring intensive language training and social integration courses. In the Netherlands, where they represent almost 20% of the population, immigrants who have arrived within a year (called newcomers) are obliged to participate in social integration programmes – primarily language courses – unless they prove their command of Dutch upon entry. Immigrants who have been in the country for more than a year (called oldcomers) are also required to take language courses until they reach a minimum level of proficiency. To provide stronger incentives for immigrants to participate, the Regional Education Centres (ROCs) and other training providers have been using curricula that cover practical everyday subjects such as childcare, legal advice and financial management. In addition, ROCs use a generational learning strategy: parents are taught not only the Dutch language but also other useful life

skills, and learning takes place at the schools where their children are most likely attending. Such intergenerational learning environments are also present in Germany and the United States.

## 2. Sending a clear signal

Clear certification of learning outcomes and recognition of informal learning strengthen incentives for training by making the outcomes transparent and easily signalled for individuals. While this is relatively simple for initial education and training, in which established degrees and diplomas serve as signalling devices, adult learning (except where it culminates in a formal degree or diploma) may be difficult to measure, and the skills acquired may not be easy to assess or even recognise. The establishment of transparent standards can provide a common language for measuring outcomes unambiguously, and for reliable assessment procedures (Colardyn, 2002). Transparent information on the nature and level of skills and competencies acquired can then be signalled to external labour markets so that workers can capitalise on what they have learned (OECD, 2003b).

### *National Qualifications Systems*

To meet that challenge, a number of countries have developed national qualification systems. In the United Kingdom for example, the National Vocational Qualifications system provides a broad spectrum of vocational skills standards in different sectors that can serve as "currency" in an outcomes-based system. Learners and employers are aware of the skills embedded in each national vocational qualification (NVQ), which also includes recognition of smaller sets of learning (modules). Spain is currently following a similar path: skills developed through different pathways – whether acquired in the formal education system, while working or via training provided by the public employment service – will be recognised under one qualifications framework.

In their different ways, these systems are seeking an equilibrium between firm-specific and more general skill development. While firms typically favour firm-specific skills and want to remunerate workers on the basis of their progress with respect to these skills, workers may prefer general skills. Some national qualification systems are trying to address this issue by promoting a framework that would involve both general and employer-specific training. Including the social partners in the definition and development of the framework can greatly contribute to that end. Another important initiative is the recent EU effort to develop a European skills passport. The Europass will provide citizens with a common document carrying details of diplomas, certificates and competences.[2] It is designed to encourage occupational mobility and lifelong learning throughout Europe. A more ambitious European effort in this respect is the future development of a European Qualifications Framework, to facilitate communication between the diverse systems currently in place and to provide a reference point for the development of national qualifications frameworks.

### *Recognising prior learning*

Recognition of prior learning (RPL) has already been implemented in a number of OECD countries. RPL, which includes informal and non-formal components, encourages individuals to develop their skills beyond the level they currently possess. It has the potential of reducing total learning periods considerably and may provide an incentive for

workers to participate in learning while on the job. By shortening or adapting learning to the individual's requirements, it may also lead to more efficient training expenditure.

Then, however, comes the important challenge of acceptance in the labour market. If qualifications gained partly or fully through RPL systems are not accepted by employers, the value of the system to the individual and to society is diminished. Awareness programmes can act as a complement, helping increase employers' and the wider public's understanding of RPL. Also, there may be some resistance to the system. Corporate interests, acting on behalf of educational institutions, may not accept RPL-type certificates, and individuals who have undergone formal education periods may not wish to recognise knowledge that has been acquired in working life as fully comparable (OECD, 2004d).

Almost all countries that participated in the thematic review recognise prior learning to some extent (Table 2.1). The form that recognition takes varies. Some RPL systems provide partial credits toward a formal qualification; others provide some type of formal recognition or degree that is accepted in society. There are no common standards in the skills recognition process; a variety of assessment methods are employed either individually or in combination, such as informal interviews and testing.

In several review countries, skills and competences are recognised regardless of where these have been obtained, and without proof of course attendance (Denmark, Finland, Mexico, Portugal, Sweden, the United Kingdom and the United States). Other systems allow for partial accreditation of knowledge. They provide access, entry and credit towards a formal qualification, such as higher education, without the full set of ordinary requirements (Austria, Mexico, Norway, Spain and Sweden). In a number of countries, such as the Netherlands and Portugal, RPL systems have been facilitated by agreements between the social partners.

Overall, RPL has allowed individuals to come forth, have their informally developed skills recognised and shorten their formal education process, thus reducing costs of learning. Table 2.1 shows that there have been beneficiaries of recognised informal learning in different countries, even if there is not much quantitative or qualitative information to measure the impact in terms of the improvement of skills, future labour market performance or wages. In Norway for example, half of the adults involved in obtaining upper secondary education in 2003 went through RPL-type assessment to reduce their total learning time. Box 2.4 provides examples of the actual recognition process in selected countries.

Other examples deserve mention. The United States allows adults to take a general examination leading to the equivalent of a high school diploma. The scheme, called the General Educational Development (GED) testing service, dates back to 1942 and is recognised in the education system as well as in the labour market, hence providing incentives for low-skilled adults who either dropped out of or missed high school. Exams can be taken in approximately 3 400 official GED testing centres in the United States and Canada and are usually administered by local school boards, adult education centres and/or community colleges. Individuals who successfully pass exams in five principal subjects earn a GED credential (the diploma equivalent). One in seven high school diplomas issued each year in the United States are through GED, and as much as 66% of the people who take GED tests plan to continue their education and training at the post-secondary level. This suggests that the system is successful as a pathway to lifelong learning. Indeed, due to high demand, there are presently long waiting lists of GED applicants. Notably, demand has

## Table 2.1. **Recognition of prior learning schemes**

| | Recognition of prior learning | Number of beneficiaries |
|---|---|---|
| **Austria** | The *Berufsreifeprufung* (BRP) is an entrance examination into the higher education system for graduates of apprenticeship and technical/vocational schools. After passing four partial exams (German, mathematics, a foreign language and a specialisation from vocational practice) a certification equivalent to a high school diploma is granted.<br>The *apprenticeship leave exam* is open to persons who have not gone through the formal dual training system, but have acquired sufficient working experience in a company. | 861 graduates in 2001/02 and about 6 000 participants in preparatory courses in 2002.<br>5 300 persons in 2002. |
| **Canada** | Considerable variation by province; some provincial education departments have partial Recognising prior learning (RPL) systems based on prior schooling rather than on informal learning or experience, *e.g.* the Centre for Curriculum, Transfer and Technology in British Columbia. | n.a. |
| **Denmark** | *In the labour market/industry:*<br>Recognition of skills (by social partners) for entitlement to wages according to collective agreements.<br>*In the formal education/training system:*<br>Entrance to tertiary education is possible if other qualifications are considered equal to formal requirements; Individual Competence Assessment (ICA) is possible in adult apprenticeship programmes, in adult vocational training (CVT), and in Basic Adult Education (personal study plan). | Adult VET apprenticeship: 1 957 persons in full-time equivalents.<br>CVT: 16 364 persons.<br>Basic education: 772 personal study plans.<br>All figures refer to 2002. |
| **Finland** | Competence-based examinations are possible for approximately 350 different qualifications. Professional competence is set for each qualification and determined by the National Board of Education, which appoints examination committees. Educational institutions providing learning leading to a qualification must ensure that students have the opportunity to obtain competence-based qualifications. | 26 000 between 1997 and 1999. |
| **Germany** | A qualification pass (*Qualifizierungspass*) for ten occupations, including carpenter, medical assistant and office clerk, has been developed under contract with the Berlin *Land* government. The informally acquired vocational skills of participants are assessed, the ensuing qualification takes place in modules, and the knowledge and skills established in the assessment procedure are certified and set out in a qualification passport. External examinations take place in a recognised training programme. | n.a. |
| **Hungary** | There are ongoing experiments such as the work undertaken by the Regional Labour Development and Training Centre, but there is no coherent national system. | n.a. |
| **Korea** | Credit Bank System recognises various learning activities in and out of school. | Almost 25 000 bachelor's degrees accredited from 1999 to 2004. |
| **Mexico** | The Labour Competence Standardisation and Certification Systems (*Sistemas Normalizados y de Certificación de Competencia Laboral*) acknowledge adults' competencies based on standards established, maintained and improved by Standardisation Committees. There are 32 third-party Certification Organisms that issue labour competency certificates. Also, there are national guidelines that determine the general standards and criteria through which knowledge corresponding to academic levels or grades acquired through self-study, through labour experience or on the basis of vocational training certification, is accredited. | 205 906 labour competency certificates were issued between 1999 and 2002.<br>9 585 upper secondary education certificates were awarded in 2002. |
| **Netherlands** | A Knowledge Centre for the Accreditation of Prior Learning (EVC) was created to develop and disseminate knowledge about RPL in industrial sectors (2001). Other pilot projects for recognition of prior learning:<br>– Individuals may acquire a start qualification through a sectoral training organisation.<br>– A company-based scheme (BBL) includes validation of work experience and development of individualised learning routes. Certificates are recognised by the EVC. | Over 6 000 people from 500 organisations took part in an EVC procedure (EVC Monitor) in 2002. |
| **Norway** | Adults born before 1978 who have not completed upper secondary education have the right to have their non-formal learning assessed with a view to admission to higher education, and to take a shortened course of education based on their previous experience. | 10 000 persons had competences validated through the pilot programme (1999-2001).<br>24 000 persons took part in the testing in 2003. |

Table 2.1. **Recognition of prior learning schemes** *(cont.)*

| | Recognition of prior learning | Number of beneficiaries |
|---|---|---|
| **Poland** | A recent initiative provides the possibility of accrediting informal knowledge through external examinations for vocational degrees. These may be provided by accredited examination centres such as schools and adult centres. | n.a. |
| **Portugal** | The national system of recognition, validation and certification of competencies (*Sistema Nacional de Reconhecimento, Validação e Certificação de Competências*, RVCC) is open to citizens over 18. In particular it targets low-skilled active adults, both unemployed and employed. By formally validating knowledge, skills and competences acquired through life/work experience and awarding national academic certification, the RVCC system enables underqualified adults to improve their employability and encourages their return, at any time, to education and training processes. | More than 35 000 participants, of whom 12 707 obtained qualifications between 2001 and 2003. |
| **Spain** | Plans for the recognition of professional qualifications and equivalencies are under way for vocational skills. A recent pilot project targeted measuring and assessing skills of both employed and unemployed workers without formal certification. The project has been promoted by the Ministry of Education, with the co-operation of regional governments, the Ministry of Labour, the Public Employment Service and the social partners. | n.a. |
| **Sweden** | The right to individual examination has been formally regulated. A Swedish National Commission on Validation (2004-07) has been appointed to promote and advance the development of methods and systems for valuation and to work towards national equivalence. Since Autumn 2003, all higher education institutions are obliged to assess prior and experience-based learning of applicants that demand an assessment and lack formal qualifications (or the documentation of such qualifications). | n.a. |
| **Switzerland** | The new federal law on vocational training (2004) allows adults to obtain a national diploma or a degree through "other forms of qualification procedures". These "other forms" must be recognised by the Federal Office for Professional Training and Technology (OPET) and can include RPL. Because there is little experience with these processes, especially in the field of vocational basic training, the OPET started a project ("Validation des acquis") bringing together all partners involved (employer organisations, unions, professional associations, cantons, running projects) to share experiences of existing projects, evaluate them and set up national guidelines. | n.a. |
| **United Kingdom** | The National Vocational Qualifications system allows for the recognition of informal learning, since NVQs do not distinguish between informal, non-formal and formal learning. Assessment relies upon evidence of candidate meeting performance criteria. Individual organisations (such as a school, college, employer or training providers) are accountable to an awarding body for the assessment arrangements leading to an award. | It is not possible to distinguish what proportion of NVQs is based on non-formal and informal learning. |
| **United States** | The General Educational Development (GED) exams include norm-referenced tests in writing, social studies, science, reading and mathematics. Individuals who successfully pass all five exams earn a GED credential, which is generally considered the equivalent of a high school diploma. | Between 400 000 and 700 000 US residents pass the GED annually. |

n.a.: Not available.

been stable over recent years despite some evaluation research that seems to cast doubt on the economic returns to the GED.

In Austria, the *Berufsreifeprüfung* (BRP) provides graduates of apprenticeship and technical/vocational schools the possibility of taking an entrance examination to tertiary education. Until 1997, if an adult employee who went through the dual (apprenticeship) system considered entering higher education, it was necessary to go through the entire upper secondary school curriculum, unless the student had passed the university entrance examination, entitling them to enter a specific course of study. The BRP makes it possible to enter the higher education system after passing an exam that also includes a specialisation from vocational practice as one of four principal subjects.

### Box 2.4. **The recognition process in Denmark, Finland and Norway**

In **Denmark**, schools perform an individual competence assessment with a view to determining the applicant's practical and theoretical qualifications/competences in Basic Adult Education and Continuous Vocational Training, taking into account prior learning. The school draws up an individual study or training plan indicating the recognised elements and describing what the individual is lacking towards a full study programme. The content of the study plan thus depends entirely on what the individual's recognised competences are. It may take a few months in order to complete the study/training; or, it may be that the person only lacks the final exam to be fully qualified.

In **Finland**, individuals may pursue three validation practices: taking tests for upper secondary and initial vocational education; applying to formal education without having had the education or training normally required; and receiving "accreditation" of prior knowledge, *i.e.* compensating for some of the studies required for a given qualification through practical work or work experience acquired elsewhere.

**Norway** has developed national systems for the documentation and validation of non-formal and informal learning. Those born before 1978 have the right to have their non-formal learning validated for admission to upper secondary education and higher education. Universities and colleges also allow admission to persons aged over 25 with no upper secondary education if their real competence for the course in question is approved. Each educational institution is responsible for its own non-formal learning assessment, which can also lead to a shorter course of study or to exemption from examinations or tests. Vocational testing has been developed to determine a person's capabilities in relation to the curriculum of a given vocational training course. This is intended for people who have difficulty in documenting their formal education and/or job experience, *e.g.* immigrants. It can lead to further education, or provide a competence certificate acceptable in the labour market. Documentation standards have been developed for use in the assessment process in working life and the tertiary sector (*www.vox.no*).

There are other positive experiences throughout OECD countries, such as the national system of recognition, validation and certification of competencies (RVCC) in Portugal. The European Commission is also very active in this field, developing initiatives such as the Europass mentioned above and the European CV to provide a comprehensive overview of the educational attainment and work experience of individuals throughout European Union countries.

An interesting experience in Korea is the Credit Bank System, a scheme that provides more flexibility in learning by allowing individuals to accumulate (or "bank") credits from different institutions, including universities and non-formal education/training institutions (Box 2.5).

There remain important barriers to recognition of prior learning in the labour market, and to gaining acceptance *vis-à-vis* formal education. Yet, experiences from the Nordic countries, Portugal and the United States, among others, suggest that benefits can be substantial. In principle, recognition of informal learning can contribute to reducing both the opportunity cost and total time spent. RPL systems, both formal or informal, are thus a key feature to stimulate motivation and participation in adult learning, even if access and structure problems still need to be addressed.[3]

Box 2.5. **The Credit Bank System in Korea**

The Credit Bank System is an initiative to accredit prior learning in Korea. It is a response to existing bottlenecks in education and training participation due to the excessive weight the Korean labour market puts on formal academic degrees. Low-skilled workers who seek upward job mobility used to have to go back to the formal education system and attain formal degrees, a difficult task due to time and financial constraints. Since non-formal educational institutions were previously not allowed to issue credits (leading to a degree), it was difficult for university dropouts, employed workers, and inactive or unemployed adults to accumulate credits that would lead to a well-recognised degree/qualification.

To tackle this problem, the Korean government initiated the "Credit Bank System" in 1998. This essentially allows individuals to accumulate (or "bank") credits from different types of institutions including universities and non-formal education institutions. An adult student receives a degree (bachelor's or associate) depending on the amount of credits accumulated. For non-formal institutions to offer accreditation programmes, they must follow the standardised curriculum adopted by the Ministry of Education and Human Resource Development, together with the Korean Educational Development Institute (KEDI). The Ministry re-accredits all non-formal education programmes twice a year. Accreditation is screened by a KEDI committee composed of various education organisations and other social interest groups. Since 1999, almost 25 000 persons have received diplomas via the Credit Bank system.

*Source:* OECD review team meeting with the Korean Ministry of Labour, January 2004.

## 3. Information and guidance for potential learners

Lack of awareness of learning programmes and activities, or the quality of the courses offered, will obviously affect individuals' perceptions of what they can gain, and can therefore be an important constraint to participation. Information barriers clearly discourage participation (Comings *et al*., 1999). In Korea, for example, about half of the population, while aware of the need to learn, report lacking adequate information and guidance (Lee *et al*., 2000). Similarly, in Germany, while half of the adults report having a good overview of adult learning offers, over one-third nevertheless wish for more individual information and guidance, and almost nine out of ten report not having received any counselling or having been advised on course choice in the survey year (BMBF, 2003). Mexico's experience with the INCA agricultural training programme for rural development (INCA Rural)[4] reveals that, while the system seems well designed to respond to demand, it still lacks information providers, as potential beneficiaries are not coming forward for lack of information (OECD, 2005a).

Evidence from the learning voucher experiences has highlighted the importance of appropriate information and guidance in order to target learning effectively. In the Netherlands, several stakeholders emphasised that voucher schemes are bound to miss their objective if potential learners are not adequately informed and counselled about learning opportunities. In Hamburg, Germany, there was astonishingly low take-up of qualification vouchers worth EUR 2 000 accompanying a job subsidy programme; an initial evaluation attributed this limited use by employers to "poor information policy" (Ehmann, 2004).

Information and guidance has been highlighted by policy makers as a tool that can help develop lifelong learning. The OECD thematic review on career guidance showed that there are strong indications that demand for career guidance by adults exceeds the supply of

### Box 2.6. **Identifying skill needs in the United Kingdom and Germany**

Lack of awareness about their own needs and about the market demand for skills prevents many adults from undertaking learning activities. This remains an issue even if they are willing to learn, because of their insufficient knowledge about how to use available information and guidance services. Low-skilled individuals need special help in this case because they tend to have difficulties assessing their own learning needs and their situation in the labour market. Career guidance can help them start planning their future activities.

In the **United Kingdom**, following the launch of the Skills for Life strategy, the Jobcentre Plus office network put in place measures to identify skill needs among its client groups. Jobseeker Allowance recipients reaching six months of unemployment and inactive benefit claimants given a work-focused interview are screened for possible basic skills needs. Those who are identified as having a need are referred for an assessment of their skill levels and, where appropriate, to relevant training.

In **Germany**, the introduction of vouchers for the unemployed willing to undertake learning activities has made information and guidance services all the more important for individuals not able to assess their own needs. Those needs are usually discussed with a counsellor at the labour exchange office. Appropriate course topic(s) and duration are reviewed, and the learning objective set. If the information and guidance officer were more involved and asked to report back to the system, policy makers would have a better overall view of the system.

services (OECD, 2004e). It also highlighted that public policy in this area can help adults towards making occupation, career and education choices. Information and guidance can also help to raise awareness of the need for learning by helping potential learners to identify their needs (Box 2.6).

Well-informed learners also bring positive externalities. For one thing, they are sophisticated consumers. If providers are faced with more sophisticated consumers, they will be motivated to deliver better adult learning services. Secondly, a well-informed adult will also help inform other adults. Finally, providing information and guidance is a way to develop a more demand-driven adult learning system, with the emphasis on consumer choice.

#### *How to obtain information and guidance*

Table 2.2 provides a summary of the different information and guidance systems available in selected countries that participated in the thematic review. An analysis of the different methods they have adopted reveals some common patterns. Most countries have developed electronic databases providing information on learning opportunities. Concurrently, many countries have moved towards the concept of personal coaching, providing individual support particularly for low-skilled individuals. This approach may involve promotion of learning in the firm and in the community by selected individuals ("learning ambassadors" or trade union representatives, for example), or more comprehensive systems of information and guidance located in independent centres or attached to multiple service providers, such as one-stop centres.

Almost all countries have set up electronic learning databases. These can be national or regional, and are sometimes sectoral. They can be managed by public or private institutions, but there are many ways to access information through the Internet everywhere. While the

## Table 2.2. **Information and guidance activities in selected OECD countries**

| | Information and guidance activities |
|---|---|
| **Austria** | Large firms provide information through the education and culture advisors of their work councils.<br>Most *Länder* have established regional services that provide independent information and guidance.<br>The PES (*Arbeitsmarktservice*) and Chamber of Labour have independent information and guidance centres. |
| **Canada** | Around 10 000 career guidance services in community-based organisations.<br>Career Circuit, a partnership of three non-profit organisations, offers online networking between over 5 000 agencies, specially focused on youth and disadvantaged persons.<br>The Province of Saskatchewan has a network of 20 career and employment centres providing information related to finding or changing jobs and careers, as well as information on courses and programmes. |
| **Denmark** | Seven new Regional Guidance Centres provide advice on initial education and training, and also on adult education programmes at tertiary level.<br>The Ministry of Education has been involved in strengthening career guidance for adults, in collaboration with the Ministry of Employment, as part of a general reform of the local and regional administrative structure. |
| **Finland** | Career counselling services and public employment services offer free information and guidance.<br>Separate career guidance service within the PES.<br>The Ministry of Education's Noste programme targeting adults without post-compulsory qualification offers special outreach information and guidance services to encourage applications for public funding. |
| **Germany** | Several *Länder*, such as Hamburg, offer computerised information systems on course offerings.<br>PES offices have separate divisions for vocational guidance.<br>Cologne Job Centre: a one-stop centre combining job placement with information on adult learning opportunities. |
| **Mexico** | Community Halls (*Plazas comunitarias*) are a one-stop system that provides career guidance services together with other information and advice on the labour market and on available learning opportunities. There are over 1 500 *Plazas comunitarias* throughout the country. |
| **Netherlands** | "Re-integration companies" provide information and guidance about learning opportunities for jobless clients.<br>Regional Education Centres: a network of regional institutions providing information and guidance.<br>Firms promote personal development plans to design individual career routes.<br>"Learning ambassadors" in the city of Tilburg: specially trained successful learners work as volunteers to motivate and recruit potential participants from their peer groups. |
| **Norway** | PES (*Aetat*) provides mostly web-based career guidance.<br>Norwegian Institute of Adult Learning disseminates information about adults' rights to basic education and upper secondary education and where to attend. |
| **Poland** | The Ministry of Economy and Labour is involved in strengthening career counselling for adults. Career counsellors at regional- and local-level labour offices offer free counselling for job seekers, unemployed people and employers. |
| **Portugal** | The Institute for Employment and Vocational Training (IEFP) has a network of 86 Employment Centres and 27 Vocational Training Centres combining employment and training programmes with information and guidance. It mainly targets unemployed adults.<br>*S@ber +* ("Knowing More") Clubs: a new initiative that plans to develop an extensive network of informal neighbourhood learning environments (local authorities, community centres, development associations, RVCC centres) where each adult can receive support and guidance, access the Internet free of charge, discover different learning opportunities and interact with other adults in a learning partnership environment. |
| **Spain** | The Ministry of Education and Science and the regional governments provide information and guidance services.<br>The Ministry of Labour and Social Affairs and the regional governments also provide guidance through their PES (INEM).<br>Spain is currently planning a new Integrated System of Information and Vocational Guidance. |
| **Switzerland** | The Cantons are the main actors in charge of informing potential adult learners and each Canton has an office for continuous training.<br>The "Learn Festival" (*www.lernfestival.ch*) is a week-long operation launched by the FSEA (Swiss Federation for Adult Education) focusing attention on adult learning. It is estimated to reach 100 000 people annually with over a thousand events throughout the country.<br>A range of local players disseminate information in public places about local and regional training supply. Some towns keep a register of activities; public libraries hold documents describing courses.<br>Regional employment services are another source of information about courses, often coupled with advisory services that provide guidance. |

Table 2.2. **Information and guidance activities in selected OECD countries** *(cont.)*

| | Information and guidance activities |
|---|---|
| **United Kingdom** | University for Industry/learndirect: personalised advice, information and guidance tailored to the needs of individuals through telephone, online or on-site services.<br>The Learning and Skills Council has a network of 47 centres providing information and guidance. Jobcentre Plus (PES) offices provide information and guidance about learning opportunities to the unemployed.<br>Concept of "learning ambassadors" developed in specific regions or institutions to reach and inform potential learners. |
| **United States** | The One-stop Career Centre network combines employment and training programmes with information and guidance on learning programmes, skills assessment and many other services. |

electronic database is clearly a major breakthrough for many users – compared to a paper catalogue, for example – such is the case only for users able to navigate the Internet and aware of their own specific needs. In short, the guidance function is clearly missing. Countries are aware of this drawback (see Box 2.7 for an example of how to deal with it); the widespread availability on the web of information about adult learning cannot be a complete substitute for tutoring and counselling in face-to-face discussion between the individual adult and a professional expert. Finally, as for the programmes themselves, information and guidance should be provided in a way that suits the particular skills of the adult, and the individuals most in need of this help are often reluctant to use a computer. The need for alternative forms of guidance for low-skilled people has to be expressed clearly so that not all future development in this area becomes ICT-based.

Box 2.7. **Information and guidance through the Internet in Finland**

To make it easier to find out about learning opportunities, Finland has developed a large database consisting of information on courses provided at the upper secondary level, polytechnics, universities and adult training institutions. The database offers information about providers, learning institutions and competence-based qualification systems.

Since 2004, the data are transferred regularly from the Finnish National Board of Education and universities to the *Koulutusnetti* database in the open Internet. Users can browse information by institution, particular city, province, level of examination, fields of study, type of training, etc. A glossary makes it easier for users to understand the Finnish education structure. There are also pages for people who do not yet know what they want to do in the future. Guidance pages give tips on finding the right institutions, examinations and courses.

The *Adult Career Planning Application* (A/URA) is a new guidance programme for adults. The basic idea of the programme is to give people planning their future career a general model of decision-making. The programme therefore provides information about working life and funding opportunities for further education.

*Source: www.koulutusnetti.fi/koulutusnetti.*

### *The personal approach*

In many countries information and guidance are based mainly on providing individual support through face-to-face interviews or other methods of personal support. This is seen as the most appropriate way of delivering services to low-skilled individuals, who are not necessarily familiar with the Internet or even with complex printed material. Box 2.8 shows some effective examples in the Netherlands.

### Box 2.8. **Individual counselling in the Netherlands**

The re-integration programmes for job seekers in the Netherlands are increasingly outsourcing training activities to community-based "re-integration companies". These companies hire personal counsellors whose role is to assist job seekers in defining their learning and integration pathways, and to coach them until they have been successfully re-integrated. While learning is the main focus of the integration pathways, the counselling offered may also cover other types of activities, such as psychological coaching or referral to healthcare.

Similar methods of "case management" are widely used in social assistance. In Tilburg, the municipality has introduced a system of individual activation contracts between welfare clients and case managers, with the municipality as a third (paying) party. Case managers assist their clients in defining their pathway and remain responsible for the implementation of commitments on both sides. This intensive approach (with a caseload of 70 clients per social worker as opposed to 180 in earlier years) seems to work relatively well, as Tilburg saw its number of welfare clients stagnate while the number grew substantially in other parts of the country.

In Mondriaan College (The Hague), a regional education centre, active coaching of participants has succeeded in reducing dropout rates to a minimum (around 11% and mainly due to health reasons).

*Source:* OECD (2005b), "Thematic Review on Adult Learning: The Netherlands Country Note", Paris.

The enterprise is also an excellent place for delivering information and guidance to workers. In Austria for instance, large firms provide a first level of information about learning opportunities through the education and culture advisors of their works councils. Thousands of union learning representatives in the United Kingdom also work toward raising information and awareness of learning opportunities among the staff. In the Netherlands, "personal development plans" are currently being promoted within enterprises as an instrument to design and monitor individual routes in a systematic way. These plans are updated annually. In Germany, providing information and guidance in the context of the firm – through regular staff interviews, for example – is considered promising, not least since it will inform enterprises about the learning needs of their employees. This additional purpose – encouraging employers to invest in skills – is explicitly mentioned in the Employer Training Pilots in the United Kingdom, which also have the aim of informing both employees (particularly the low-skilled) and their employers about the value of upskilling. Such incentive programmes are particularly helpful in the case of SMEs, where workers are usually less exposed to information and guidance than their counterparts in large companies.

Other methods of promoting learning by individuals have been tried in the Netherlands and in England, through the use of "learning ambassadors". To induce less-educated Dutch adults to participate in literacy and basic education programmes, the city of Tilburg has initiated an "ambassadors programme", where some formerly illiterate now work as volunteers to motivate and recruit potential participants from their peer groups. Through home visits, informal contacts and dissemination activities in the media, these "ambassadors" have recruited a considerable number of new learners. Given their own experience, they are, as role models, more likely to convince prospective learners. The

concept is also practised in England. People who are convinced of the benefits of learning and who know their community well are trained and paid to become advocates of learning and to identify and convince those in need.[5]

### *The network approach*

There are countries where the information and guidance service is piecemeal. In Austria for instance, most information is available from organisations that provide education and training, but usually this information concerns their own programmes only. As a consequence, individuals have a difficult time learning about the full range of options available. At the Austrian public employment service (AMS), everyone can access information in a "self-service" approach; however, there is some evidence that many people do not access AMS services because they think of them as intended for the unemployed. And while the system seems saturated with information – even if it is sometimes difficult to access – counselling is mainly on AMS services themselves. There are also specially trained teachers working as education and career counsellors in upper secondary schools and colleges.

To try to overcome this problem of fragmentation, there is a pilot programme in *Burgenland*, Austria, where the national government together with the *Land* has established a regional guidance service independent of any of the providers of adult learning, and therefore presumably unbiased with regard to the various offerings. This programme has just been expanded to several other *Länder*. However, independent information and guidance services also have drawbacks. One is that their agents may not have access to the most appropriate information. For that reason, and to improve the availability of information in general, many countries are setting up networks. This is the case in the Netherlands, with the Regional Education Centres. In Germany, employment offices (*Arbeitsämter*) and local community social offices (*Sozialämter*) are being merged to make operations more effective through the pooling of resources in several policy areas, among them education and vocational guidance.

The networking function can also be found in Korea. There, the National Centre for Lifelong Education, established under the umbrella of the Korean Educational Development Institute, has a mandate to carry out research on lifelong learning, to develop training programmes for adult teachers, and to manage an online information service with details of learning programmes and providers. Furthermore, over two dozen decentralised information centres for lifelong learning were established in Korean cities and local districts. Obviously, these local centres can access all information held by the national office.

Learndirect, in the United Kingdom, is another example of information and guidance provided within a learning framework. The learndirect national learning advice service has been integrated with local information and guidance services, funded through the Learning and Skills Council. Learndirect's service is tailored to the particular skill level of adult clients; persons qualified at below NVQ level 2 are clearly indicated as needing "personalised advice". It not only provides advice on its own opportunities, but also acts as a broker of information for other learning providers. With a wide and aggressive dissemination campaign, learndirect helps guide potential learners through the variety of supply available.

The *S@ber* + clubs are a new initiative in Portugal. These have been conceived as contact points for lifelong learning to reach, in particular, persons who do not seem much interested in learning. They are designed to "open the first door" to opportunities, and will

be placed in physical spaces close to the potential clients such as sports or cultural activities centres, associations, museums and the already existing Centres for Recognition, Validation and Certification of Competencies (RVCC).

Another, more collective approach to tailoring information and guidance has been to create specific centres or networks, for young people (Connexion in the United Kingdom), rural area residents (in Austria) or immigrants (in the Netherlands). Besides setting up new networks, there are cases where countries try to benefit from already existing service networks, adding information and guidance. In fact, public employment service offices are the traditional supplier of career guidance services and, increasingly, of information and guidance on learning opportunities. One example of an integrated service is the Cologne Job Centre in Germany, operated jointly by the public employment service and the Cologne municipality. In addition to information about jobs and access to job placement facilities, individuals can obtain information and guidance on adult learning. There is also a skills assessment centre. Furthermore, the Job Centre is a good model for networking, since it works closely with 18 job exchanges in the various districts of the city.

The primary role of the information and guidance officers seems to be under careful scrutiny in all countries under review. The issue is whether they should inform and guide adults about learning opportunities, about job opportunities, or both. It would seem easy to respond that both roles are important and should be carried out together, especially since the latter is often an outcome of the former (OECD, 2004e). However, several problems may arise. First of all, exclusive job placement objectives might result in adults dropping out from learning to accept a job, albeit a precarious one. It is equally detrimental to exclusively emphasise learning objectives, if this takes learners who need to work away from the labour market. Second, information and guidance officers may not have the necessary skills to cover such a broad range of issues. Third, potential learners should be informed and guided not only about learning programmes, but also about support services. Finally, even in countries where learning beyond labour-market-specific purposes is highly valued, such as the Nordic countries, current unemployment rates are such that job placement is rapidly taking over any other consideration.

Likewise, most labour market programmes for skills improvement that have been set in motion over the past few years have an information and guidance component that concerns learning opportunities. The New Deal for Skills in the United Kingdom is one example, even if its primary goal is to help people move from welfare to work and from low-skilled to higher-skilled work. Also, many information and guidance activities are carried out at the same place as learning opportunities and job placement (such as the One Stop Centers in the United States, or the Centres for Work and Income in the Netherlands). However, job placement remains the main indicator for assessing the activities of such centres. If appropriate evaluation criteria are not designed to integrate information and guidance activities for learning purposes, there is a risk that evaluation will focus exclusively on job placement.[6]

One-Stop Centers in the United States are designed to offer individuals information and guidance as well as other services (*e.g.* adult education courses) directly on site (Box 2.9). The Community Hall (*Plazas comunitarias*) approach adopted in Mexico may be viewed in a similar light. While its main purpose is to provide adult basic education for low-skilled individuals, it also tries to promote learning more generally within the community and to encourage recognition of prior learning and tertiary distance learning. The *Plazas* also provide information and guidance about the labour market, typically for the self-employed and micro entrepreneurs.

### Box 2.9. **Information and guidance in One-Stop Centers in the United States**

In the United States, One-Stop partner programmes include employment and training programmes for adults, youth programmes, post-secondary vocational education, and vocational rehabilitation programmes. Each partner programme is responsible for making its core services available in One-Stop Centers. For adult learning, these include, among others, information about the performance and cost of local learning programmes; initial assessment of skill levels, aptitudes and abilities; and information on the availability of support services and referral to those services (McNeil, 1999). They were created (in 1998) to co-ordinate and possibly integrate locally the interventions of three federal departments (Education, Labor, and Health and Welfare).

In terms of information and guidance, the One-Stop Center approach is convenient for the potential learner since it reduces the costs of searching for information about available programmes in response to perceived needs. Similarly, each state or locality can save installation costs while providing the various programmes demanded by the population. These features were meant to improve what was previously a rather decentralised and uncoordinated system.

Nevertheless, it is not certain that the local manager of each One-Stop Center can easily provide the full range of information and services that the user may want to find gathered in a single place. With modern technologies, access to information is usually not a problem, provided that central databases exist and are updated regularly. However, in terms of guidance, the manager may face contradictory incentives, constraints or procedures concerning the same adult: does the education and training assigned serve the purpose of merely transiting from welfare to employment without a clear ambition of competence enhancement? Or does the programme selected aim at a lifelong approach to competence formation? Can short-term efficiency be made compatible with equity issues? Facing these dilemmas on an everyday basis is a clear challenge.

The One-Stop system in the United States has not been fully assessed, as it is relatively new. The impact of its information and guidance component on adult education programmes is therefore not entirely clear. Individual respondents to a recent survey pointed to advantages such as increased public awareness of services and closer relationships between adult learning and other partner programmes. On the negative side, some respondents expressed concern about the risk of overemphasising employment and economic outcomes and about increasing demands on adult education resources (Elliott, 2002).

### *Current challenges in information and guidance*

While information and guidance systems exist in different forms throughout OECD countries, they share a number of problems. Thorough evaluation of these services is scarce, as is the supervision of provider quality. Information and guidance can reach a high level of quality if the service provided is independent and tailored to the needs of individuals. However, many countries have developed large information systems that are barely available to many individuals truly in need because the latter are not able to use ICT. In addition, providers tend to assume that individuals are aware of their needs, which is often not the case for the low-educated and low-skilled.

Then there is the fact that the learner is, after all, being informed and guided about the quality of learning providers. Protecting the adult learner's interests is clearly a priority. In Hungary, for example, the Association of Adult Learning Providers has engaged in

consumer protection activities, and was awarded the ISO 9009 norm. Accreditation of information and guidance providers may be a possible solution, although this remains rare in OECD countries in contrast to accrediting learning providers. Independence is a key to quality – and is indeed feasible, as shown in Austria (*Burgenland, Styria, Salzburg*). These regions have established an independent service for adult guidance, which is delivered face to face, by email or over the telephone. If bias is to be removed from delivery, alternative ways of informing the guidance staff of the full variety of learning opportunities available must be found.

Finally, there arises the issue of who should pay for the services. There is general agreement that access to information should be free. However, costs can rapidly become a problem if the overall model is individual coaching or systematic face-to-face interviews. An alternative solution is to use this personal coaching approach only for difficult or at-risk groups of the population. In addition, while providing information about learning activities can be relatively inexpensive, genuine guidance (for example with a view to employability) can be costly. A solution would be to have a two-step approach, with: *i*) free access to basic types of information – including personal coaching in the case of difficult situations; and *ii*) fees for services implying more focused career guidance and long-term follow-up.

## 4. Conclusion

There are different alternatives for clarifying and improving returns to training, by improving information available or by removing structural barriers. First, efforts to improve research and dissemination of information can help convince individuals and firms of the benefits involved. Cost/benefit analysis provides an interesting approach to motivating adults to learn and clarifying who should cover financial costs. Furthermore, efforts to stimulate firms to invest in training can be assisted by promoting the transparency of human capital investments in company accounting. Acting directly on increasing the returns to training through alternative mechanisms, such as embedding skill improvements in the wage determination process, can improve training take-up and firm productivity. In terms of non-economic benefits, evidence of other social and personal effects such as useful course content, greater self-esteem and increased social interaction can also help improve participation.

Another approach to strengthening incentives for training is making the outcomes transparent and easily signalled to individuals and firms. The development of national qualifications systems provides a sort of "currency" in this respect. Recognition of informal and non-formal learning can contribute to reducing the opportunity cost of learning. Experience shows that many countries are adopting the practice because benefits can be substantial and can help realise a culture of lifelong adult learning.

Information and guidance provision is an important part of adult learning systems, to increase access to participation and to ensure a better match between learner demands and supply. Individuals and employers can be informed about learning opportunities, their practical aspects as well as available incentives. It is important that providers are linked by a network through which they can share and exchange information. Their independence from specific interests should also be ensured.

## Notes

1. OECD (2004b) provides in-depth information on the wage returns to education, including an individual country analysis of private and social internal rates of return for adults – see Chapter A, Indicator 11 (p. 164ff).
2. The Europass consists of five documents: The Europass CV, with a common format; the Europass Mobility, recording mobility for learning purposes; Europass Diploma Supplement, recording higher education; Europass Certificate Supplement, clarifying professional qualifications gained through vocational education and training; and Europass Language Portfolio, to record linguistic skills and cultural expertise.
3. Further work on this topic has been undertaken under the OECD Education Directorate activity on "The role of national qualification systems in promoting lifelong learning" and will addressed extensively in a new activity on recognition of non-formal/informal learning and credit transfer (2005-2007).
4. INCA's training programme is charged with co-ordinating the work of adult educators, training professionals for work in rural communities, and establishing assessment and certification systems.
5. One example is Link Up, a local programme in Stoke-on-Trent that works with volunteers to identify those who might need basic skills and direct them to centres for appropriate information and guidance.
6. More generally, a lifelong learning perspective raises some doubts about the relevance of job placement as a principal performance indicator. Quick upskilling for immediate (re-)entry into employment does not necessarily help people who may soon return to the unemployment rolls. There may be a case for reconsidering such short-term efficiency criteria. In any case, a longer-term perspective would best serve the real needs of individuals (see also Chapter 4 of this publication).

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Promoting Adult Learning


*Chapter 3*

# Financing Adult Learning

*This chapter examines several broad areas of financing policies aimed at reducing under-provision and increasing the effectiveness of adult learning. Special attention is paid to those likely to address the needs of low-skilled adults and small-sized firms. Funding mechanisms that co-finance adult learning expenses by firms, or that allow greater choice to individuals, can raise the efficiency of provision. The chapter presents, among other things, the varying benefits and drawbacks of profit tax deductions and levy-grant schemes for firms, and of individual learning accounts and vouchers for individuals. What is most important is to target these schemes appropriately.*

In addition to raising benefits and making returns more transparent, important financial constraints need to be overcome to ensure adequate investment in adult learning. These constraints are likely to be particularly acute for low-income individuals and older workers. (The latter usually have only a short period available in the labour market over which training expenses can be amortised.) Further, an individual firm may not have sufficient financial incentive to invest in general employee skills as opposed to firm-specific skills, even if that investment is worthwhile for the economy as a whole.

Given the considerable private returns generated, there is a strong case for the co-financing of adult learning. It would be a waste of public resources to fund learning activities with subsidies, if those activities would have been undertaken in any event (resulting in the so-called deadweight effect). However, given market failures and externalities, there is a stronger case for governments offering co-financing and setting economic incentives in the case of disadvantaged groups and certain types of firms (such as small and medium-sized enterprises). The challenge here is to find solutions to cases where financial constraints are proving major obstacles to investment and participation in learning.

For the sake of simplicity, public financing schemes and instruments are here classified into two categories based on the nature of recipients. The first category involves intergovernmental financial transfers where lower levels of government (*i.e.* regions, states and municipalities) are the main recipients of central government funding. The second category covers schemes in which firms and adults directly receive financial support or incentives.[1]

The main objective of intergovernmental financial transfers is to enhance the efficiency of publicly supported adult learning programmes. This can be done by using matching grants, fund allocation based on population needs, or certain performance criteria applied to recipient programmes. The primary goal of various financing schemes for firms and adults is to reduce under-investment and (again) increase the effectiveness of adult learning, relating, in particular, to those firms and adults that would not invest in the absence of such financing schemes.

## 1. Improving incentives at lower levels of government

In countries where lower levels of government (such as states and municipalities) fund and/or implement most adult learning activities, central or federal government funding becomes essential when local governments face limited revenues to support their programmes. Central governments can provide either regular transfers of funds (as in the United States) or one-shot grants to promote specific adult learning programmes (as in Mexico).

The public financing system for adult learning in the United States is such that the federal government transfers funds to state governments, and the latter use both these federal grants and their own budgets to finance the programmes.[2] The level of funding is mainly determined in conformity with census results, using a statistical measure of


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population needs. On top of this, however, the system includes an incentive mechanism whereby the most efficient states receive extra funding as a reward for complying with federal objectives (the so-called performance-based funding approach).[3]

Performance criteria defined by the National Reporting System (Box 3.1) are based on educational gains and the labour market performance of programme participants. This decentralised financing system provides strong incentives for states to improve the quality of adult learning programmes, so that good results are attained for a majority of participants. The outcome measures allow individual states to operate without the need for detailed federal process regulations, thus reducing rigidities in the adult learning system. However, this approach may also result in "cherry picking" those participants likely to obtain the best results, leaving behind more disadvantaged groups that might have worse labour market prospects. Indeed, evaluation studies find evidence of selection bias in order to comply with performance standards (Heckman and Smith, 2003). The negative impact of selection bias can be lessened by "needs-based funding" (targeting the programme to groups that are less likely to show high performance).

### Box 3.1. **The National Reporting System (NRS) in the United States**

The National Reporting System for Adult Education is an outcomes-based national accountability system for state-administered, federally funded adult education programmes. Developed by the US Department of Education on the basis of the Adult Education and Family Literacy Act, the NRS includes a set of measures to assess adult learning outcomes; the assessment then serves as an indicator for federal funding.

Essentially, the NRS measures and documents learner outcomes using a common set of indicators. Local programmes report individual outcomes of adult education to their respective state administrations, which aggregate the information and submit it to the NRS. In response, the latter documents the state programme's ability to meet federal policy goals. The NRS also provides aggregated outcome indicators by state, which helps identify those states with less effective programmes. It can then assist them in better meeting their adult education goals. For local programmes, the NRS also represents an incentive for planning instructional activities in a way that will enhance student outcomes.

Local programmes throughout the country record three core types of information relating to students receiving 12 or more hours of service:

- Outcome measures, which include educational gain, job starts, employment retention, receipt of a secondary school diploma or GED, and placement in post-secondary education or training.
- Descriptive measures, including student demographics, their reasons for attending and student status.
- Participation measures, such as attendance hours and enrolment in instructional programmes for special populations or topics (for example, family or workplace literacy).

The system requires identification of student performance at one of six levels of literacy, both at entry and after instruction. The levels are Beginning ABE (Adult Basic Education) Literacy; Beginning Basic Education; Low Intermediate Basic Education; High Intermediate Basic Education; Low Adult Secondary Education; High Adult Secondary Education.

*Source: www.nrsweb.org.*

By contrast, in the matching grant scheme of Mexico, the federal government provides grants in the amount that the states are willing to match. The benefit of this scheme, as compared to a grant scheme that provides a uniform subsidy across states, is that it increases accountability due to its co-financing nature. However, since cross-state differences in the demand for adult learning are likely to reflect state budgets, a poor state such as Chiapas will be able to spend only limited funds as compared with a rich state such as Nuevo Leon; the system may thus exacerbate disparities. Unfortunately, there are no evaluation studies available in Mexico on the effectiveness of this scheme.

In principle, the risk that matching grant schemes could aggravate existing inequalities can be addressed by using differential matching rates. These can be set in such a way that the grant is inversely correlated to the income level of the local government. The approach might be justified on the grounds that all local governments, regardless of their fiscal capacity, should offer a similar level of adult learning provision to their residents (Bird and Smart, 2001). In Canada, a matching grant scheme with differential matching rates supports primary education services for local governments. The main difficulty in implementing this scheme, however, is that specifying precise matching rates requires a fairly large amount of information, including details of the types, levels and prices of educational services as well as the local fiscal capacity. Thus, the extent to which matching grants with differential rates can be applied depends on the capacity of central government to collect and process this detailed information, and on the capacity of local governments to manage grants that require fairly complex administration of information.

The European Social Fund (ESF) provides a good example of how an inter-governmental body (the European Commission) finances adult learning activities for member countries (see Box 3.2). The ESF matches grants to EU members based on a range of eligibility criteria reflecting the particular situation of the country. As a rule it provides only partial funding, based on the principle of "additionality". Further, the Social Fund's EQUAL programme requires member governments not only to match the funding, but also to promote cross-border co-operation and various initiatives for quality improvement.

In sum, intergovernmental financial transfers may help enhance efficiency of learning delivery by introducing incentives for lower levels of government to perform well. While such intergovernmental transfers may reinforce existing disparities, this may be minimised by adequate policy design such as targeting. In Mexico, the financial transfer mechanism appears to lack a focus on equity, given that it does not address the issue of cross-state inequality in resource allocation.

## 2. Financing schemes targeting firms and adults

Tables 3.1 and 3.2 provide an overview of various financing schemes that aim at strengthening the incentive for firms and adults to invest in adult learning. Schemes are funded either via taxes (tax breaks, payroll tax deductions) specifically linked to adult learning activities, or by way of non-earmarked resources from the general budget. Investment may also be enhanced by contracts that make financial transactions among adults, firms and/or the government legally binding, such as payback clauses and individual loans. With the exception of schemes where the government provides fully funded grants, most schemes tend to have a co-financing element where multiple parties share the cost. Indeed, co-financing schemes that aim at tackling demand-side problems have become the most important financing strategy of adult learning in the OECD

### Box 3.2. **The European Social Fund (ESF)**

One of the four structural funds of the European Union, the European Social Fund is the EU's key financial instrument for investing in people. The ESF channels EU funds to member countries to help develop human resources, modernise systems of education and training and ensure employability. It contributes to the three main objectives of the EU's structural funds:

- To promote the development of regions whose GDP per capita is below 75% of the EU average, as well as that of outlying and sparsely populated regions.
- To support areas adjusting to change in industrial and service sectors, and combating decline in rural and urban areas.
- To provide funding to help adapt and modernise policies and systems of education, training and employment.

Lifelong learning activities cut across several ESF priorities, but are funded mainly under the third objective. In order to ensure that funds go to those areas in greatest need, the European Commission (EC) agreed with member countries to adopt a series of objective criteria based on the labour market and economic development requirements. For the third objective in particular, the EC allocates on the basis of the employment situation, the poverty level, educational attainment levels, and the participation of women in the labour market. The ESF leaves it to countries to decide on how to distribute the funding to different projects. Member governments are generally required to match their own funds.

An additional ESF instrument that requires co-financing by member countries is the "community initiative" EQUAL, which differs from the mainstream ESF programmes in its emphasis on active co-operation between member countries. With a funding share of over 15%, lifelong learning is an important component of EQUAL. The building blocks of the programme include: *a) partnership:* to bring together key stakeholders to tackle discrimination and inequality; *b) innovation:* to explore approaches to formulating, delivering, and implementing policies; *c) empowerment:* to strengthen capacity building by making all relevant actors, including beneficiaries, work together; *d) transnationality:* to make it possible for stakeholders to learn from each other and co-operate productively across borders; and *e) mainstreaming:* to develop and test new ways of integrating best practices into employment and social inclusion policies.

*Source:* European Commission (2003), *The European Social Fund 2000-2006: Investing in People*, EC Employment and Social Affairs, Brussels.

countries. Such schemes are generally motivated by budget constraints – which limit public resources for lifelong learning – and by the realisation that there are positive private as well as wider social returns to adult learning that call for all beneficiaries, including employers and employees, to contribute (OECD, 2005).

While all schemes listed in the tables imply varying benefits, none is free of drawbacks. These may include: *a)* deadweight losses; *b)* administrative complexity and rigid eligibility criteria; *c)* the possibility that firms shift the tax burden onto wages; *d)* a lack of incentives for small firms and low-skilled adults to invest or participate in adult learning. It is the balance between these benefits and costs that determines the effectiveness and adequacy of adopting any given scheme.

### *Financing schemes for firms*

Profit tax deductions and grants can, if well designed, support firms' investment in adult skills, including that of small enterprises (Table 3.1).

Table 3.1. **Financing schemes for firms**

| Type of scheme | Description | Adopting countries |
|---|---|---|
| Profit tax deduction | 1) Allows firms to deduct the cost of training from their profits when calculating tax payments | Most thematic review countries |
| | 2) Allows firms to deduct more than the cost of training from their profits | Austria, France, Italy, Luxembourg, the Netherlands (abolished in 2004) and Poland |
| Payroll tax deduction | Allows firms that do not generate profits to deduct the cost of training from their payroll tax | Netherlands (abolished in 2004) |
| Payroll tax exemption (levy-based train-or-pay schemes) | Firms are only obliged to pay training levies if their training expenditures fall short of the predetermined minimum level | Canada (Quebec), France, Korea (1976-94) |
| Grants based on payroll tax contributions (levy/grant- and employment insurance-based schemes) | Governments and sectoral bodies collect training levies from firms which are then disbursed to eligible firms that have requested training grants | *National:* Belgium, Italy, Hungary, Japan, Korea, Spain<br>*Sectoral:* the Netherlands, Denmark, Belgium, France, United States, Korea |
| Grants based on central budget | Governments use general budgets to finance training activities | European Union (European Social Fund), Korea, Mexico, Poland, United States |

*Source:* Background reports and country notes of the thematic review on adult learning; and OECD (2003), *Employment Outlook*, Chapter 5, "Upgrading Workers' Skills and Competencies", Paris.

### *Tax-based schemes*

In most countries, firms can deduct the cost of training from their profit when calculating tax payments. In some of the review countries, tax deduction schemes allow firms to deduct from profits more than the total amount of training expenditures. The amount of this extra deduction differs by country, ranging from 10% in Luxembourg to 20% in Austria and the Netherlands, up to 50% for certain types of expenditures in Italy.[4] There are also cross-country differences in the types of expenditure that are eligible for deduction. While the Netherlands and Luxembourg allow firms to deduct costs for both external and internal training, in Austria internal training expenditures are eligible for deduction only in cases where the training is provided by a separate training institution (Schlögl and Schneeberger, 2004).

Profit tax deduction schemes offer various benefits. First, given that such schemes are based on existing institutional arrangements to collect taxes, they are relatively easy to set up and administer. Second, they are demand-driven since firms are usually free to choose which workers should be trained and how to train them. Third and most important, they are likely to reduce under-investment in training caused by externalities such as job turnover, since due to the reduced cost firms will likely prefer training their own workers to hiring trained workers from the external labour market.

However, profit tax deduction schemes are not free of drawbacks. First, they could lead to high deadweight loss, *i.e.* a large number of firms that take advantage of a scheme would have trained their workers even in its absence. Public finances would thus be used in an inefficient manner. High deadweight loss in part caused the Netherlands, for example, to drop their profit tax deduction scheme in 2004.[5] Second, such schemes may not provide enough incentives for small and medium-sized enterprises to invest in training, due to the administrative burden associated with requesting tax deductions for a relatively small

amount of benefit (given the small number of potential trainees). More generally, the nature of SMEs makes it difficult to allow their employees to participate in training. Because there are fewer of them, each worker is usually assigned multiple tasks that are essential to the smooth operation of the firm; absence for training is likely to disrupt the labour process. Third, firms may prefer to train their skilled workforce and neglect their low-skilled staff. Chapter 1 has shown that adults with higher education and skills participate much more in learning activities than the low-educated.

In spite of these drawbacks, profit tax deduction schemes can be designed in ways that limit deadweight losses, encourage SMEs to participate more, and promote training for low-skilled adults.

One possibility is to exclude wages and limit tax deductions to non-wage training costs. Allowing firms to deduct trainees' wages is likely to provide more incentives to invest in high-skilled workers who receive higher wages. If firms are not allowed to deduct trainees' wages, they will be neutral with respect to the training costs and will simply choose workers with the highest returns to training. The Netherlands and Austria have adopted this approach, while Italy allows deductions of trainees' wages up to 20% of payroll (OECD, 2003). However, given that highly skilled workers are likely to have higher returns to training, excluding indirect costs is not sufficient inducement.

Another possibility is to allow firms higher deductions in the case of training for the low-skilled or other disadvantaged groups. Up to 2004, a tax scheme in the Netherlands allowed an extra 20% tax deduction if the training was aimed at bringing employees up to the so-called "start" qualification level, considered the basic level for employability. Between 1998 and 2003 another Dutch scheme allowed a special 40% deduction for training workers aged 40 and over. Many firms, however, responded to this scheme by substituting training for workers above the age threshold for training of those below it. Due to this substitution effect, the scheme proved inefficient (Leuven and Oosterbeek, 2004) and was abolished after only a few years.

Yet another possibility is to allow firms with relatively low training expenditures to deduct higher amounts. Administrative costs to file tax deductions may be larger in the case of SMEs, which may justify granting them higher rates of tax deduction. The Netherlands, again, experimented with providing stronger incentives for small firms with low training expenditure by allowing a 20% extra deduction in cases where the total training costs are below a certain threshold (CINOP, 2005). However, this scheme was also abolished in 2004, although the idea has attracted interest elsewhere and was taken up in a proposal by the Austrian Economic Chamber, for example (OECD, 2003).

Finally, some countries have restricted the eligibility of tax deductions to small firms. Since 2002 in France for example, extra tax deductions are only allowed to SMEs with a relatively low turnover and which have at least 75% of their capital owned by private shareholders (OECD, 2003). However, there may also be large enterprises that make their investment in training dependent on the availability of tax deductions, and excluding them may not be the optimal strategy for setting training incentives.

The above indicates that designing tax deduction schemes in which disadvantaged adults and smaller firms are more likely to receive training is an extremely complex task. In fact the Dutch government, in spite of following most of the above-mentioned conditions, had to abandon its tax deduction scheme targeted to older workers due to high deadweight losses as well as the substantial fiscal burden. What is to be learned from this?

Putting aside the issue of the expensive nature of these schemes, they need to be carefully designed so that targeting is effective. This may be done by allowing firms and individuals with varying degrees of disadvantage to have varying levels of tax incentive. For example, one of the reasons behind the failure of the Netherlands scheme was that it led to mere age substitution. An alternative design could be to provide firms with a continuum of differential tax deduction rates by groups of individuals and/or firms.[6] However, it is also important to note that allowing tax deductions in multiple steps would also increase administrative costs – which, in turn, may deter firms' involvement in training.

There are two types of schemes funded by payroll taxes, namely "train or pay" schemes and obligatory training levies followed by grant disbursement (see Table 3.1). Both schemes impose an extra payroll tax on firms for financing training activities.[7] In the former, firms are required to spend certain minimum amounts on training and incur a payroll tax if training expenditures fall short of the predetermined level. In the latter, each firm is required to contribute a payroll tax into a common fund, which is used for training expenses according to the objectives set by government (or a given industrial sector). The main rationale of these payroll tax-based schemes is that they are expected to tackle under-provision of training due to poaching externalities by requiring all firms to contribute to training expenditures. These schemes can, however, entail large deadweight losses and taxes can be shifted onto wages, particularly in the case of train-or-pay schemes.[8] By contrast, in the case of payroll tax-based grants, there appears to be more room to facilitate training activities for low-skilled workers and small firms, with less deadweight loss.

One of the main benefits of payroll tax-based grants is that the training fund can decide to award grants or not, based on the quality of applications in which companies put forward their training plans. Potential problems with the scheme include rigid eligibility criteria, substantial administrative costs that may discourage SMEs from participating, and potential deadweight losses. There are, however, ways of reducing these problems. Deadweight losses can be minimised by designing the grant disbursement in such a way that it effectively targets needy firms. It is also possible to lower payroll tax rates for SMEs.[9] Perhaps the biggest challenge is to reduce the rigid eligibility criteria and high administrative costs involved.

In the Spanish levy/grant scheme, every company pays a training levy (corresponding to 0.7% of payroll, of which 0.6% is paid by the employer) into a training fund. It can then try to recuperate all or part of its payment through applications for grants to finance its training plan. In practice, grants do not closely reflect company payments and therefore allow redistribution of funds towards jointly defined priorities. Equity concerns are integrated into the Spanish scheme via the requirement that funding applications be submitted to the firm's worker representatives; their evaluation usually plays a role in the grant decision by the training fund administration (Ok and Tergeist, 2003).

The Korean policy to support training consortia provides an example of how payroll tax-based grants can reach small firms in complement with large ones (Box 3.3). Although this scheme is still in the pilot stage it shows great potential, since it provides opportunities for SMEs to receive quality training while addressing negative features inherent in other levy schemes. Large enterprises use grants to train workers in partner enterprises, usually SMEs. Since it is the large enterprise that organises and administers the training programme, high administrative costs of the scheme do not hinder SME participation. In view of the programme's success, the Korean government is likely to increase its support for industry-wide and regional training consortia.

### Box 3.3. **SME training consortia in Korea**

The Korean government finances training grants to enterprises from the employment insurance fund (EIF), under the Vocational Ability Development Programme (VADP). The EIF is funded through a payroll tax on enterprises.* The VADP provides subsidies to firms that: *a)* conduct in-plant training; *b)* assign workers to paid education or training leave; and *c)* provide training courses outside firm premises. It also supports employees engaging in education and training – including training for older workers – and provides tuition loans. One of the main drawbacks of the VADP is that the prime beneficiaries are large firms; small and micro enterprises are benefiting much less from it (although they also pay smaller contributions).

In response to the low take-up of grants by smaller enterprises, the Korean government is supporting training consortia, involving large enterprises (including multinationals) that organise training for SMEs. The initiative provides an interesting and innovative example of how to tackle low training participation among SMEs.

In this system, training institutions of large enterprises pool resources to create a joint training centre to cater to suppliers, distributors and subcontractors. This collaboration benefits all partners by increasing efficiency and quality of training delivery, streamlining the training programmes of partner enterprises, encouraging employees of partner enterprises to participate in training activities, and ultimately achieving higher product quality. Moreover, training consortia organised by multinational enterprises or technologically advanced domestic firms may facilitate technology spill-overs. The VADP supports this by providing subsidies to the consortia as well as to partner enterprises using the training facilities.

Two training consortia recently established by Samsung Heavy Industries and Volvo are good examples of this initiative. Facing skilled labour shortages and inadequate product quality among partner enterprises, Samsung Heavy Industries created a joint training facility for its partners. The pilot project began in 2001 by developing and delivering training programmes and materials that reflected the skill demand of partner enterprises. In 2002, 92% of Samsung's partner enterprises participated in the training programme, and 98% of participating individuals completed their courses. The Volvo consortium also pooled training resources to improve the skill level of suppliers and subcontractors. This scheme benefited not only Volvo by raising the quality of inputs from their suppliers, but also the partner companies (mostly SMEs), by improving their productive efficiency.

* Korea had adopted a "train-or-pay" scheme in 1976-94, but decided to move towards the new EIF-based scheme due to the low take-up of training. The train-or-pay scheme had some success initially, but the share of eligible firms utilising its financial incentives lowered substantially, from two-thirds in 1977-80 to less than one-fifth in 1991-93 (OECD, 2000).

*Source:* Ra, *Y.S. et al.* (2005), "OECD Thematic Review on Adult Learning: Korea Background Report", commissioned by the Korean Institute for Vocational Education and Training, Seoul.

### *Payback clauses and individual loans*

Contract-based financing schemes such as payback clauses and individual loans can be attractive, since they involve no public expenditure[10] and reduce employer risk of losing an investment through employees leaving the company after training. Payback clauses specify that a worker who voluntarily quits the firm within a specified period after training has taken place is obliged to reimburse at least part of the costs incurred by the employer.[11] Individual loans essentially introduce a credit market for human capital, which permits even individuals with credit constraints to borrow in order to invest in their human

capital.[12] While individual loans have been made available in a number of OECD countries, there have been problems related to student indebtedness and high default rates. Payback clauses in principle do not suffer from this problem since adults are normally required to pay back training expenses only when they voluntarily quit the company that had financed the training. Luxembourg and Poland are the only OECD countries where such clauses are provided by law. In other countries, payback clauses are established within certain limits in individual contracts or collective agreements.

Payback clauses do not provide extra incentives for the low-skilled to take up learning activities. Assuming that the low-skilled perceive lower benefits of participating in learning activities, payback clauses would instead benefit the higher-skills groups that may have a clearer idea about the returns to participation.

### *Financing schemes for adults*

Subsidy schemes based on the central budget – such as grants and individual learning accounts (ILAs), income tax deductions and training leave regulations – can substantially reduce the costs of individuals participating in adult learning. Experiences in OECD countries indicate that ILAs and grants (*e.g.* allowances and vouchers) can be effective in facilitating adult learning for the low-skilled. Income tax deduction schemes are less likely to help these groups, due to the fact that they often pay low income taxes or none at all (Table 3.2).[13]

Table 3.2. **Financing schemes for adults**

| Type of scheme | Description | Adopting countries |
|---|---|---|
| Income tax deduction | Adult learning expenditures are allowed to be deducted when individuals calculate income tax payments | Austria, Denmark, Germany, Hungary, Japan, the Netherlands, Poland, Portugal, United States |
| Payroll tax-based training grants | Government imposes payroll tax for training purposes. The pooled fund is disbursed by individual requests for training activities | Japan, Korea, Spain |
| Payback clauses | Firms and adults establish a contract that specifies a period during which trained adults are obliged to pay back training costs after voluntary quit | By legislation: Luxembourg, Poland. Based on collective agreements and contracts: most other review countries |
| Individual loans | Bank loans to individuals for adult learning purposes. Government usually guarantees the loans in case of defaults | Korea, New Zealand, Norway, United States, United Kingdom |
| Vouchers and allowances | Direct subsidy by governments in the form of vouchers and allowances. Vouchers provide adults a choice among training providers, while allowances cover part of the opportunity cost of participating in learning | Vouchers: Austria, Germany, Italy and Switzerland<br>Allowances: Austria, Denmark, Italy, Germany, Korea, the Netherlands, Poland, Sweden and United Kingdom |
| Individual learning accounts (ILA) | A bank account to be used only for adult learning purposes. Normally, multiple stakeholders including the government, adults, firms, and sectoral bodies invest in the account | Canada, the Netherlands, Spain, United Kingdom and United States |

*Source:* Background reports and country notes of the thematic review on adult learning; and OECD (2003), *Employment Outlook*, Chapter 5, "Upgrading Workers' Skills and Competencies", Paris.

### *Individual Learning Accounts (ILAs)*

Individual learning accounts are essentially tax-sheltered saving accounts that can only be used for the purpose of adult learning activities. Numerous stakeholders, including adults,

firms, sectoral/regional institutions and the government, can contribute to this account. The main idea behind ILAs is not simply to make adult learning an individual responsibility, but also to financially and technically involve other stakeholders in the process.

ILAs are a relatively new instrument, and most countries have only implemented pilot projects. Only the United Kingdom, where the number of ILA holders reached 1 million in 2001, has so far implemented this scheme at the national level. However, the experience there led to a substantial number of cases of fraud, with bogus accounts opened and unauthorised withdrawals taken from individual accounts. Moreover, lack of quality control of private sector providers led to substandard courses. Deadweight losses were fairly large, with 53% of account holders indicating that they would have undertaken training even in the absence of the scheme (York Consulting, 2002). The problems led to the suspension of the United Kingdom's ILA scheme only 12 months after it was launched.[14] To some extent, these problems reflected the rapid expansion of the programme to meet a growing demand that had been underestimated during the planning stage. At the same time, ILAs were not specifically targeted to the low-skilled.

In contrast, pilot ILAs introduced in Canada (Learn$ave), the Netherlands (Box 3.4) and the United States (IDAs, ITAs) were designed in a way that primarily targets low-skilled adults. The Dutch ILAs focus on low-educated disadvantaged groups (including the unemployed), while learning and training accounts in Canada and the United States are

### Box 3.4. **Individual Learning Accounts: eight pilot projects in the Netherlands**

In 2001-02, the Netherlands implemented eight ILA pilot programmes around the country that were targeted to low-educated and other disadvantaged groups, including the unemployed. The main idea was to promote work-related learning among these groups of adults, and to allow them to freely choose a type of learning activity. The account could only be used for direct costs of training such as registration fees, books, exams and software. In each of the eight pilot areas, 150-200 adults opened accounts that were administered by industrial sector training funds or regional education offices. While the main contributor to the individual account was the government (contributions amounting to at most EUR 454 per person), adults, firms, sectoral training funds and the local government could make additional contributions.

The results of this programme look fairly good, with a relatively high take-up among low-educated adults* and satisfactory performance returns (*i.e.* job-finding, improved competencies, etc.). There were problems, however: some account holders were not even aware of the existence of their ILA. There were also cases where the ILAs were used in activities not related to the workplace, reflecting tension between work-related and more general education objectives.

In 2003, the Dutch government decided not to extend the pilot ILAs to a nationwide scheme due to disagreements between it and the social partners in determining the nature of fiscal incentives to encourage training. However, the government intends to start a new ILA project in the near future, in order to get a better grasp of the effectiveness of learning accounts for low-skilled employees.

* Over 50% of participants had less than upper-secondary education.

*Source:* CINOP (2005), "Education and Training of Low-Qualified Adults in the Netherlands", OECD Thematic Review on Adult Learning: the Netherlands Background Report, commissioned by the Ministry of Education, Culture and Sciences.

limited to those below a certain income and/or asset threshold. Most of these programmes appear to have successfully increased participation in adult learning, especially among the low-skilled (CINOP, 2005; York Consulting, 2002). There are also fewer cases of account abuses and lack of quality control than reported in the United Kingdom. Perhaps the biggest challenge, however, is to have all key stakeholders (the government, sectoral bodies, social partners and enterprises) agree on the nature of fiscal incentives that ILAs can provide and on effective control mechanisms before expanding these pilot programmes into nationwide schemes.

In 2004 France initiated a different type of learning account, where individuals are allowed to save time instead of money. A collective agreement and subsequent law grant an individual training right that allows workers to spend up to 20 hours per year on learning activities; hours can be accumulated for a maximum of six years. The Netherlands is also moving in this direction after the government decided to establish a Life Course Scheme that provides incentives for employees to save money to finance periods of unpaid leave (the main incentive being that the deposit is not taxed). Study leave is one of the areas targeted by the scheme.

### *Vouchers and training allowances*

Individual grants to support adult learning activities include those that subsidise direct costs, such as vouchers covering course fees, and those that subsidise indirect costs, such as allowances covering a part of forgone wages. This is expected to help reduce the overall costs of participation and increase the returns to investing in adult learning. The main advantage of these subsidy schemes is that they can facilitate targeting and stimulate competition among providers by giving individuals greater choice. Vouchers available in Austria and Germany specifically target low-skilled adults and the unemployed, respectively; in the Swiss canton of Geneva as well, the share of low-skilled beneficiaries has risen to over a quarter in 2004. Allowances in the United Kingdom target young and low-skilled adults. However, it is important to note that effective targeting depends heavily on framework conditions. These can include low barriers to entry for new adult learning providers; availability of information to adults on the content and quality of learning opportunities; and the possibility for learners to signal their results to the external labour market.

In particular, for these schemes to be effective, it is essential that provider quality is ensured and certified. That involves screening potential providers and monitoring existing ones (see also Chapter 4 below). Austria provides an example of well-targeted voucher schemes that also provide strong incentives for adults to complete their courses (Box 3.5).

Allowance schemes and financial study support have the benefit of reducing the opportunity costs of attending full-time courses, which is a rather important point since forgone income substantially depresses individual rates of return and can be one of the most important deterrents to participation. The Nordic countries have generous support systems for studies at primary, secondary and tertiary level. A good example of allowance schemes is the Adult Learning Grant in the United Kingdom, which reflects a broad commitment to learn lessons from the failure of the ILA programme. A key reason why the ILAs were not successful, apart from the issue of fraud and lack of quality control, was the apparently high deadweight loss. In order to better target low-skilled adults, the United Kingdom decided to adopt a grant-based scheme (Box 3.6).

### Box 3.5. **Training Vouchers in Austria**

Over the past few years, most Austrian *Länder* introduced vouchers that subsidise part of the cost of adult learning. While these voucher schemes are for employees in general, they focus on low-skilled and low-educated adults, including women on maternity leave and unemployment benefit and social assistance recipients. Their main objective is to increase adult learning participation by reducing direct costs. In addition, they provide strong incentives for individuals to finish their courses by reimbursing additional amounts upon completion.

While subsidy levels and requirements vary according to different regions and the characteristics of adults, the low-skilled appear to be favoured. In Vienna, while the general amount of subsidy is EUR 150 (per year), those registered with the Employment Service and those enrolled in second chance programmes receive EUR 300 and EUR 450, respectively. In Upper Austria, while the general subsidy is up to 50% of training costs – to a maximum of EUR 730 – older workers over 40 and those without a vocational qualification receive a higher level of subsidy – up to 80%, with a maximum of EUR 1 100. Courses leading to higher formal qualifications (*e.g.* master craftsman) entitles applicants to additional amounts – a maximum of EUR 1 460, or of EUR 1 830 for persons over 40.

In 2002, the Austrian Chamber of Labour also began providing a "learning voucher" (the *AK Bildungsgutschein*) that is worth EUR 100 (and EUR 150 for those on parental leave) for specially defined courses given by selected training providers.

One important feature of the Austrian voucher schemes is their attempt to ensure learners a supply of good-quality providers. To this end, vouchers can only be used with providers meeting strict quality standards (*e.g.* in the case of Upper Austria, the standard is certified by the Upper Austrian Quality Label – see Box 4.15).

*Source:* Schlögl, P. and A. Schneeberger (2004), "OECD Thematic Review on Adult Learning: Austria Background Report", Österreichisches Institut für Berufsbildungsforschung, and Institut für Bildungsforschung der Wirtschaft, Vienna.

### *Training leave*

Meeting the training needs of individuals frequently requires them to stop working or reduce working hours for a considerable period. These circumstances can be facilitated by training leave schemes laid down in law or collective agreements. Training leave responds to the need for workers to be ensured employment once the learning process has ended, thus reducing the risk of joblessness. In general, workers may be eligible for financial support during the leave,[15] and there may be subsidies or loan schemes available for training under different circumstances. Apart from reinstatement rights, a key feature of training leave schemes is the extent to which workers receive compensation for forgone earnings.

Different methods of training leave across countries make for a complicated picture, as shown in Table 3.3. Eligibility criteria depend on the duration of the employment relationship. It can range between no minimum requirements to at least three years of work with the same employer. The duration of the leave may range from short periods of training, such as five days per year, to long leaves of up to a year for full-time study. Furthermore, the leave generally requires the agreement of the employer, who may decide that it is not the appropriate time for leaving because it may interfere with the effective functioning of the firm, or because the quotas for leave may have been exceeded. There may also be clauses to safeguard the interests of both the employer and the employee. The content of the learning

### Box 3.6. **Individual allowances for study support in selected countries**

The Adult Learning Grant in the **United Kingdom** is a recently initiated allowance scheme to encourage low-skilled young adults to participate in adult learning. This scheme has been developed as part of the UK Skills Strategy to improve the nation's skill base, by helping those who have not succeeded in their initial education get the qualifications necessary for their future careers. The scheme, piloted since September 2003 in 10 local Learning and Skills Council areas (19 since September, 2004), provides a means-tested allowance of up to GBP 30 per week to young adults aged 19-30 for full-time learning that leads to qualifications at level 2 or 19 and over at level 3). The grant is normally available for up to two years, and the income level of the learner is limited to GBP 11 500 annually. Evaluation studies are under way, and the scheme is expected to be extended to all adults in the United Kingdom.

Study support in **Sweden** can be granted for studies at university and other types of post-secondary education, and for studies at primary or secondary level in municipal or national adult education programmes. The grant share of the study support is larger for students with a lower educational level. The total amount is similar to the net income of a low-income earner (about SEK 7 500 per month, equivalent to about USD 1 100). The amount is designed to cover the student's own cost of living as well as study-related costs.

As a complement to the ordinary study support scheme, so-called recruitment grants can be awarded to persons with relatively little previous education who are either unemployed, at risk of becoming unemployed, or have functional disabilities and therefore need extra time to achieve educational targets. This grant may be awarded to persons between 25 and 50 years of age for a maximum of 50 weeks; it is available for learning activities at basic and upper secondary levels.

In **Denmark**, state educational support (*Statens Voksenuddannelsesstøtte*, SVU) and an allowance (*Voksen- og efteruddanelse,* VEU) are paid to adults participating in lower and upper secondary education, tertiary education and vocational training up to the level of vocationally oriented youth education. The SVU grant aims to ensure that adults who participate in such programmes up to the level of vocational education receive the financial support to do so. The VEU allowance aims to compensate for forgone earnings. In 2003, there were over 14 000 beneficiaries of the SVU scheme, and over 243 000 transactions (not identical with number of persons) under the VEU scheme.

*Source:* Denmark: Danish Technological Institute (2001); Sweden: Swedish Ministry of Education and Science (2003); UK: Department for Work and Pensions (2005).

may be covered; for example, it may be limited to vocationally oriented or firm-based training, or cover general learning as well. Of course, such clauses will have a clear impact on take-up.

In terms of financing alternatives, countries respond to the need to cover the costs of training leave in different ways:

- *Government support:* In a number of countries public support is focused on learning for disadvantaged groups. This is the case particularly in Finland, Norway and Sweden, where public funding is available for basic education programmes for older students or low-income groups. In the United Kingdom, while there is no official training leave, the government funds work-based training programmes for the low-skilled. In Denmark, priority is determined by the target groups' level of education/training, rather than income or age.

## Table 3.3. **Education and training leave schemes in selected OECD countries**

| | Eligibility | Type of financial support | Who covers the costs? | Number of beneficiaries (% of total employment) |
|---|---|---|---|---|
| **Austria** | Three years with same employer.<br>Employer agreement.<br>For any training of more than 16 hours per week. | A daily allowance of EUR 14.5 for a period of 3-12 months. | Austrian Employment Service. | 2 263 in 2002 (0.1%). |
| **Denmark** | Employer agreement/ self-employed:<br>*General adult education:*<br>> 26 weeks in present job.<br>*Tertiary level:*<br>> three years' work experience | Paid to employees or to employer if the latter pays full wages during training leave.<br>Maximum unemployment benefit (9/2004): EUR 423 per week full-time attendance.<br>Maximum duration of SVU: 80 weeks (full-time equivalent) at basic education level.<br>1-52 weeks (full-time study) within a five-year period at tertiary level.<br>Vocational (VEU): unlimited time. | State budget.<br>Employers contribute towards VEU allowance via training levies (Employers' Reimbursement Scheme). | SVU: 14 000 or 0.61% of workforce aged 25-59 in 2002.<br>VEU: 9% of workforce aged 20-70 (based on transactions, not beneficiaries as these may participate several times in a year). |
| **Finland** | Employees with a work history of over 10 years. | EUR 440 per month plus an earnings-related amount covering 15-20% of the last monthly wage up to one year. | Education and training insurance. | 5 236 in 2002 (0.2%).[a] |
| **Germany** | Specified in collective bargaining agreements and *Länder* legislation. | Full wage costs | | 1% to 2% annually. |
| **Korea** | Employees with work history > one year. | 1/3 of the wage costs and part of direct costs. Occupational training of over 30 days and 120 hours. | Employment insurance. | 7 756 in 2000 (0.04%). |
| **Netherlands** | Specified in collective bargaining agreements. | Full wage costs. | Sectoral training funds determined in collective agreements paid for by employees and employers. | n.a. |
| **Norway** | Those with a work history of over three years and with the current employer for the past two years. | NOK 80 000 per year: 60% loan, 40% converted from loan to grant upon passing examination.<br>< 50% of beneficiaries of education leave (formal education) received full pay, 20% received reduced pay. | State Education Loan Fund for basic educational attainment. | 17 000-18 000 employees (0.8% of employed) exercised their right to take full education leave in 2003. |
| **Poland** | Workers directed by the employer to a school or training. | At secondary level: coverage of wage costs up to 5 hours and 6 working days before the final examination.<br>At tertiary level: coverage of wage costs up to 28 days of training leave; refund of travel costs, material and tuition fees. | Training Fund: enterprises, which establish the training fund, have the right to receive financial aid for training from state budget resources. | n.a. |
| **Spain** | Workers who have been employed by the same firm for at least one year. | Full forgone wages up to 200 working hours. | Social partners' mandatory contribution to the Tripartite Foundation. | 4 731 in 1999.<br>1 394 in 2002 (0.01%).[b] |
| **Sweden** | Workers employed for at least six months or with a work history of over 12 months during the last two years. | Grants and loans of SEK 33 880 for 20 weeks of full-time studies; a supplementary loan for workers > 25 if the income during the 12 months immediately preceding studies has been above a certain threshold. | Study allowance by the government. | 0.7% in 2002. |

n.a.: not available.

*a)* The figure refers to the number of employees who have taken alternation leave, of whom only roughly 17% indicate studying was the major reason.

*b)* The figure refers to the number of individual training permits approved by the Tripartite Foundation.

*Source:* OECD (2003), *Employment Outlook*, Chapter 5, "Upgrading Workers' Skills and Competencies", Paris; Thematic review on adult learning: country background reports; CEDEFOP (2004), "Educational Leave Schemes throughout Europe", CEDEFOP and EURYDICE, Belgium.

- *Funding from employer and employee contributions:* In Austria and Korea for example, training leave is funded from contributions to unemployment insurance funds, while in Spain it is funded from contributions to a special training fund.
- *Funding from social partner agreements:* In the Netherlands there is no national legal framework for training leave; financing comes from employer and employee contributions to special sectoral training and development funds. In Germany there is regional-level legislation; in addition, social partners have negotiated collective agreements including educational leave.
- *Full funding by employers:* Apart from granting time off, in some countries employers cover the wage costs, especially during short-term leave. This is the case in Portugal for example, where the obligation to provide a minimum of at least 20 hours of training annually was implemented in 2003, after adoption of a national social partners agreement.
- *Unpaid leave:* This right without financial support exists in a number of countries for those who are interested in further learning. In the United Kingdom for example, it is applied on a voluntary basis, while in Germany it is included in many collective agreements. In Sweden it is regulated by law.

Alternative approaches use public financial support to target two key issues: wage subsistence, and replacing the worker who leaves for training through job rotation (*e.g.* Austria, Denmark, Finland, Germany, Hungary, Poland and Sweden). The person who takes up leave is replaced by another worker – often an unemployed individual subsidised by the government. These types of schemes are often considered as particularly attractive to small firms that may otherwise find work reallocation and recruitment more difficult or costly.

Another interesting approach to help workers fund their own training leave has been adopted in the Netherlands, where the government developed a "leave-saving scheme". Employees can set aside up to 10% of their gross yearly wage in a savings account with privileged tax treatment to finance personal leave, with "training" or "studies" as one of the declared aims of the leave (Life Course Scheme).

In Germany, courses catering to those exercising the right to educational leave are offered by public colleges and education providers such as *Arbeit and Leben* in Hamburg, funded half and half by the Land/city government and the national trade union federation (DGB). Participation is biased towards large firms, where trade union representatives and works councils play a role in encouraging employers to participate.

The take-up of training leave schemes – with some exceptions, such as Denmark, Germany, Norway and Sweden – remains limited. In all countries for which data are available, less than 2% of employees are on training leave each year (Table 3.3). Cross-country differences reflect the availability of financial support, coverage of the wage losses for the workers and the need to obtain the agreement of the employer to exercise the right to a training leave. In Korea for example, there is no guarantee of obtaining paid leave, which companies grant only in exceptional cases.

There are clear patterns of participation as well, with women, higher-educated individuals and civil servants benefiting more. In Denmark for example, three times more women than men participated in one of the training leave schemes targeted at the low-educated in 2000. In Sweden, women take up training leave twice as frequently as men. In Austria, training sabbaticals were dropped after they were disproportionately used by women soon after maternity leave (CEDEFOP, 2004). In Germany, a large proportion of the people who benefit are civil servants, while in Korea civil servants can take paid or

unpaid leave to study at the Open University, with 80% of their tuition fees reimbursed. In Portugal, civil servants have their own rights to training leave. In most countries, higher-educated individuals benefit most. In Spain for example, about 80% of those who benefit from training leave funded by the national Tripartite Foundation for Training at Work enrol in tertiary education.

More flexible alternatives, such as rotation schemes or time leave accounts, may be alternative routes for greater take-up by firms and by workers. These and other arrangements for educational leave should be encouraged.

## 3. Conclusion

This chapter has examined several broad areas of financing policies aimed at reducing under-provision and increasing the effectiveness of adult learning. Special attention was paid to those likely to address the needs of low-skilled adults and small-sized firms. As to financial arrangements among various levels of government, while performance-based financing may increase aggregate efficiency, it needs to be accompanied by either needs-based funding or matching grants designed in such a way that low-skilled adults are likely to benefit. Schemes in the United States and the European Social Fund provide good examples that address both efficiency and equity concerns.

As to funding mechanisms that directly support firms and adults, schemes that share a co-financing element or allow greater choice to individuals and firms can raise the efficiency of provision. However, it is also necessary to ensure that deadweight losses are reduced and disadvantaged groups and SMEs benefit from the scheme. Under those conditions, profit tax deduction schemes and levy/grant schemes can be viable options among the various financing instruments available for firms.

As for instruments for adults, individual learning accounts, vouchers and grants can facilitate learning among low-skilled adults if appropriately targeted. As a general rule, the way to proceed is to better target programmes. An open question is whether the targeting should be to individuals or to firms. Support for training leave is also a useful instrument to promote learning take-up by workers but, again, mechanisms need to be found to ensure that low-skilled workers are the ones who benefit from financial and social partner support.

### *Notes*

1. Financing schemes to support training for the unemployed are not specifically addressed in this chapter.
2. There are, however, large disparities among states in financing, given the diversity of regional needs and the choices made by state agencies. For instance, the State of Maryland usually finances only about 20% of its total spending, whereas California usually contributes close to 90%.
3. Performance-based funding is also often used to evaluate the effectiveness of employment services. As a rule, however, performance of adult learning activities tends to be more difficult to measure (see Section 4 on programme evaluation in Chapter 4).
4. In Austria, firms have an option to deduct 6% of the actual expense from tax liability. This provides training incentives for firms that do not make enough profit in a given year to take advantage of the regular tax deduction.
5. It was observed that large firms were the main beneficiaries of the extra-tax deduction scheme.

6. For example, tax deduction rates could be designed to continuously increase from workers with 0 years of schooling to those with nine years. In principle, one could also link tax deduction rates to different characteristics of the low-skilled (*e.g.* age, wage, occupation). In this way, firms would have less incentive to use substitution, as in the Dutch example. However, whatever the tax rate scheme chosen, it is inevitable that substitution effects will occur to some extent.
7. In the case of Korea and Japan, training financed via employment insurance funds is fully funded by payroll taxes specifically earmarked for training (one of several activities supported by these funds).
8. A high deadweight loss is inherent in the scheme's design: large companies that are likely to finance training even in the absence of this scheme implicitly receive a 100% subsidy. Note that empirical evidence is mixed as to the extent firms shift payroll taxes onto wages.
9. For example, under their respective training levy schemes, both France and Quebec have legislated lower payroll tax rates for SMEs.
10. The only exception is when the government is liable in cases where the borrower faces default.
11. Essentially, payback clauses allow individuals and firms to share the cost of training. Thus, they aim at mitigating two of the market failures potentially affecting adult learning: poaching and credit constraints. The "non-compete clause" is an alternative instrument widely used in the United States. This is an agreement signed by employees and management whereby the employee agrees not to work for competitor companies or form a new competitor company within a certain period after termination of employment.
12. A credit market for human capital cannot be developed by the market itself, since human capital cannot be used as collateral. Thus it is necessary for the government to initiate such a market and guarantee the credit so that financial institutions agree on providing collateral-free loans to adult learners.
13. ILAs do not always involve government contributions. For example, the "Competence Accounts" at the Swedish insurance company Skandia involve employers and employees only (OECD, 2005).
14. To a certain extent, the ILAs have been replaced by the Adult Learning Grant (Box 3.6).
15. Since 1974, there has been an ILO Convention (No. 140) on Paid Educational Leave, ratified by 32 countries.

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Promoting Adult Learning


*Chapter 4*

# Improving Delivery and Quality Control

*This chapter provides an analysis of different institutional arrangements in place for learning, including programmes based at the firm and workplace levels, which remain the principle locations of learning for most adults of working age. Overall, experience from the review countries highlights the importance of delivering flexible learning arrangements that are targeted to the specific needs of the populations concerned. Furthermore, adults are more likely to participate in adult learning programmes if the learning supply is one of quality. Poor-quality programmes and lack of knowledge of programme results, on the other hand, can easily reduce investment as well as participation. Thus, quality control and programme evaluation should be considered integral components of adult learning systems. Throughout the chapter, special attention is put on programmes for low-skilled adults.*

Shaping delivery of learning programmes to match adult learners' specific needs and flexibly fit in with adult family or work schedules can improve the motivation of those who find either no reason for or obstacles to participation. This chapter provides an analysis of different institutional arrangements in place for learning, including programmes based at the firm and workplace levels, which remain the principle locations of learning for most adults of working age. Overall, experience from the review countries highlights the importance of delivering flexible learning arrangements that are targeted to the specific needs of the populations concerned. Furthermore, adults are more likely to participate in adult learning programmes if the learning supply is one of quality. Poor-quality programmes and lack of knowledge of programme results, on the other hand, can easily reduce investment as well as participation. Thus, quality control and programme evaluation should be considered integral components of adult learning systems.

## 1. Meeting the delivery challenge

Supply and delivery can prove important barriers to learning: institutions may not be available or suited to adult learning needs, particularly those of low-skilled adults. This section reviews a range of educational institutions and learning arrangements adopted by countries that have responded effectively to the learning needs of different groups of adults. These include folk high schools, community colleges, one-stop shops, community centres, enterprise-based training centres and regular educational institutions that open up to adults in their free time. As a rule, learning provision varies considerably, depending on the specific groups targeted. Flexible learning arrangements, such as part-time or distance learning, are also promoted as ways to reduce the opportunity cost of studying and make it compatible with everyday adult lives.

### *Second chance programmes*

Second chance education offers a number of possibilities to help adults either improve their low levels of education or change careers. These programmes, which by definition target low-skilled or disadvantaged groups, cover a range from basic literacy and vocational training to learning the local language as a second language. Below is a review of delivery methods that have been successful in reaching the target groups. What these methods have in common is their softer approach to learning and somewhat informal settings. The goal is to attract adults who have not had any success at school or in previous learning programmes.

In a number of countries that have well-defined strategies to reach low-skilled adults, the approach that has proved successful is to move away from the school model and try to combine different modes and purposes of learning as often as possible. In Germany for example, there are a range of second chance opportunities for the lower end of the skill spectrum (Box 2.3). Some focus on providing non-formal environments compatible with daily lives, with courses lasting only a few hours per week. These aim to support adults with psychological barriers to learning. In the Netherlands, some programmes also


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Box 4.1. **Intergenerational learning in the United States and the Netherlands**

The Family Literacy Program in the United States is another outstanding method for dealing with problems relating to basic literacy and education. It aims at fighting against intergenerational transmission of low literacy by creating positive externalities among the different family members. It encourages parents to resume learning by involving their children in the endeavour: they gather in the same classroom at the same time and share activities. Even if there is little evaluation of these projects, the approach is usually regarded as beneficial to both parents and children. At least the principle is consistent with strong evidence encountered throughout the literature that the best predictor of individuals' educational attainment is the level attained by their parents, especially the mother. The Family Literacy Program delivers literacy, math, GED test preparation and new ICT literacy in a learning-to-learn approach. Finally, it seems that this programme is likely to be most successful if implemented where low-skilled people live, which is usually in deprived areas. The approach is also used in the Netherlands where, as in the United States, the teaching takes place in primary schools. However, in the Netherlands mothers and children tend not to gather in the same classroom but have different activities in different rooms.

*Source:* OECD (2005c), "Thematic Review on Adult Learning: United States Country Note", Paris; OECD (2005d), "Thematic Review on Adult Learning: the Netherlands Country Note", Paris.

combine language teaching with work and, in certain cases, on-the-job training. The intergenerational approach has also been a success (Box 4.1).

Korea has adopted alternative methods to reach and successfully train low-skilled adults. Literacy courses are delivered on a local level by social welfare centres, women's organisations and many non-governmental organisations. To reach and convince adults to enrol, for instance, the staff of the Anyang Citizens Adult Education Centre approaches women in places like supermarkets, beauty shops and bus stops. The teaching force is composed of volunteers, some of them former course participants. This Centre is networked with 25 other NGOs that also offer literacy courses. Special schools called "para-schools" deliver adult basic education for low-skilled individuals not requiring all-day attendance. "Civic schools" offer basic education condensed into a three-year course, and "civic high schools" offer the equivalent of secondary education (OECD, 2004a).

Some countries provide second chance programmes that focus on combining school-based learning with on-the-job training, in a sort of dual apprenticeship system for adults. In Austria for example, "intensive apprenticeships" for adults last one year instead of three, with many adults likely to be interested in second chance vocational preparation. The programmes are short as well as intensive, and lead to a qualification that carries the same currency as the conventional apprenticeship system. In 2002, 5 300 persons took the intensive apprenticeship exam and started a trade afterward; that represents more than 10% of the people starting a trade after finishing a regular apprenticeship. In Poland, the success of apprenticeship programmes for young people has raised interest in developing similar programmes for low-skilled adults (OECD, 2005a).

In Germany, low-skilled adults have the possibility of acquiring vocational qualifications through a project called "differentiated pathways to receiving vocational degrees". It is offered by BBJ Consult AG, one of several Berlin institutions working in the

field of initial and continuing vocational training. This is a rather innovative approach that mixes assessment and recognition of prior learning, as well as a modular system for accessing a qualification. Because the assessment procedure cannot be carried out by the same institution that offers the modular qualification, a "Network Modularisation" has been set up with approximately 40 Berlin continuing training institutions. Participants who complete the cycle receive an official qualification. The project merits special attention because it explicitly targets low-skilled workers as well as small and medium-sized enterprises. There are similar programmes, with different names, in other *Länder*.

The Mexican Learning for Life and Work Model (MEVyT) was created to deliver adult basic education with a focus on vocational preparation and job requirements. The MEVyT was implemented gradually and now covers the whole country; its learning programmes are delivered in modules and in various settings. The most frequent of these are study circles (*Círculos de Estudio*) and meeting points (*Puntos de Encuentro*), which aim to meet the needs of the most disadvantaged. The more recent community halls (*Plazas Comunitarias*) follow this model.

Notwithstanding the variety of adult learning programmes, a number of OECD countries, especially those with large rural areas, face inadequate supply of provision. Some programmes (in Mexico and the Netherlands) try to reduce the costs of instruction for the disadvantaged by mobilising volunteer instructors. Mexico also has a programme to increase the supply of instructors in remote areas. This is particularly innovative, since it provides opportunities not only for disadvantaged groups to participate in adult learning, but also for instructors to pursue their university studies (Box 4.2).

### *Language courses for immigrants*

Many countries also organise courses to teach immigrants the country of arrival's language. Different methodologies are used. Some try to link families to local schools. In Germany, courses for immigrant mothers are organised at facilities such as nurseries or primary schools. Ultimately the goal is to help non-native mothers integrate more fully into German society. To some extent, the method is similar to the Family Literacy Programme in the United States, even if the latter concerns not only immigrant families but also native-born Americans. The principle remains the same: involving several members of the same family to create emulation.

In a number of countries, participation in language learning programmes can be compulsory or strongly encouraged for newly arrived immigrants. This is the case in the Netherlands, Austria and Germany. In Sweden and Norway, there are introduction programmes that provide basic language and other cultural instruction courses for immigrants. There are also free Swedish and Norwegian language courses for anyone wanting to take them at any time.

The English as a Second Language (ESL) programme is a key element of the US policy for the integration of immigrants. It serves a diverse population and offers flexibility to overcome the overall barriers adults encounter (scheduling, location, duration, etc.). Courses cover a wide scope of subjects in addition to English, ranging from integration topics (information on civil rights and civic responsibility) to vocational programmes where language teaching is adapted to the workplace. With overall funding said to be insufficient and uneven, these programmes have waiting lists. The *English for Speakers of Other Languages* programme in the United Kingdom tries to reach those who do not

Box 4.2. **Tackling supply shortages for the indigenous community in Mexico**

Mexico has large geographical areas where the supply of adult learning is insufficient. This is especially the case in the poor state of Chiapas, where a large fraction of the indigenous population lives in remote rural areas characterised by a lack not only of adult learning facilities and instructors, but also of basic infrastructure.

The surrounding rural villages of Tuxtla-Gutiérrez (the state capital of Chiapas) have a large number of indigenous communities with large adult learning needs, particularly for very basic skills such as literacy, numeracy and life skills (health, household management, cultivation, irrigation, etc.). Local governments that deal with adult learning programmes for these communities usually face problems in designing (and financing) them, since it is quite costly to send teachers to remote areas and difficult to find teachers willing to live there in the first place. To tackle this situation, Tuxtla-Gutiérrez has started an innovative scheme that provides financial incentives for teachers to provide adult learning in hard-to-reach areas. The main idea is to hire high school graduates who can teach basic courses (including literacy) in these indigenous communities for two to four years, and then offer them scholarships to attend university. During their service, they also receive free accommodation and living expenses. This scheme has attracted a good number of teachers that would otherwise have resisted work in such areas.

Although there are concerns about the quality of these instructors (lack of formal teacher training), the scheme has increased access to adult learning in areas where provision had proved difficult in the past. It has proved to be financially sustainable, with relatively low operating costs.

*Source:* OECD review team meeting with officials of the Economic Development Secretariat of the State of Chiapas, Tuxtla Gutiérrez, September 2003.

sufficiently master the English language and therefore have problems in the labour market. According to the UK 2002 Labour Force Survey, about 43 000 people of working age were unemployed, spoke a language other than English at home, and reported language difficulties in keeping or finding a job.

### *The one-stop approach*

Bringing support for different needs under one roof is a recent innovation adopted in several countries. There are different modes. Some focus on having public employment services perform additional functions, while other centres provide different types of learning as the key service. The latter provision may involve basic information about learning programmes, career guidance, or high-level vocational training. In the United States, the concept of a One-Stop Center[1] is based on the finding that having a diversity of agencies might be detrimental to the quality and effectiveness of the programmes delivered. Each state can use funding from different sources, federal or state, to support the costs of the infrastructure. The novelty of this approach is that it includes all the components a typical customer might need, beginning with the initial contact – the step that has often proved to be the most difficult. The notion of follow-up is at the heart of the one-stop concept: individuals are being helped, taught or trained according to the priority of their needs. While not all supply is necessarily available on-site and potential learners might be directed to external providers, the wide range of possibilities that are available, including access to new ICTs for browsing websites, makes these centres a valuable tool.

### Box 4.3. **Community Halls (*Plazas Comunitarias*) in Mexico**

The Community Halls are educational facilities open to the community. They are places where disadvantaged youth and adults have access to basic education and work training opportunities through combined and integrated use of three learning environments: a regular classroom, an educational television and video room, and a computer room with Internet connections. The Community Halls are part of the E-Mexico project.

While preference is given to the population served by the National Institute of Adult Education (INEA), new learners and large groups, other segments of the population may also benefit. The three main learning spaces can be used in a flexible way, and the schedule is set according to the needs of the users. A range of technical resources available and each Community Hall user will have an email account in the CONEVyT domain and access to discussion forums. Two operational personnel, a technical support person and a promoter, are trained by the State Institute, which also co-ordinates resources with community organisations and operates the educational services provided according to curricular regulations.

By the end of 2003 some 1 100 Community Halls had been established and another 125 were ready to open. Co-operation agreements have been signed with other institutions in more than 700 Community Development Centres.

*Source: www.inea.gob.mx.*

The similar concept of Community Halls (*Plazas Comunitarias*, see Box 4.3) in Mexico has proved to be even more essential to the life of the communities where they have been implemented, because the lack of learning provision and basic information was more glaring. In addition, in Mexico the staff of the *Plazas Comunitarias* has a role in trying to reach the most reluctant adults. The function of facilitating the initial step is clearly vital to reaching those unconvinced about the value of learning. The intrinsic connection between the *Plazas Comunitarias* and the MEVyT basic education programme also makes this one-stop system approach very effective. Finally, the *Plazas Comunitarias* are one of the few opportunities individuals in remote communities have to access ICTs.

There is a tendency in all countries to use the one-stop system approach for career guidance purposes (OECD, 2004b), and the likelihood is that it will enjoy increasingly widespread use in adult learning programmes. A number of drawbacks do, however, need to be pointed out. The Cologne Job Centre in Germany is an example of the downgrading of skills relative to employment in official priorities. In the United States, it seems that most of the adult learning programmes delivered in the One-Stop Centers do not lead to a qualification. Aiming at direct job placement or at upskilling of employed people at risk of being made redundant is certainly a key priority, but the currency that a qualification may have in the adult learning system later on – as well as in the labour market – is of great importance.[2]

The one-stop approach also shares with other adult learning institutions the risk of possible competition between providers, and of potential conflicts between education and labour programmes. In theory, that conflict should not exist – both programmes are aimed at upskilling individuals for a better life and better performance in the labour market – but it does. And in most countries there is some degree of competition between providers, especially when they are private and/or for-profit. More importantly, almost by definition competition is created by grouping education and labour officers in the same place with

somewhat different roles. What is valued in the two sectors may differ, as could the time horizons: direct job placement may lead to poor and unstable jobs. One way of dealing with this problem would be to have directors in charge of education come from the Ministry of labour and *vice versa*, so that the staff are aware of both types of issues and values. Korea seems to have opted for such a solution.

### *Covering a broad range of needs*

A number of institutions provide adult learning in different types of settings and focus on a diverse range of needs. This rich variety benefits choice for adult learners in terms of proximity, styles of learning and pedagogical methods, and of the types of clients who attend. Among these institutions are non-profit organisations, community colleges and folk high schools (Box 4.4).

#### Box 4.4. **Folk high schools and learning houses**

Folk high schools exist in all Nordic countries (where they originated) and in some central European ones such as Austria, Germany, the Netherlands and Poland. They have played and continue to play an important role in adult learning. Specialising in personal development and socio-cultural courses, they provide a wide range of programmes from art to more technical subjects such as ICTs. Austria also has other groups of learning institutions represented by the Working Group of Austrian Education and Training Centres, the Forum of Catholic Adult Education and the Federation of Adult Education Associations. Most courses there are non-vocational, as are the programmes delivered in the review countries by non-governmental organisations, trade unions, charities and other voluntary groups, religious or not. In Austria and Switzerland the largest non-profit learning organisations are themselves members of umbrella organisations: respectively, KEBÖ (Austrian Conference of Adult Education Institutions) and FSEA (Swiss Federation of Adult Learning).

In all countries participating in the review, non-profit associations, volunteer groups and non-governmental organisations try to fill existing gaps in the supply of adult learning, especially for low-skilled or disadvantaged adults. In Germany, a non-profit private institution, the Cologne *Tages-und Abendschule*, provides remedial courses to low-skilled individuals. The Netherlands also has non-profit organisations, such as Neighbourhood Community Centres, contributing to social and/or labour market integration of disadvantaged groups. In Poland, the Voluntary Corps focuses on young people and those with learning handicaps. In the United Kingdom, NIACE (National Institute of Adult Continuing Education), a registered charity working across sectoral boundaries of adult learning, has links with many suppliers, including providers organised by local authority, the further education college sector, universities, employers and trade unions, the voluntary sector and the media, especially broadcasters.

Many other types of institutions have developed based on specific local cultural or historical characteristics, such as in the Nordic countries, in Austria, Switzerland and North America. It seems, however, that they are all faced with similar problems, such as raising funds adequate for appropriate functioning. There are also concerns in several countries about the ability of policy to organise the market so as to ensure fair competition between structurally unequal suppliers.

### Box 4.5. **Post-secondary education institutions: community colleges and others**

In the **United States**, community colleges offer not only associate, bachelor and master's degrees but also a wide range of learning opportunities for adults, often including basic skills instruction. In addition to tuition, they receive government funding and donations – in many cases, grants through the programmes of the Office of Vocational and Adult Education in the US Department of Education. Some states, such as Oregon, rely primarily on their community college system to provide adult education services. Several studies found that more than half of GED recipients nationwide obtained additional education or training after they received a credential, primarily in community colleges and vocational/technical schools. Community colleges thus make a major contribution to adult learning supply in the United States.

In **the Netherlands**, the community college system (ROC, Regional Education Centres) comes from the merging of former sectoral vocational schools, adult education centres and the apprenticeship support structure. Together the ROCs cater for 15 000 to 30 000 students and apprentices – in fact, they have become the largest educational organisations in the Netherlands. They cover all occupational sectors (except agriculture and some smaller sectors) – and therefore, theoretically, all occupational training needs at secondary level in their region.

In **Austria**, the *Fachhochschulen* are institutions established in 1994 to expand tertiary education into more occupationally oriented forms than universities provided. For the most part, they are oriented towards full-time university-aged students preparing for employment. Nevertheless, several *Fachhochschulen* have developed programmes for working adults, who attend in the evenings. These institutions appear to have roughly one-third of their students in such evening programmes. By design, *Fachhochschulen* work extensively with employers in establishing their curricula, and their programmes generally combine classroom work with on-the-job experience. About 5 900 part-time students – 27% of all *Fachhochschule* students – were enrolled in the winter term 2003/04.

Some countries, such as Canada, the Netherlands, the United Kingdom and the United States, also rely on community colleges to deliver adult learning programmes. Practice and regulations vary from one country to another (Box 4.5).

## 2. Flexibility: easing time arrangements and distance learning

As shown in Chapter 1, time is one of the key constraints to participation. Making learning compatible with the daily lives of adults who may be working, unemployed or out of the labour force but with family responsibilities, can facilitate delivery. For people who are not working it may mean appropriate scheduling of courses and flexibility in provision, as well as mechanisms for potential family support. For those at work it may imply learning while working, learning during working hours, or allowing for training leave full or part time.

In fact, taking time off from employment to study full time may have low returns for adults, due to the potential foregone income and the future risks in finding new employment. Adults have to take responsibility for the direct cost of learning fees and for the cost of living while studying, and are uncertain about the job market opportunities once they finish learning. Policy interventions must be targeted either to reduce the direct

or indirect costs of full-time studying or to provide flexible scheduling arrangements (OECD, 2003a).

A number of countries have experience with schemes to provide support for full-time studies. In Sweden, the Adult Education Initiative focused on providing free full-time upper secondary education to (mainly) unemployed persons. This policy provided the opportunity for learning to more than 130 000 people a year, and was successful in raising the educational attainment of those at the lowest levels during a period of high unemployment. While the initiative is now over, alternative funding support has been put in place for adults to undertake full-time studies, in the form of loans and grants. The United Kingdom recently created an Adult Learning Grant available for young adults 19 years old and over who take up full-time studies to obtain a national vocational qualification (NVQ), or the equivalent of upper secondary education (see Box 3.6).[3] There are also arrangements for older adults to take up learning in their own time, such as part-time, distance or weekend studies.

Most countries participating in the thematic review provide for part-time learning arrangements or other flexible learning pathways. For example, the "second chance" route in most countries is often provided in the form of evening or weekend courses. In Austria, secondary academic schools as well as technical and vocational schools and colleges are available for adults in the evening, and Germany has a network of evening schools that lead to vocational degrees and that are also free of charge. Mexico's MEVyT modular programmes cater at the times that are appropriate for adults to attend. In the Hamburg VHS (folk high school), literacy courses are provided that last one and a half hours twice a week, at times that make it possible for working people to participate. In fact, up to 50% of the participants in the programme – primarily men – are employed.

Modularity in the provision of learning opportunities also allows adults to go at their own pace (OECD, 2003a, Chapter 6). The building blocks approach has been adopted in a number of countries, especially the United Kingdom (in the National Vocational Qualifications framework), Mexico (MEVyT), Poland and Switzerland, countries where the practice is to focus on breaking down adult learning into smaller teaching units.

Open universities and distance learning programmes are quite widespread in all countries under review. By allowing individuals to choose their time and place, distance learning brings flexibility to delivery. In most review countries, it is used either to target hard-to-reach and rather low-skilled individuals, or very highly skilled professionals. The Swedish Agency for Flexible Learning has developed as a nationwide centre for expertise, research and experience in this area, making information easily accessible on its website and through seminars, conferences, networks, etc. It is geared towards municipalities, liberal adult education and the labour market.

Distance learning programmes do not systematically require the use of a computer (*e.g.* it is not needed for the Open University in England or the Korean programme for learning through correspondence and broadcasting). Nevertheless, there is in all countries an increasing reliance on electronic means for learners to access programmes and for suppliers to deliver them. In Spain, the *Aula Mentor* learning model is carried out over the Internet and is totally free (OECD, 2003a, Box 6.4).

Distance learning is usually regarded as difficult because it requires high motivation and steady effort over time. As a consequence, many programmes organise regular classes or interviews between teachers and learners. The Korean correspondence and broadcasting

programme, for instance, delivers learning to low-qualified individuals. The number of providers was 11 in 1974 (with 5 700 students) and it is now 39 (with 14 000 students). The interesting feature of this programme is that, in addition to the distance delivery, students are required to attend Sunday classes every other week. Such classes are one way of maintaining students' motivation with face-to-face interaction, but few other countries are using this type of delivery method to reach low-skilled individuals, thought to be the public most difficult to reach.

The use of information and communication technologies has also been adopted in different areas to reach a wider audience of adult learners. The areas include adult basic education, including literacy and basic skills with which to develop ICT skills (these can lead to other continuing learning opportunities provided by a myriad of public, private and non-profit institutions); post-secondary education; and corporate learning, normally provided by the firm or outsourced. The more successful experiences are mostly in the corporate sector and some higher education institutions. However, there have been positive developments in the field of adult basic education, such as access points and ICT training provided to adults who do not have ICT at home. More varied uses of ICT in adult learning can be observed in the examples provided below (Box 4.6). The major use has been for the development of ICT-related skills rather than for providing alternative ways of delivering education and training (Pont and Sweet, 2005).

One example of successful use of ICTs for adult learning is the United Kingdom learndirect approach (Box 4.7). Meanwhile the Swedish Netuniversity (*www.netuniversity.se*), established in 2002 to widen access to higher education and to encourage lifelong learning, co-ordinates and markets distance education already offered by other institutions. Institutions are also initially given a financial incentive from the government to take part in the Netuniversity. Over 2 000 courses and programmes were registered in 2003.

Korea has also been extremely active in the development of strategies to promote the use of ICTs for adult learning. Cyber colleges, introduced in 2001, now number 16 with over

### Box 4.6. **ICTs and adult learning in the United States**

The United States uses new ICTs extensively to deliver learning programmes to low-skilled individuals.

The English as a Second Language programme uses technology in a range of contexts: in the classroom, in distance education, and in extended self-study options. Teachers use ICT both as an instructional tool and as instructional content itself.

In a mobile setting, the *Transformer* bus, unique but rather expensive, and fully loaded with high-technology devices (including satellite dishes), cruises through the depressed areas of the District of Columbia to try to reach and convince reluctant learners that learning may transform their lives in a positive way – hence the name.

The Learning Bank in Baltimore aims partly to bring a high-tech and efficient adult education centre to the heart of one of the most distressed areas of the city. The Bank provides a full set of learning programmes targeting low-skilled people. In this context, intensive use of ICT and the quality and volume of staff play a key role in fostering the learning participation of a clearly underprivileged population.

*Source:* OECD (2005c), "Thematic Review on Adult Learning: United States Country Note", Paris.

### Box 4.7. **Learndirect: flexible learning with information technologies in the United Kingdom**

Learndirect is a UK-developed experience that focuses on providing courses in a flexible manner, with heavy reliance on the use of information technologies. It acts as a learning broker:

- It is a direct provider of courses on information technologies, business and management, and skills for life (literacy, numeracy and English as a second language). Provision is through its website or in specific learndirect centres that can be found in different sites close to potential users (community centres, shopping malls, etc.). Over 80% of the courses are online; others are delivered on CD-ROM or are workbook-based courses.
- It also delivers a specific guidance support service (*Learndirect Advice*), via telephone helpline or website, for career planning and skills development.

Learndirect was developed by the University for Industry (Ufi) working in partnership with the government to deliver workforce development and lifelong learning. UfI works with a broad range of public and private providers to deliver mainly online courses and information through a network of learning centres. The objective is promoting e-learning for all, providing the opportunity to learn anywhere, at any time and at any pace.

*Source: www.learndirect.co.uk/*

20 000 students, most of whom (80%) are employed. Korea also has a National Open University system with 13 interconnected regional learning centres. The Open University's tuition fee is three times less expensive than that in regular universities. An interesting feature in Korea is that civil servants have 80% of their tuition fees reimbursed and can take paid or unpaid leave in order to study. Cyber colleges and the Open University system were originally created to cater to low-skilled or disadvantaged individuals, but participants are now rather highly skilled. In theory, the qualifications delivered are equivalent to those of other universities, but there is an issue of reputation, lower for the Open University system.

Information and communication technologies may eventually become an extremely important tool for adult learning, as the UK learndirect approach reveals. Overall, around 10% of adult learning has been delivered with the use of ICT in most OECD countries for which data are available, and it appears that those who have used ICT for learning are mostly adults with work and family responsibilities who have enrolled primarily because of time and spatial constraints. This shows that ICTs are indeed improving their learning opportunities. Furthermore, a recent study in the United Kingdom (Gorard *et al.*, 2003) surveyed adult learners who had registered for ICT skills courses. It showed that under appropriate circumstances, those who are older, less qualified or unemployed are more likely to use ICT in drop-in centres. ICTs thus apparently contribute to improving access to learning for those with time constraints, as well as improving flexibility for those who are already learning (Pont and Sweet, 2005).

## 3. Strengthening workplace training

Notwithstanding the great variety of types of provision in the review countries, the firm and the workplace remain the principle locations of learning for most adults of working age. Large employers tend to pursue different types of training – some provided by

### Box 4.8. **Enterprise-based training at Magna Steyr, Austria**

The Austrian car manufacturer Magna Steyr is a large employer, with a workforce of 6 500. It manufactures cars for a number of companies, including BMW, Mercedes, Chrysler and Saab, and has begun to provide its clients with research and development. It therefore employs a large number of skilled technicians, engineers and designers as well as production-line workers. The company makes use of many different sources of adult learning:

- About half of its production-line workers have graduated from apprenticeship, mostly at Magna-Steyr itself; at any one time there are about 200 apprentices in the company.
- Employees receive an average of 4.5 training days per year. The company maintains a catalogue of training opportunities; local suppliers can apply to provide the more general types of training, while the employer provides firm-specific training.
- The firm trains non-skilled workers for skilled positions, particularly individuals with a certain skill level but lacking formal qualifications. This programme lasts about a year, after which individuals get the *Facharbeiter* qualification (equivalent to an apprenticeship programme).
- Magna-Steyr co-operates with the public employment service in training unemployed clients, selected jointly with the local labour office.
- Employees can, on their own time, take tuition-free courses in English and German (for immigrants); all other training is provided on company time.
- About 2 500 employees have been trained at the local university or the local technical college. The company participates in the development of the relevant school curricula to make sure graduates have the requisite competencies; some of the company's trainers also teach at the technical college. For persons who want to enrol at a university or technical college, the firm pays up to 50% of fees depending on how important the training is for the company.

*Source:* OECD review team visit at Magna Steyr, March 2003.

their own human resource departments, some through external providers (including publicly subsidised universities or community colleges), and some co-funded (at times even by public employment services). The Austrian motor vehicle producer Magna Steyr is a case in point (Box 4.8).

Companies are interested in employing well-trained workers with broad, flexible skills to meet the competitive challenges of today's knowledge-based economy and adjust to the ongoing processes of technological change, product innovation and work reorganisation. However, this interest does not necessarily ensure adequate investment in the continuing education and training of their workforce. Many barriers to learning continue to exist within enterprises, among them labour market and training market imperfections and information failures (see Box 1.1 on sources of under-investment). Above all, employers and workers may view potential returns from training too pessimistically and therefore not engage in such activities. In particular, concerns by firms about recouping their training investment need appropriate attention. Their workers, once upskilled, may seek employment with other firms that can possibly offer higher wages for the very reason that they themselves did not incur training costs. As a result, employers may pursue a buying strategy and bring in human capital from the outside (Stevens, 1996; Hocquet 2000).[4]

OECD (2003a) had suggested that action was needed on several levels to overcome existing supply and demand barriers. Among other things, companies, particularly SMEs, need encouragement to set up skills-based training plans. They also need to look for multiple ways of reconciling production time with training time, for example by using worker rotation schemes. Chapter 3 has analysed the co-financing arrangements that lie at the heart of a comprehensive strategy. Well-designed government policies and incentives can be of much help in making employers realise that they can benefit from upskilling of their workforce (see examples of programmes for the low-skilled below). Pooling of resources and partnership strategies among public authorities, businesses and individuals can help overcome the reluctance, short-sightedness or simply lack of funds of individual actors. Last but not least, a more structured involvement of employee representatives and the social partners at various levels of negotiation and dialogue on training may be a helpful policy element for improving participation in learning.

### *Pooling of resources and partnership strategies for workplace training*

Many types of partnership arrangements and resource pooling were encountered during the country reviews. These can be national, local or area-based, and partners may include government, business, universities and other learning providers, trade unions and all types of NGOs.

Pooling of resources for training is an idea often pursued by sectors with a great number of SMEs, since employees in SMEs have fewer opportunities to engage in work-related learning activities (particularly in formal settings). Large firms have many more opportunities to direct their workers to upskilling activities due to, *inter alia*, economies of scale, and find it easier to organise work in a way that allows the potential learner to take a leave of absence. They also tend to have specialised divisions that keep track of developments in skill requirements and in the education and training market. By contrast, small firms are usually both financially and technically constrained (in relation to training content, administrative requirements and the availability of information) and incur large costs when trying to overcome these constraints on their own.[5] It is here that sector-focused training centres run by industry associations for their member firms become important, as they tend to reduce the problems related to scale economies and information deficiencies. On that latter topic, appropriate information on the potential returns to training is a necessary ingredient in inducing stronger training participation of SMEs (see Chapter 2).

In Spain, where employers pay a compulsory training levy, the government is stimulating the pooling of resources and creation of joint training programmes or courses through the provision that only firms with 100 employees or more can directly submit company training plans for approval through the training funds; SMEs need to join forces and submit sectoral or territorial-based group plans. In the United States, a number of joint training centres have been organised at regional level in the textile industry. In North Carolina, for example, the Carolina Hosiery Association has set up the Hosiery Technology Centre to transfer technological know-how and engage in initial and continuing training in co-operation with the North Carolina community college system (OECD, 2004c). In the State of New York, the Garment Industry Development Corporation works in conjunction with labour, private industry and government to improve the competitiveness of New York's garment manufacturers through training of employees from about 4 000 production facilities (FIMC, 2005).

Decentralised partnerships to address employer needs within particular business sectors, regions or local communities are also a common phenomenon in the United States. These

partnerships tend to include business, government, universities, trade unions and NGOs. They often identify gaps in services that are not met by existing government programmes or by the private sector, and then pursue measures to fill the deficiencies.[6] Also, private/public partnerships in Workforce Investment Boards administering public employment and training funds and overseeing one-stop shops under the 1999 Workforce Investment Act (WIA) bring together a variety of actors – business representatives, employer associations, training providers and trade unions, in addition to federal and state governments.

Supply chain programmes are a specific and promising variant of the "resource pooling" approach. The Austrian automobile company mentioned above (Magna Steyr) is one of many large manufacturing firms that pool resources in the sense of organising training for their suppliers, often SMEs. This is in the manufacturers' self-interest since it is mainly their own reputation that will suffer from any deficiencies in the end product, even if these are due to faulty supplier work. Some well-developed examples of this feature can be observed in Korea, where large enterprises have created joint training centres or training consortia to cater for partners (*i.e.* suppliers, distributors and subcontractors), most of which are small or medium-sized enterprises (see Box 3.3).

### *Social partner involvement*

Strong employee representative involvement and a well-structured social dialogue between business and labour at various levels of negotiation can be a policy element to help overcome under-investment and improve education and training provision. For example, strengthening social partnership by jointly organising continuing training at firm level is very much on the political agenda in the European Union. Trade unions and employer associations at EU level have concluded a joint agreement that situates the development of qualifications and competences as a shared interest of enterprises and employees, and calls for the partners to jointly elaborate training plans and anticipate skill needs (ETUC *et al.*, 2002).[7] A more recent EU document, the November 2003 Employment Taskforce Report, called "access to training a central element of the contractual relationship between employer and employee", and suggested that collective bargaining should include more explicit rights and duties concerning lifelong learning.

Improving efficiency and equity of continuing education and training also figures in a number of "social compacts" or tripartite agreements concluded in OECD countries with a view to increasing productivity and competitiveness. Similarly, the ILO Recommendation 195 on human resource development, adopted in June 2004, requests that ILO member countries "support initiatives by the social partners in the field of training in bipartite dialogue, including collective bargaining"; and "strengthen social dialogue and collective bargaining on training at international, national, regional, local and sectoral and enterprise levels as a basic principle for systems development, programme relevance, quality and cost effectiveness".

Whatever the impact of such broad policy statements, collective agreements and employee participation may be of help, for the following reasons in particular:

- The social partners jointly define education and training curricula leading to recognised qualifications.
- Employee participation may help shift employer supply towards more general types of training that are more easily transferable on the labour market, as well as push for a more equitable supply of learning opportunities.

- Social partner co-operation can reduce asymmetric information on costs and benefits and provide an "early warning" mechanism through joint discussions of future training needs and company training plans.
- In several OECD countries, the social partners run national or sectoral training funds into which firms pay a certain percentage of payroll and from which they can ask for reimbursement of their own training efforts; this reduces inter-firm differentials in training costs and makes poaching less attractive.

Already in 1991, the social partners at OECD level (BIAC and TUAC) published a joint statement on education and training that focused on learning as an area of convergence between employer and employee interests. Box 4.9 contains excerpts from a more recent text by management and trade union experts on lifelong learning, jointly submitted by the

### Box 4.9. **Social partners agree on the need for adult learning**

The main points from an OECD meeting of trade union and management experts on "A Learning Workforce for the Knowledge Economy" are as follows:

- "Lifelong learning is essential in a fast-changing knowledge economy with an ageing population. Business, unions and government all share responsibility for providing lifelong learning and encouraging its use. Individuals also have a responsibility to be lifelong learners. […] Partnerships and social dialogue between employers and trade unions, as well as employee participation, are resulting in more focused training responding to the needs of employees and the firm, a sector or region.
- Business and unions place different emphasis on why lifelong learning is important. For business, the key factor is remaining competitive and ultimately staying in business. For unions, the emphasis is more on maintaining and developing jobs and equity of access. This does not alter the fact that both attach great importance to lifelong learning. Thus they agreed to encourage employers to extend training opportunities as well as encouraging and enabling the workforce to take them up.
- Taking the 'high road' to training and learning is important for all. As the demand for higher levels of qualifications is increasing, it is in the interest of employers, employees and governments to increase the employability of the workforce in this higher-skill environment. This implies tackling the current inequity in the participation in training. Currently the low-skilled are far less likely to participate in training than the higher-skilled, and groups such as part-timers, older workers and women are also under-represented.
- Incentives for training are important, both for employers and employees. Public policy also has a role to play in creating incentives. However, there is no one size fits all solutions […] To increase the motivation for training, the acquisition of new skills should be rewarded. Trade unions favour direct links such as an increase in remuneration, while employers see a wider notion of rewards such as promotion or safeguarding jobs. The question of who pays for training remains difficult to answer. For the trade unions, the best way to resolve it is to determine how to share the costs both in terms of financial investment and time invested by negotiation between social partners. Employers feel that how the investments are shared by employer and employee should depend on the return: for job-related learning, the primary responsibility is with the employer; in case of more general qualifications, the individual will take primary responsibility […]."

*Source:* OECD (2003c), Labour/Management Programme Meeting on "A Learning Workforce for the Knowledge Economy. Rapporteur's Final Report on the Meeting", September.

social partners to a 2003 OECD ministerial meeting. While again stressing the convergence of interests between the two parties, the text nevertheless points to some substantial differences in approach.

Many stimulating examples where adult learning issues were the subject of collective bargaining and other forms of labour-management dialogue have been encountered in the review countries. Collective agreements seemed particularly widespread in the Netherlands and somewhat less so in Germany. Via collective agreements, the Netherlands (as well as Belgium) have created dozens of sectoral training funds which stimulate training activities in companies. They are jointly governed by the social partners and financed through an employer levy (with an average 0.7% contribution rate). The funds cover at least half of the Dutch workforce. A number of these agreements now also provide the right of individual workers to a personal development plan and personal training budget (CINOP, 2005).

In Germany, a number of collective agreements contain clauses on continuing training, but these are quite heterogeneous in terms of both training goals and the distribution between working time, leisure time and training time (Expertenkommission, 2004). The principle of time-sharing – *i.e.* cost-sharing – has been laid down in the Volkswagen agreement "Auto 5000". This project – limited to one Volkswagen production site – hired unemployed semi-skilled workers under a contract that envisages three hours training time per week, only half of which is paid as working hours. Every employee is given the right to an individual development and qualification plan. Furthermore, there are a few agreements that come close to creating a right for training; the agreement in the metal sector outlined in Box 4.10 is a well-known example.

Further, two broad-based national agreements have received particular attention in recent years: the 2001 tripartite agreement in Portugal; and the 2003 cross-sector agreement concerning employee access to lifelong learning concluded in France (which deserves mention even if France is not a review country). The Portuguese agreement aims at increasing training investment by setting up numerical enrolment targets; it requires that every Portuguese worker, including those employed by SMEs, have access to 20 hours of training per year as from 2003, increasing to 35 hours by 2006 (Conselho, 2001). No evaluation studies have yet revealed whether these numerical goals are being efficiently implemented at company level. The figure of 20 training hours annually also appears in the 2003 national agreement that provides French employees with an individual right to training (DIF – *Droit individuel à la formation*). It also, however, specifies conditions for an employer's "right to refuse".

Forms of employee participation through works councils and other representative bodies are usually distinguished from collective bargaining, although both may regulate similar types of issues. Among the review countries, legal provisions for the participation of employee representatives are perhaps strongest in Finland, where companies need to submit annual training plans to the joint enterprise committee, with details of training needs by staff category, and negotiate "reasons, effects and possible alternatives" with employee representatives.

Participation rights of works councils are also quite strong in Austria, Germany and the Netherlands. In Austria, many councils in large firms have special education and cultural advisors who both provide information to employees on further education opportunities and consult with the employer on training decisions. The law gives works councils the right to participate in the planning and implementation of both initial and

### Box 4.10. **Collective agreement on skills development in the German metal industry**

In June 2001, IG Metall and the regional employers' association reached an agreement on skill formation in the metal and electrical industries of Baden-Wurttemberg (one of the German *Länder*).

Employees are now entitled to have regular (at least annual) talks with their employers about their qualification needs. These talks focus on:

- How to develop professional and social skills (preservation of qualification).
- How to adapt to changing professional demands (adaptation of qualification).
- How to qualify for different or higher-skill tasks in order to occupy new positions.

It is possible to carry out these talks either alone with the employer or in a group with other colleagues. If training is considered necessary, employer and employee conclude an individual skills agreement; costs are covered by the employer. Needs of the unskilled, older workers and of those working under restrictive conditions (such as at the assembly line) will receive special consideration.

Particular regulations are envisaged where no agreement can be reached. Final arbitration belongs to a newly created bipartite "agency for the improvement of in-company continuous qualification". In addition to conciliation and arbitration in individual matters, this agency has been given the mandate to assess qualification requirements in the metal industry; develop continuous qualification schemes; improve information on training establishments; and advise companies and works councils. Following on from this branch accord, an agreement was concluded at Daimler Chrysler the following year which obliges every establishment to discuss with the works council once a year the repercussions of technical and organisational change for employees' skill requirements.

*Source:* BMBF (2003a), *Lifelong Learning in Germany – Financing and Innovation*, Report for the OECD, Bundesministerium für Bildung und Forschung, Bonn, September.

continuing education and training. In Germany, a recent amendment to the Works Constitution Act has provided these councils with extended influence on firm training. For example, if skill formation is required to cope with new technology or new forms of work organisation for which existing employee competencies are no longer sufficient, the works council can determine training measures as an equal partner to management (with compulsory conciliation when no agreement is found). According to survey results, almost 20% of German works councils have concluded company agreements on training activities, regulating *inter alia* their participation in the set-up of training plans, and the use by employees of accumulated working time accounts for training purposes ("training time accounts") (Dobischat and Seifert, 2001).

The Dutch works council act includes continuing training as one of the priorities for consultation with company management. Korea is one of the few non-European countries where legislation requires the setting-up of works councils in enterprises beyond a certain size (30 employees). There again, education and training of workers is listed as one of the top priorities for consultation, after productivity, gain sharing and personnel recruitment.

Countries can differ substantially in the extent to which they provide works councils with different types of rights ("information", "consultation", "co-determination"). More

generally, however, countries with works council legislation tend to share the following features with respect to continuing training:

- The right of works councils to take initiatives, develop company training plans of their own and propose and discuss them with management, sometimes with the help of outside experts.
- Consultation rights on the selection of employees for continuing training.
- The right to participate in "social plans" and other responses to collective dismissals or company restructuring, which often contain a retraining or upskilling element.

The United Kingdom and the United States do not have legislated employee representative bodies such as works councils. Nor are these two countries known for having a strong history of "social partnership". Nevertheless, in both there is a substantial amount of social dialogue in the area of continuing workplace training and other forms of adult learning. In the United Kingdom, the TUC's (Trade Union Congress) "bargaining for skills" initiative in the 1990s led the way in establishing a network of (currently) over 6 000 union learning representatives (ULRs) working in companies. Where trade unions are recognised by employers, the Employment Act of 2002 provides them with a statutory right to paid time off to carry out their duties. Among these are:

- Raising awareness of the value of learning and training among the staff.
- Analysing employees' learning and training needs.
- Communicating learning needs to managers.
- Identifying barriers to learning and improving access to learning opportunities.

According to a government Code of Practice, there is an obvious need for ULR work and corporate human resource policies to be complementary. To be most effective, this would mean that learning representatives are informed of and consulted on the organisation's training plans. A recent survey of the Trades Union Congress has shown that ULRs spend over seven hours monthly on their specific activities and that over half have undertaken a "learning needs assessment" at their workplace. A large percentage also seems involved in concluding learning agreements with the employer (ACAS, 2003; EIRO, 2004).

As to the United States, notwithstanding the long-term decline of the unionised workforce there, Box 4.11 gives some indication of trade union involvement and joint labour/management governance of training programmes. Research has shown that such joint programmes can result in a different mix of participants in learning activities, with a stronger focus on the low-skilled and literacy training (van Buren, 2002).

### *Firms and the low-skilled*

The data presented in Chapter 1 on participation in continuing education and training – as well as numerous previous studies – show that market failures have a disproportionate impact on low-skilled and low-educated workers, and therefore tend to reinforce existing skill differences resulting from initial education. Opening up training opportunities for the low-skilled within enterprises is a major policy challenge – not least because, from the perspective of the wider economy, lack of training for them may lead to considerable costs in terms of loss of output, further skill deterioration and high future unemployment. Analyses of data from the European Community Household Panel on earnings growth through continuing training have shown that no significant differences exist by educational level in terms of the impact of training participation on earnings (Ok and Tergeist, 2003). This implies

### Box 4.11. **Joint governance in continuous training in the United States**

In the unionised sector, there are over 25 major training programmes jointly administered by trade unions and large employers or employer groups, covering over one million US workers. These are found in the aerospace, automotive, healthcare, printing, steel and telecommunications industries, as well as in a wide range of state and federal public sector programmes.

An upsurge in this area occurred in the early 1980s in the automotive industry, during a period of recession when "conversion" training was on the agenda. The programmes are funded based on formulas where a certain number of cents per hour worked are contributed to a training fund. For example, the UAW-Ford National Joint Training Fund is supported at a rate of 35 cents per hour worked, with an additional premium of 7 cents for overtime hours and a separate allocation of 10 cents for local training funds in individual facilities. Training courses may cover apprenticeships, basic literacy skills, team building and managerial skills, or health and safety; there are also provisions for tuition reimbursement. It is noteworthy that all checks used to pay for these training activities have two signature lines – one for the union and one for management, which is a tangible representation of the joint governance structures associated with these funds.

A key question associated with the programmes concerns why they have been established on a joint basis. In a 1991 study it was found that both parties had the potential to derive benefits from working together in this domain. The unions brought front-line knowledge and legitimacy to the programmes, while the employers brought key information on future business requirements and a stable source of funding. Many human resource professionals in firms with joint training programmes also found that the joint governance structure better insulated training funds from cyclical budget cuts – a common challenge when training is administered by the employer alone. In negotiating with training providers, it was also found that joint union-management representatives provided an unbeatable combination – maximising the value for the company's training investment.

*Source:* Cutcher-Gershenfeld, J. (2002), "Union-Management Investments in Training and Capability in the United States", unpublished manuscript for OECD, MIT, Cambridge, MA.

that once the lesser-educated participate in training, they profit from wage increases to at least the same extent as higher-skilled employees. Therefore, if wages are indeed a proxy for worker productivity, the question arises as to why the less-skilled are under-represented to such a degree in firms' continuing training provision.

One hypothesis is that companies that normally choose investments where they expect high returns, may tend to assume that they profit more from training the highly skilled. On the other hand, using IALS data on worker preferences to take or not to take continuing training courses, OECD (2003d) has shown that demand for training is the greater with higher levels of educational attainment, and existing inequities in access of the low-skilled to training are at least as much due to lack of demand on their part. Among the hypotheses put forward to explain this lack of demand or reluctance to request training are that the low-skilled do not expect or attach much weight to future benefits and that, as they are often school dropouts, they have had unrewarding school experiences and developed negative attitudes to learning.

OECD (2003a) already included a section on action in favour of risk groups, including older workers and those working in SMEs and in traditional or endangered sectors. Much of what was said there applies equally to low-skilled workers who are, in any event, over-represented among all the groups mentioned. In particular, companies would do well to provide them with access to skills assessment so that they know their "market value". Also, in the case of redundancy or restructuring, social plans and other types of agreement between the social partners should provide for a kind of "early warning" system that allows timely intervention in favour of qualification or re-skilling of adult workers. Finally, training for the disadvantaged and/or low-skilled tends to yield the desired results only if it fits within the objectives of the company in terms of productivity, quality and market adjustment. Upskilling of personnel that continue after training in the same jobs as before, without any difference in financial remuneration, cannot be the solution.

Of the five countries participating in the OECD's adult learning review with a focus on the low-skilled, the United Kingdom has since 2002 developed a particularly innovative programme to increase workplace learning for this group. The Moser Report (DfEE, 1999) had highlighted concerns about the low level of basic skills in the United Kingdom, and for some time now researchers have commented on the low-skill equilibrium characteristic of the UK economy (Finegold and Soskice, 1988; Wilson and Hogarth, 2003). In response to these concerns, so-called Employer Training Pilots (ETPs) were introduced in September 2002 to encourage employers to invest in skills and qualifications, particularly for the low-skilled workforce, and to overcome barriers to workplace training associated with time and cost (Box 4.12).

In the United States, the Department of Education undertook a major programme in work-based learning from 1989 to 1996, when it funded over 300 workplace literacy projects in separate states (Burt and Saccomano, 1995). The evaluation of the programme pointed out that, although there were complaints about skill deficiencies at the lower end of the skill spectrum, the employers did not deem it sufficiently in their interests to deliver basic skills instruction to their low-skilled employees (Moore *et al*., 1998). Federal funding nevertheless subsequently diminished, but a number of states are continuing to offer incentives to employers for workplace basic skills education and literacy training. These include the Massachusetts Basic Education and Employment Skills Training Initiative (BEST) and the Connecticut Workforce Education Initiative. Employer associations such as the Conference Board also offer assistance to workplace basic skills training. In view of the high number of immigrants in the United States, language training tends to be an important part of these programmes. Another feature is preparation for the GED (see Table 2.1 and Section 2 in Chapter 2).

In addition, there are private regional initiatives such as the Wisconsin Regional Training Partnership – formed by Wisconsin employers, trade unions and the University of Wisconsin – that is committed to improving the skills of incumbent workers mainly in the manufacturing sector, and particularly those of the low-skilled. As in the case of the United Kingdom's employer training pilots, the process starts with a confidential assessment of worker competencies, and most of the training is offered at the workplace.[8] Standard training modules were developed that cut across variations in technologies and products, with the rationale that standardising them reduces overhead and preparation costs – factors particularly advantageous to smaller companies (Eberts, 2004).

### Box 4.12. **UK Employer Training Pilots (ETPs) target SMEs and low-skilled adults**

ETPs enable employees to attain basic skills and NVQ2-level skills, with the financial incentives of paid time off for the employee and wage subsidies for employers. Financial support to the employers for releasing their staff to training can go as high as 150%, depending on the size and location of the enterprise. Subsidies for SMEs are usually at 100%. ETPs differ from pilot to pilot, but typically provide free information and advice and free learning for employees who do not have an NVQ level 2, except for courses on literacy and numeracy where all employees can participate. The employers contribute by granting time off for the employees and participating in evaluation. The training delivered under the programme is encouraged to be "employer-oriented", *i.e.* focused on identified skill gaps and delivered in a form and at a time that meets with workplace requirements – over 70% is delivered on the employer's premises and during the working day.

Over 80 000 learners and 11 000 employers are currently engaged in the programme, which is administered by the local Learning and Skills Councils. Over two-thirds of participating companies have been SMEs with fewer than 50 employees, and many of these employers had never engaged in training at the targeted level before. Three-quarters of trainees left school at or before age 16 and most had no recognised qualifications at all. Future challenges include ensuring adequate basic skills training, and fulfilling the commitment to reduce by at least 40% the number of adults in the workforce who lack NVQ level 2 qualifications.

There are now 18 pilots (since August 2004) covering a large part of England. All pilots run under slightly different conditions regarding entitlement and wage replacement, which is supposed to facilitate evaluation in 2005. Those results will inform the development of a national model in 2006/07.

*Source:* UK Department for Work and Pensions (2004), "OECD Thematic Review on Adult Learning: the United Kingdom (England) Background Report"; Tamkin, P. *et al.* (2004), "Increasing the Skills of the Low-Qualified: The Regional Implementation of the Employer Training Pilot in the Unit110ed Kingdom", Institute for Employment Studies, Brighton; Hillage, J. and H. Mitchell (2003), *Employer Training Pilots: First Year Evaluation Report*, DfES, United Kingdom.

In view of the substantial number of low-skilled workers without a vocational degree (*Berufsausbildung*) in Germany, there are a number of local projects for "obtaining certified skills while working" (*berufsbegleitende Nachqualifizierung*). However, there is no large national programme on the scale of the UK's training pilots. A recently introduced provision for subsidies to employers who facilitate such upskilling to their workers without a vocational degree has not found substantial take-up, indicating that outreach, information and persuasion campaigns remain necessary complements. In view of the fact that passing an apprenticeship exam as a first qualification seems too high a hurdle for a certain segment of labour market entrants, intermediate, sub-craft qualifications have been developed in some areas. The continuing training centre in the port of Hamburg is one example (Box 4.13).

Box 4.13. **Training centre in the port of Hamburg**

The centre was established as a further training and education facility of enterprises working in the Hamburg port economy in 1975, when it employed primarily people without any formal vocational qualification. But the port economy has now also reached a level of complexity that requires staff with well-grounded training. The centre therefore primarily focuses on unskilled employees in the port, offering them possibilities to obtain technical qualifications (as stevedores or warehouse specialists). Moreover, there are training courses which lie below the level of a recognised vocational degree and which are of considerable importance to port operations, such as container crane operation and forklift driving. The Centre also offers master craftsman courses as well as brief courses and one-day seminars on special topics relating to the port economy. Modularisation is one of the principal elements of the Centre's learning programmes.

*Source:* OECD review team visit to continuing training centre, Port of Hamburg, December 2003.

## 4. Improving quality control, programme assessment and evaluation

As noted above, poor-quality learning programmes and lack of knowledge of programme or policy results can contribute to under-investment and low participation in adult learning. Quality control, programme assessment and evaluation should therefore be integral components of adult learning systems. By verifying what works and what does not, for whom and in what circumstances, they can contribute to more efficient and effective policy making and help increase participation in adult learning. This type of information can also assist individual learners in their choice among the often large variety of available options. The quality provided by training institutions, schools and firms is indeed the lever for both higher enrolment and higher private and social returns. Only if quality is achieved can training and education make a difference (in productivity, career progression or earnings, but also in general well-being, self-fulfilment, etc.), and only if it makes a difference is there an incentive to invest. Last but not least, quality assurance can contribute to controlling public and private spending in adult learning.

To provide good-quality learning is of course in the interest of providers as well, although "black sheep" remain a problem. Many providers have developed concepts of self-evaluation, many are joining or using quality seals, and others orient themselves in relation to general standards such as ISO 9 000 or the European Foundation for Quality Management. In turn, many firms evaluate provider quality when taking their decisions on commissioning training courses. Reputation and closeness to business practice are important choice criteria, but so are certification by quality management systems and membership in quality seals.

### *Improving quality control of learning provision*

Although the need to continuously improve the quality of learning programmes seems to be acknowledged everywhere, governments in the review countries differ considerably in the extent to which quality control features in their adult learning policies. The approach they take may depend on the share of public provision and public funding in adult learning, or on the extent to which governments are accustomed to target setting and performance monitoring in public programmes. Countries may focus on establishing institutions charged with ensuring the quality of provision, or may rely on a predominantly

market-based approach. Denmark, Spain and Portugal, among others, have developed particularly strong public institutions:

- The Portuguese Institute for Quality in Training (IQF) is charged with developing and disseminating innovative measures in initial and continuing training, and accredits private subsidised teaching establishments. There is also a government department for Information and Evaluation of the Education System (GIASE), charged with, *inter alia*, evaluating the performance and quality of learning processes.
- In Spain, quality control is handled mainly by the National Qualifications Institute (INCUAL), which aims to improve learning standards, coherence and the market transparency of the (both initial and continuing) vocational training system. In addition, the bodies administering the Spanish training levy play an important role in assuring that funded training activities of firms fulfil quality standards. For instance, they establish guiding criteria for the preparation of training plans that can be submitted for funding, and keep an eye on linking training plans with the national qualifications framework.[9]
- Denmark, a country with a large amount of public provision of adult education and training, at both more general and vocational levels, has created a public evaluation institute to gauge the quality of teaching and learning, outlined in Box 4.14 below.

### Box 4.14. **The Danish Evaluation Institute**

The Danish Evaluation Institute (EVA), an independent institution under the umbrella of the Ministry of Education, was created in 1999 to develop methods for monitoring the quality of teaching and learning (both initial and continuing) through systematic assessment and evaluation. It advises and collaborates with public authorities and educational institutions on quality issues, and also assesses coherence between various educational programmes.

Quality assessments may be carried out on a specific course of study, individual subjects or general courses, as well as on an entire institution. EVA conducts accreditation of private courses and providers as part of the Ministry of Education procedure for determining whether students at private teaching establishments can receive state grants. The grants are available only if the institution meets the criteria and standards set by the Ministry.

*Source:* OECD (2002), "Thematic Review on Adult Learning: Denmark Country Note", Paris.

Governments are usually most active in requiring quality standards in cases where they provide public funding. In the United Kingdom for example, all publicly funded providers are expected to agree performance targets with Learning and Skills Councils and sustain a culture of continuous improvement, with biennial performance assessment undertaken by LSCs.

Further, the Adult Learning Inspectorate (ALI) is a government-funded body charged with contributing to raising the standards of education and training for both youths and adults. It does this by inspecting and reporting on the quality of learning provision, mainly in programmes receiving public funds from the Department for Education and Skills and from the public employment service (Jobcentre Plus). Private providers can also commission the ALI to assess the quality of their training. One hundred and forty full-time inspectors and 700 "associates" inspect thousands of English publicly funded learning programmes a year and

publish the inspection results on the ALI website. Poor performers run the risk of being cut off from government-funded business. Inspections usually take about one week and may involve between two and ten inspectors.[10]

In countries where the provision of adult learning is mainly private, there is nevertheless a case for government-led or government-supported initiatives to assure and improve the quality of private-sector provision. Appropriate decisions by potential learners require transparent markets. They need to have sufficient information about what the market has to offer, the level of quality of the providers' products, and the relationship between price and (expected) personal benefit. Governments can help improve this transparency by collaborating in setting quality standards for service delivery, certifying adherence to these standards, and promoting dissemination of information about standards and providers. They could also consider devoting greater efforts in the area of education-testing, to facilitate the targeted search for education offers and enable informed cost/benefit estimates.[11]

Austria is a prime example of a country that sets standards through an initiative from the non-profit sector, in this case a quality seal agreed upon by the social partners and large private providers (see Box 4.15). Germany also relies more on a market-led approach to quality assurance. For example, the federal Ministry for Education and Research, in collaboration with the *Länder*, has recently developed a model for "quality assessment in further education". This is a quality seal for education and training providers which, while offered by public authorities, needs to stand the test of the market and is subject to competition with other quality systems such as ISO 9 000 and the European Foundation for Quality Management. The seal is meant as an incentive for learning providers to enhance

### Box 4.15. **The quality seal in Upper Austria**

The quality seal process in the *Land* of Upper Austria started in the 1990s as an initiative of the Adult Education Forum, an umbrella organisation of all non-profit providers operating in the region. The Forum developed a catalogue of criteria related to the nature of training, the qualifications of management and instructors, the curriculum, physical facilities, and feedback from students. Based on these criteria, certified auditors examine different aspects of any organisation seeking a quality seal. All original 15 members of the Adult Education Forum have passed these audits, as have 260 regional and local institutions affiliated with the 15. Since the pass rate has been almost 100%, the quality seal operates less by denying seals of approval than by providing criteria that organisations should meet. Since 2000, profit-oriented private adult education institutions that are not members of the Adult Education Forum can also take these audits and earn the quality seal, as 75 non-member institutions in Upper Austria have done. The criteria for awarding the seal are continuously updated.

Although the coverage of the Forum and of the quality seal is incomplete, the process of establishing the seal and its criteria provides a good example of basing quality on consensus among members of a particular group of providers, rather than on the empirical evidence of learning outcomes or accreditation by government or another external body.

Since the *Land* government wants to ensure that its newly created individual learning voucher, the *Bildungskonto*, is spent on education and training of appropriate quality, it requires the vouchers to be used only for training provided by organisations with the quality seal.

*Source:* OECD review team meeting with representatives of the Upper Austria Land Government, March 2003.

their quality efforts and as a tool to improve the information level of potential learners. Enterprises that join this standard receive the seal and commit themselves to observing the specified standards, to periodic quality checks and to continuous improvement.

This federal initiative follows on from quality seal programmes established by some of the German *Länder*. In Hamburg, for example, there is a longstanding quality seal programme (*Weiterbildung Hamburg*) where separate expert committees for continuing vocational training, language training and general and political education continually examine and develop tailor-made quality standards. On the programme's website potential learners can easily identify whether or not a provider has joined the quality seal.

The *Investors in People* label is a privately set quality standard in the United Kingdom with a 15-year tradition. It has received government and social partner support and therefore already enjoys a high degree of recognition. Over 61 000 employers, representing 39% of the workforce, are currently working with the standard, and the Learning and Skills Councils (LSCs) operate under performance targets to draw in even more. In this scheme, adult learning is embedded in a framework for improving business performance and competitiveness. Organisations adhering to the standard are required to assess the returns on their investment in training and staff development. The Investors in People standard is now also spreading beyond UK borders and is being operated under licence in 20 countries. In Poland, a similar *Investor in Human Capital* standard is awarded to companies after an annual competition (Polish Ministry of Economy, Labour and Social Policy, 2005).

Public employment services have always tended to follow their own quality standards when referring unemployed clients to further training courses organised by private providers. Their increasing use of public funds in the form of vouchers calls for even further assessment and certification; otherwise the client could choose a substandard provider among the many possible, and public resources could be wasted (Box 4.16).

### Box 4.16. **Quality certification in the German public employment service**

In Germany, referral to training providers by the PES has been replaced by issuing the unemployed with training vouchers that can be used with providers of their own choice. Accompanying the voucher arrangement was a change in legal provisions requiring that providers be certified as successful in reintegrating clients into the primary labour market and as adhering to a system of quality assurance.

An administrative decree considers there to be adequate quality assurance if an up-to-date systematic instrument of quality assurance and development is documented and efficiently applied, and its efficacy continuously improved. The application to be certified needs to contain documentation concerning:

- How business and learning targets are determined, as well as methods for evaluating success in reintegrating clients into the labour market.
- Methods to stimulate individual learning processes.
- Regular evaluation of teaching offers via recognised methods.
- Performance targets, measurement of target attainment and continuous measures to improve performance.

*Source:* AZWV (2004), *Anerkennungs- und Zulassungsverordnung Weiterbildung*, Germany.

### *Assessment and evaluation of programme content and outcomes*

While input standards are important, quality is ultimately assured only via effective assessment and evaluation of programme outcomes. Many different types of evaluation are possible. For example, process evaluations focus on how well a programme is delivered, and performance monitoring uses indicators to gauge how well programme objectives are being achieved. Monitoring of students' views and their feedback to curriculum designers can be an important component. Most relevant of all are impact evaluations, which identify the effects of a given programme on participants and can, under certain conditions, reveal the net benefits to the labour market or the broader society. Control or comparison groups (enabling evaluators to compare a group of individuals who enter a programme with a matched group that did not enter) are essential in evaluation exercises, because they represent the "counterfactual". Also, general equilibrium analysis is a desirable feature of evaluation, since it addresses the indirect effects on persons other than participants. Often, the mere fact of introducing an evaluation method (even if not perfect from the economist's point of view) can lead to better outcomes.

Creating a "culture of outcome evaluation" is not an easy task, and many of the adult learning review countries still have some way to go in that direction. An evaluation culture would imply that a variety of outcomes are routinely measured, with at least two purposes in view. First, short-term measures (including forms of process evaluation) can be developed to guide the current administration of a programme and improve its quality in progress. Second, longer-term outcome measures can be developed using more sophisticated statistical techniques, to judge effectiveness and guide policy, including decisions about eliminating, improving or extending specific programmes. If outcome measures become widely accepted, they can be used in performance-based funding. Without well-established outcome measures, performance-based funding may lead to undesirable consequences – for example, efforts to select only the most able of those who are eligible ("creaming"), or cheating on performance measures. Finally, an evaluation culture would lead politicians to base their decisions on the best available research – rather than predominantly political considerations, for example – and would ensure that, as a rule, pilot projects are tried and evaluated before creating new programmes of unknown effectiveness.[12]

The assessment and evaluation of adult learning programmes is a particularly challenging task, since their goals are more varied and idiosyncratic than those of conventional education and active labour market policies. Beder (1999) discusses the problem in the context of the basic and secondary education delivery system of the United States, but much of his analysis is likely to apply to other review countries as well. First, there is little consensus about desirable programme goals: outcomes of interest may include effects on the individual (*e.g.* improvement in literacy skills, entry into further education and training) or on the family, community, and economy. Next, due to open enrolment policies that allow students to enter and leave programmes at will, learners participate for a varying number of hours and may not stay in the programme. Further, several measurement issues (including local/regional variations in curricula and the difficulty involved in constructing comparison groups) and a limited capacity for data collection at local level make it difficult to draw conclusions about programme effectiveness.

Nevertheless, Beder's analysis of 68 studies of US adult education (mainly basic education and literacy) outcomes or impact that had been conducted between the late 1960s and the late 1990s yielded very positive results. For example, most studies

showed that participation led to gains in employment and earnings, and had a positive impact on learners' self-image, on their likelihood to enrol in further education, and on parents' involvement in their children's education.[13] Findings from Beder's analysis suggested a need for a national outcome reporting system, which was subsequently implemented (Box 3.1). This reporting scheme documents the use of public funding by states and individual providers to fulfil certain federal performance targets (educational gains, job starts, job retention).

The United Kingdom's "performance target culture" also implies that the use of funds for adult learning is regularly evaluated, notwithstanding the measurement problems indicated by Beder. For example, evaluation results led to the demise of that country's individual learning accounts (York Consulting, 2002). Regional variants of the Employer Training Pilots (Box 4.12) are now being tested so that evaluation can help set up an efficient national model at a later stage. The evaluation in Sweden of the 1997-2002 Adult Education Initiative, which annually supported about 130 000 individuals studying full-time at primary and secondary level, has already been mentioned. The public institutions noted above in Denmark, Spain and Portugal charged with ensuring quality control of provision also engage in evaluation studies, as does (for example) the German Institute for Adult Education (*Deutsches Institut für Erwachsenenbildung*).

Training measures that are part of active labour market programmes (ALMP) have been a rich ground for evaluation studies. In terms of overall composition of ALMP spending in the 17 review countries, training still represents the largest single category, over one-quarter on average. This reflects not only the expensive nature of training programmes, but also the commitment of OECD countries to raising the employability of unemployed workers and improving the match between the unemployed and available jobs.[14]

In the past, the United States had a large advance over other OECD countries when it came to evaluating the impact of training as an ALMP. This advance has now narrowed significantly (Box 4.17). In many of the countries under review, there are now an increasing number of evaluation studies that compare the labour market outcomes of participants in public training programmes with those of non-participants – or participants in other types of measures – while controlling for variation in socioeconomic characteristics and selection bias in participation. Some of them have shown very positive short-term outcomes.[15]

To take just one example, in Austria a 2002 study that measured the effects of participation in training courses in electronic data processing and accounting in *Burgenland* found that days spent in employment during the six months following training doubled compared to the six months preceding the measure, with an increase in earnings of about 20% compared to a control group (Riesenfelder, 2002). Several evaluations in the United Kingdom (although far from all[16]) also showed substantial and statistically significant improvements in employment-related outcomes (Ryan, 2001). By contrast, quasi-experimental evaluations of PES-sponsored training efforts in eastern Germany, although "strikingly intense and costly", showed few consistent and/or significant improvements in employment outcomes (Fitzenberger and Hujer, 2002; Bergemann *et al*., 2004).[17]

A final comment may be in order about programme outcomes for the low-skilled. Most evaluation research involves – usually implicitly but sometimes explicitly – a sole criterion: economic efficiency. Public programmes are evaluated according to whether they add to output, as demonstrated conventionally by the increase in the employment prospects and/or earnings of participants compared with a control group and/or with the costs involved in terms

### Box 4.17. **World Bank study on the impact of active labour market programmes**

A recent World Bank study by Betcherman *et al.* (2004) considers 159 scientific (*i.e.* control group-based) evaluation studies of active labour market programmes (including 72 published since a previous [1999] World Bank analysis), of which 49 were on training programmes for the unemployed and nine on retraining workers affected by mass lay-offs.

The new wave of evaluations lends support to the view that the record for training unemployed workers is ambiguous. Training measures have a more positive impact than employment subsidies or job creation programmes, but they are also more costly. The authors found a number of programmes that showed positive results in terms of increasing employment probabilities, but far fewer in terms of wage rates. The design of the programme is considered critical for ensuring favourable outcomes. For example, the combination of training with work experience and employer involvement and sponsorship are associated with more positive outcomes than classroom training and programmes not connected to the private sector (Hui and Smith, 2002). The studies also tend to show the value of linking training to formal qualifications and accreditation. Some findings support the "work first" hypothesis that employment-focused programmes tend to be more effective than education-focused ones, particularly for the more disadvantaged groups.

The authors also note that: *i)* many evaluation studies are still unsatisfactory because they do not track programme outcomes for a sufficient length of time; and *ii)* many provide insights into what works, but far fewer ask the crucial question why.

*Source:* Betcherman, G. *et al.* (2004), "Impacts of Active Labour Market Programs: New Evidence from Evaluations", Social Protection Discussion Paper No. 0402, World Bank, Washington DC; Dar, A. and P.Z. Tsannatos (1999), "Active Labour Market Programmes: A Review of the Evidence from Evaluations", Social Protection Discussion Paper No. 9901, World Bank, Washington DC.

of resources used. Efficiency considerations are indeed important in programme evaluation, but in the case of policies intended to help the low-skilled, and in particular those intended to do so by promoting learning, it might be questioned whether efficiency-related criteria should play an exclusive role. When such policies succeed they reduce social inequality and increase both social cohesion and personal development – and such effects are of intrinsic merit, quite apart from effects on net outputs.

For this reason, considerations of equity and personal development should be included in judging the issue of "adequacy" of adult learning, especially for the low-skilled. In Germany, in the course of the recent restructuring of PES programmes and procedures, adult training programmes were increasingly judged to have failed according to efficiency criteria (*e.g.* a 70% success rate of job-finding within a certain time after training), and are consequently being pruned and reoriented towards labour market activation and matching. However, there is a case for reconsidering such short-term efficiency criteria in light of longer-term returns to learning, both for low-skilled individuals (a group for which equity criteria are particularly compelling) and for society as a whole. Those returns include motivation to become lifelong learners, the ability to engage in job search, and other skills that may over the longer run have a positive impact on labour market behaviour.

Two questions can be raised in this context. *i)* Should only labour market participation be rewarded, or can ways be found to also reward other forms of social participation (*i.e.* voluntary work, personal development and integration) that can contribute to the

common good? *ii*) Can funding criteria take on board equity issues by referring to value added rather than mere output? Whereas courses offered to low-qualified groups rarely yield the same output as those for highly qualified groups, they may well yield the same or higher value added. In any event, in the absence of more sophisticated performance targeting, "creaming" remains a very real, and undesirable, risk (OECD, 2005b; Heckman and Smith, 2003). Work therefore needs to continue not only to firmly entrench an evaluation culture in the area of adult learning, but also to find appropriate performance indicators and assessment methods that give room to both efficiency and equity.[18]

## 5. Conclusion

Quality learning supply can make a real contribution to improving participation in adult learning. There are different complementary approaches to developing learning to suit adult needs. On the one hand, there are specialised programmes for low-skilled individuals; on the other, specialised institutions that target specific adult needs.

Strategies to reach low-skilled adults have focused on moving away from the school model and instead combining different modes and purposes of learning whenever possible. As lack of time is one of the key constraints to participation, making learning compatible with the daily lives of adults can be an important element to facilitate delivery. Intergenerational approaches such as United States Family Literacy Program provide the opportunity for parents to resume learning by involving their children in the endeavour. Other approaches focus on delivering basic skills through the provision of more practical training, such as the Mexican Learning for Life and Work Model (MEVyT) or the short intensive adult apprenticeships in Austria. In a number of countries such as Norway, Sweden and the United States, similar approaches are adopted to teach language to immigrants.

Specialised learning institutions have also developed to suit different adult needs. Some countries have adopted one-stop-shops that cover learning and other needs under one roof. A wide range of other institutions, such as community colleges, folk high schools and study circles, provide an array of learning alternatives that can appeal to an equally wide range of population groups.

Effective delivery of training in the workplace can also contribute to raising overall participation. The strong involvement of employee representatives and a well-structured dialogue between business and labour on education and training issues can contribute greatly to improving training provision. They can reduce asymmetric information on costs and benefits; shift employer supply towards more general types of training, and help create a more equitable supply of learning opportunities. The social partners are well equipped to jointly define education and training curricula leading to recognised qualifications.

Many employers seem to assume that they profit more from training the higher-educated and do not consider it in their interests to offer basic skills instruction to their low-skilled employees. Governments are therefore well advised to develop incentive programmes to increase workplace learning of the low-educated and low-skilled. These still constitute a sizeable group in most OECD countries, and have tended to suffer from changes in minimum skill requirements over the last few decades. The Employer Training Pilots come across as a particularly promising programme for providing investment incentives to medium-sized enterprises in the United Kingdom.

There is no doubt that poor-quality programmes and lack of knowledge of programme results can contribute to low investment and participation in adult learning. Thus, there is

a need for quality assurance and programme assessment and evaluation as integral components of adult learning systems. In the interests of improving market transparency, there is a case for governments setting an appropriate regulatory framework for competition among providers and making information on provider quality available to users. They can set quality standards, certify adherence to these standards and disseminate information about adhering providers to the general public. Public employment services should be encouraged to further enhance their own quality standards when referring unemployed clients to continuing training courses provided by the private or community sector. Providers' participation in public tenders is one way of ensuring quality of provision.

By verifying what works and what does not, for whom and in what circumstances, assessment and evaluation can contribute to more efficient and effective policy making. Evaluation of adult learning activities outside of labour market programmes can be much improved. Evaluation of the programmes themselves – while having made considerable progress in recent years – still faces the challenge of finding appropriate performance indicators and assessment methods that give room to both efficiency and equity objectives.

### *Notes*

1. The concept was developed in the Workforce Investment Act (1998b).
2. OECD (2005b) shows how qualifications can gain currency from use by individuals, enterprises and providers.
3. In fact, this grant responds to a specific need to help those youths with low educational attainment – below secondary education – who are particularly disadvantaged in the labour market and have very low employment rates.
4. This is not to deny that employers in OECD countries on average do invest substantial amounts in education and training. Unfortunately, no harmonised surveys exist at OECD level on companies' training expenditure. For the EU 15 (membership at the time), the 1999 survey on continuing vocational training (CVTS) has shown employer investment in continuing education and training courses of between 0.8% and 3.6% of the wage bill, with the United Kingdom and Denmark coming out on top. This range had increased from 0.7% to 2.7% in the previous 1993 survey, and accordingly the EU country average increased as well (from 1.4% to 2%). In comparison, benchmarking data from the American Society for Training and Development (ASTD) on several hundred US enterprises indicate that just under 2% of the payroll was spent on (initial and continuing) training in the United States.
5. In surveys, the reason for non-investment cited most often by firms is that the skill level of employees is sufficient and training therefore not necessary. In a German establishment survey, SMEs also complained much more often than large enterprises that they had no access to subsidies, which points to the problem of information deficits (Expertenkommission, 2004).
6. See the examples given in Eberts (2004), such as the Jane Adams Resource Corporation in Chicago and the Wisconsin Regional Training Partnership.
7. The agreement pointed to four priority areas: *i)* to identify and anticipate competencies and qualification needs; *ii)* to recognise and validate competencies and qualifications; *iii)* to inform, support and provide guidance; *iv)* to mobilise resources. Progress in these areas is followed up in detailed annual reports by the national signatory parties (see ETUC *et al.*, 2003).
8. As in the case of the ETPs, the initial assessment is one of the barriers in establishing an incumbent worker training programme for the low-skilled, since workers are reluctant to reveal their current competencies. Complete confidentiality of the assessment and worker discretion over the release of their assessment is a key characteristic of successful programmes.
9. Spain is putting increasing emphasis on quality control after the discovery of fraudulent grant disbursement by the levy's administrative body (FORCEM).

10. In their assessment, inspectors currently need to answer the following key questions (*www.ali.gov.uk*): *a)* How well do learners achieve? *b)* How effective are teaching, training and learning? *c)* How are achievement and learning affected by resources? *d)* How effective are the assessment and monitoring of learning? *e)* How well do the programmes and courses meet the needs and interests of learners? *f)* How well are learners guided and supported? *g)* How effective are leadership and management in raising achievement and supporting all learners?

11. To take one example, since 2002 the federal government in Germany contributes funding to test adult learning providers and course offerings in a separate branch of its "Foundation Product-test", a very effective system in operation for over four decades (BMBF, 2003b).

12. It goes without saying that quality control also needs to apply to the evaluators, who are often hired or contracted by government offices, if only to prevent them from merely giving answers that governments want to hear (Smith, 2000).

13. Further, much US research has studied the effect of obtaining a GED on individuals' success in post-secondary education and the labour market. The results seem very mixed. For example, receipt of a GED had little effect on employment rates, and only a very small effect on earnings (attributed to other characteristics of GED recipients). See Boesel *et al.* (1998) and Carneiro and Heckman (2003).

14. Since 1993, of the 17 countries, seven have raised the percentage of GDP spent on public training and nine have increased the share of spending on training in all active labour market policies. In two of these countries, spending on training is over half of all ALMP spending.

15. OECD (2003a) has already discussed experimental and non-experimental types of training evaluations and their varying results in terms of employment and/or earnings gains, using examples from Finland, Denmark, Sweden, Switzerland and Canada. Some of the conclusions were that evaluations of continuing education and training programmes should try to use a variety of evaluation methods, given that each is imperfect and incomplete; should consider a broad range of outcome measures; should consider long-run effects over longer periods; and should include an equity indicator in their impact assessment.

16. For example, an evaluation of the Work-based Learning for Adults Programme at the UK employment service found only limited evidence of a net impact on employment outcomes as a result of training sponsored under the programme (Anderson *et al.*, 2004).

17. Finland, while also conducting scientific evaluation studies, has introduced a system (called OPAL) for collecting student feedback via the Internet on all labour market training courses lasting over two weeks.

18. For a further review of evaluation studies on the impact of training, see Dolton (2004).

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Promoting Adult Learning


*Chapter 5*

# Ensuring Policy Co-ordination and Coherence

*Adult learning is a complex policy field. Different stakeholders are involved in the policy definition and design process, such as ministries of education, labour and welfare, the social partners and other agencies. Decisions are made at central, regional or local level, and sometimes at different levels concurrently. The different types of stakeholders and levels of government involved may result in conflicting interests, policies that run counter to the objectives of improving adult skills, and wasteful public expenditures. To avoid duplication, ensure effective use of public finances and develop user-friendly systems, adult learning must be co-ordinated with related areas where policy will complement rather than conflict* – i.e. *initial education, employment and other social policies. The creation of adapted institutions for adult learning policy formulation and programme delivery and the establishment of clear policy priorities through target-setting are effective ways to get a diverse range of actors to work towards common goals.*

Adult learning systems are complex, not least because the players involved – federal and state ministries, the private sector, NGOs and educational providers – may have different objectives. Improving co-ordination among the different actors and between potentially conflicting objectives can be key to improving adult learning participation. The tables in Annex B (Column 3) show the main actors in policy design and implementation by country. Often, responsibilities are split. Ministries of education may be in charge of basic education while ministries of labour take at least a share of the responsibility for vocational education and training, which includes qualifications for specific fields. Often employer and employee associations and chambers of commerce are also involved. There may also be advisory institutions to the different ministries. The resulting picture is an extremely fragmented one, with different stakeholders focusing on different outcomes. This can eventually affect potential learners, who may not have a clear view of the learning situation.

In fact, most countries participating in the review showed high degrees of policy decentralisation and a lack of co-ordination between the different partners involved. There were, moreover, few links to other public policies, such as regional or infrastructure development or social welfare. To avoid duplication, ensure effective use of public finances and develop user-friendly systems, adult learning must be co-ordinated with related areas where policy will complement rather than conflict – *i.e.* initial education, employment and other social policies. Defining sructures that allocate adult learning policy responsibility or establishing clear targets can bring together key actors in focused policy formulation and programme delivery.

## 1. Co-ordination in national policy

### *Developing adult learners at young ages*

Early development of lifelong learning is a prerequisite for increased participation later in life. Investing in basic education and combating early school-leaving and high dropout rates will diminish the need for second chance education for adults. Higher attainment at younger ages can widen learning opportunities later in life. Learning is a dynamic process; it is important to invest in children instead of waiting until they reach adulthood with educational deficits. As suggested by Heckman (1999), "it is crucial to consider the entire policy portfolio of interventions all together (training programmes, school-based policies, school reform and early interventions)".

In fact, most adults attending second chance education dropped out of the education system when they were younger. Early dropout rates are a problem in most OECD countries, where at least 10% of the younger cohorts of 25- to 34-year-olds have not reached upper secondary education. In European Union countries alone, about 18% of young people aged 18 to 24 had prematurely dropped out of school in 2002; the figures range from 40% in Portugal to 11% in Finland (Tessaring and Vannan, 2004).[1]

Mexico is attempting to improve youth enrolments and adult learning at the same time. Every year, 800 000 young people drop out before completing secondary education

despite improvements at the primary level. Almost 40% of those using the adult learning system to attain primary and secondary education are below the age of 24. In response, current reforms are aiming to expand early childhood education and increase the provision and quality of primary and secondary education. In England as well, efforts are under way to combat early school-leaving by providing a grant for youth to stay in school[2] while the Skills Strategy tries to combat low educational attainment of adult populations. In Poland the Voluntary Work Corps, a government agency, deals with "difficult" youths, helping them finalise their education by combining it with work and other social programmes.

### *Compatibility between training and employment*

Ministries of labour and education must collaborate in order to make the unemployed and the inactive recognise the value of lifelong learning. The traditional division has been that labour ministries cater to learning and employment for the unemployed, normally through public employment services, and may also support learning in firms; education ministries develop more general learning strategies and focus on providing educational opportunities and vocational education for low-skilled and other adults. The actual educational institutions provide services to a broader set of individuals and increasingly work together with firms. In fact, the programmes of these two sets of services may be quite similar, which can lead to unnecessary public expenditure. Furthermore, the unemployed tend to have low educational attainment levels and may require teaching in basic literacy or at the lower secondary education level, which can be provided through education programmes.

One conflict between public employment service (PES) labour market programmes and adult learning policy is the orientation towards short programmes for immediate employment *versus* the attainment of higher qualification levels for low-skilled unemployed adults. This may amount to a conflict of interest. Public employment services have a mandate to reduce unemployment by getting individuals back into employment quickly, rather than providing access to broad forms of learning to improve skills in the long run. It is a difficult trade-off, one that countries are trying to work out. Recently in Germany for example, the emphasis has been on activating the long-term unemployed, with a move away from skills enhancement towards job placement and employment subsidies.

Developing links between PES and adult learning can benefit low-skilled unemployed adults. In practice, in many OECD countries labour market programmes and the educational system are independent of one another. There are few links between public employment service programmes and education programmes that would allow the unemployed to have their PES training count towards conventional educational qualifications. Linking the two domains could enable the unemployed to move not just into relatively unskilled employment (which makes them vulnerable to cyclical changes), but into more solid careers with greater employment stability. One such link could be a sequence of skills that starts in a short-term labour market programme and continues, upgraded, in education programmes provided by different institutions. The PES could refer learners to the different support mechanisms for second chance or remedial education courses found in many countries.

Conversely, the experience of public employment services with active programmes, adjusting services to individuals with different types of labour market problems, might be useful in adult learning programmes where it is the prospective students who enter with

different needs. Career-related information, guidance, and counselling services can be shared between labour market and education programmes.

The United Kingdom furnishes an example of collaboration with its Skills Alliance, which brings together key social, economic and delivery partners.[3] The government is also currently considering how Jobcentre Plus (the United Kingdom public employment service) and the Learning and Skills Council (LSC) can work together more effectively to deliver job-related training to key customer groups (UK Department for Work and Pensions, 2004).

Similar experiences are in place at the delivery end. In the United States, "one-stop" career centres administered by the Department of Labor have added adult education, employment and training programmes for adults, youth programmes, post-secondary vocational education and vocational rehabilitation programmes to their roster of services. These centres work on the basis of performance indicators, and there are state and local Workforce Investment Boards to oversee the one-stop system. Each partner programme is responsible for making its core services available (see Box 2.8). In Spain, vocational training facilities were formerly run separately by the Ministries of Education and of Labour. The main difference between the two types of centres was their clients: students in vocational training and the unemployed. The resulting inefficiency has been solved by the recent merger that created Integrated Vocational Training Centres (IVTCs). IVTCs will provide training within the national qualifications systems to all clients, regardless of which public service referred them.

### *Linking adult learning to social welfare programmes*

Given the increasing burden on social welfare systems in Europe, alternatives must be analysed. The low-skilled and unemployed may become part of that burden, as a large proportion of benefit recipients are low skilled. To improve this situation, there is an increasing trend towards activating beneficiaries through strengthening participation in the labour force and society. The interaction between adult learning and welfare benefits is part of that trend.

This is the case in Sweden, the Netherlands and the United Kingdom, among others. In Sweden, the Adult Education Initiative was developed in a period of high unemployment, and assistance was provided specifically to unemployed adults to obtain upper secondary education. Thus, policy responded to both a short-term unemployment situation and the longer-term need to improve human capital.

The Netherlands has been very active in this respect. A reform undertaken in 2002 aims to reduce the number of people on benefits through social activation and access to the labour market. An integral approach has been adopted for this process, in which the client is guided to paid work, training, or voluntary work. The same approach is currently used in Poland to increase labour market participation and reduce the number of benefit recipients. The role of education and training for the occupationally disabled can also be mentioned. This is of particular policy concern in Norway; in 2004, about one-third of 86 000 occupationally disabled individuals registered at the PES participated in education and training.

In England, the Department for Work and Pensions is especially concerned with individuals claiming "inactive benefits". Specifically, out of 3.5 million adults in receipt of other working-age benefits, approximately 40% are estimated to have literacy, language and numeracy difficulties. There have been calls for the "activation" of people on benefits

through provision of learning opportunities as a stepping stone into society and the labour market. This is one of the aims of the United Kingdom's New Deal for Skills. In addition, there is a basic skills pilot project currently in operation that obliges recipients of unemployment benefits who have a need for training in basic skills (literacy or numeracy) to attend such training. Those who refuse to attend can lose two weeks of benefit payments. The efficiency of these efforts still remains unclear; there is no evaluation of impact or subsequent job placement, and the final objective might not be paid work for people who face multiple problems such as poor health or social isolation (UK Department for Work and Pensions, 2004). Furthermore, some welfare recipients fear losing benefits if they take training, assuming incompatibility between welfare and training allowances.

### *Collaboration with the social partners*

Collaboration with the social partners in adult learning policy making is key to improving participation. Chapter 3 and Section 3 in Chapter 4 covered specific ways that stakeholders can become involved in designing and delivering learning. This section puts forth the case for a more structured involvement at the policy level.

Admitting the social partners into decision-making processes can help with the shaping of plans and policies for delivery methods. A relevant example is input into the definition and application of training leave. Where partners at the national or sectoral level have framework agreements for determining the training needs in a company or sector and the appropriate training plans, they can influence the actual take-up of leave.

The social partners also play a role in the recognition and certification of learning. They can help develop informal and non-formal learning, especially since much informal learning takes place in the course of work. In the Netherlands for example, the government and social partners are responsible for the recognition of prior learning. In Portugal, the network of RVCC (Recognising, Validating and Certifying Competences) centres is based on the accreditation of public and private entities strongly established in the community, including social partner associations.

At the same time, they can be key in developing qualification systems – and indeed are in most of the review countries. For example, in Austria and Germany, business associations and trade unions jointly develop curricula and examination content for the skilled trades. In Korea, a National Technical Qualifications system has been developed by the Human Resource Development Service of Korea (HRD) and the Korean Chamber of Commerce and Industry; these bodies develop and modernise standards in close co-operation with the social partners. In some cases the social partners actually deliver qualifications. In the United Kingdom, certified firms can test for recognition of informal learning within the NVQ system. In many countries, competency-based examinations for vocational purposes will include business and labour representatives on the examination boards.

### *Centralised* vs. *decentralised frameworks*

Adult learning has not been a clear policy priority until recent years, and responsibilities have been spread across different bodies and institutions at different levels. In some cases management was even split between regional and national levels, depending on the type of institution that was providing the learning. Recent efforts have focused on reaching consistent and efficient models for policy-making processes, which in many countries meant placing more decision-making authority at lower levels of the system.

Table 5.1 shows the different policy delivery frameworks in thematic review countries, organised according to the levels of decentralisation in policy design and delivery. They have been arranged in three categories: more centralised systems; subsidiary systems focused on placing more decision-making authority or delivery at lower levels; and federal systems where regional governments have the authority.

Table 5.1. **Policy frameworks: centralised, subsidiary and federal systems**

| System | Responsibilities | Benefits | Drawbacks | Countries |
|---|---|---|---|---|
| Centralised | • Central government responsible for legislation, policy design and financing.<br>• Several ministries involved. | • Can reduce inequality in adult learning participation across regions.<br>• Clear national policy priorities.<br>• Clear funding strategies.<br>• Easier research and evaluation. | • Problems of co-ordination between ministries.<br>• Regional governments have to deal with different national agencies.<br>• Slow administration of programmes.<br>• Distance from recognition of local needs. | Korea<br>Hungary |
| Subsidiary | • Shared responsibilities.<br>• Central government.<br>• Co-ordinating institution.<br>• Implementation by regional government.<br>• Decentralised delivery. | • Can reduce inequality in adult learning participation across regions.<br>• Clear national standards and curricula.<br>• Delivery best tailored to local needs.<br>• Co-ordinating body can help integrate all stakeholders.<br>• Local input into national policy making. | • Problems of co-ordination.<br>• Regional governments have to deal with different national agencies.<br>• Large bureaucracy. | Finland<br>Netherlands<br>Spain<br>Mexico<br>Norway<br>Poland<br>Portugal<br>Sweden<br>United Kingdom |
| Federal | • Regional governments.<br>• National governments may define some national objectives. | • Competition between regions.<br>• Potential for innovation.<br>• Delivery best tailored to local needs.<br>• Reduction of bureaucracy. | • Lack of co-ordination.<br>• Risk of broad regional differences.<br>• Tensions between the regional and national governments. | Austria<br>Canada<br>Germany<br>Switzerland<br>United States |

Centralised systems in adult learning may benefit from greater national policy-planning capacities, specific information on funding streams, and the know-how of the key policy players. At the same time, they may incur more rigidity and bureaucracy, and lead to difficulties in recognising and responding to local needs. In Mexico for example, a concern at the state and local levels is the direction and content of certain training programmes conceived at the national level when the system was centralised. Lack of co-ordination or knowledge of local needs resulted in unsuitable programmes – for example, training in carpentry where there was a much higher demand for eco-tourism. The new model works to improve co-ordination between the different levels of government.

Subsidiary systems are the more common model adopted in thematic review countries. They have the potential to improve financial control, reduce bureaucracy, increase responsiveness to local needs and allow for innovation. Most approaches adopted by countries define policies at the national level but give regional- or local-level institutions the freedom to make their own choices to reach defined objectives. Such is the case with the Learning and Skills Council structure in England, responsible for funding and planning education and training other than tertiary for those over 16 years old. The Council operates through 47 local offices that define their annual plans and targets with the national Learning and Skills Council. Most Nordic countries have also followed this approach.


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In federal systems, national efforts have focused on responding to equity concerns to balance decentralisation. The system is generally viewed as bringing more quality, effectiveness and responsiveness to local needs through tailored supply. It allows the development of new ideas at the local level, which then can be extended over the whole country, and sharpens competition among different providers. However, most of the federal systems have to struggle with specific problems: structures are very fragmented with many stakeholders and responsibilities that are often unclear. The approach adopted to deal with these problems has been to help the market develop by setting standards and incentives and developing a demand-driven system; this has been the case in Germany, Austria and Switzerland.

Federal systems wrestle with the balance of power between national, regional and local governments. An overall national policy must establish clear roles and funding responsibilities for different levels of government, recognising areas where the regional authority has priority and balancing its rights against national goals. The challenge is to forge a constructive federalism where the national government and the local authorities work together on the basis of their own strengths, allowing for legitimate differences among sub-national governments while making progress in shaping coherent policies. A central institution for co-ordination, standard setting and provision of quality control, certification and evaluation *ex post* can help ensure efficiency.

In Austria for example, there is no single overall authority for adult learning. The regional governments (*Länder*) are responsible for some areas, while the national government is in charge of other aspects of policies.[4] Both the national government and the *Länder* also support some non-profit adult learning institutions. Regional governments have developed individual learning accounts and voucher systems that differ considerably in their functioning and funding levels from their national counterparts. Variations in individual learning accounts and vouchers can create problems for individuals who move among *Länder*. One priority for national policy might therefore be to obtain better information about the differences and then devise corrective policies (including potential funding or regulatory policies) to moderate significant differences.

Issues of equity arise in decentralised systems. In their analysis of the recent development of municipal finance in four eastern European countries, Nam and Parsche (2001) found that the fiscal decentralisation had caused some problems. Small-sized municipalities have suffered from financial bottlenecks and insufficient financial support from the central government. The question is whether far-reaching decentralisation has been beneficial for the education system and whether appropriate co-ordinating mechanisms exist to counteract its negative aspects. In Poland for example, Labour Offices have been decentralised and incorporated into the regional and local self-government structure. This has led to difficulties in national target setting and monitoring, along with obvious problems of co-ordination of national and regional policies.

## 2. Policy delivery

In order to align different objectives, mechanisms for effective policy delivery must be in place. Defining structures that clearly allocate policy responsibility in the field of adult learning or establish clear policy targets can help bring together the diversity of actors and policies for focused policy formulation and programme delivery. This section provides some analysis of the ways countries have increased attention to adult learning through either creating specific adult learning institutions, or defining participation targets.

### *Structures with policy responsibility*

As detailed above, there is a broad range of actors and institutional arrangements for policy formulation and programme delivery. Different actors have varying objectives to balance, and within adult learning systems there are diverse policies to develop, from the recognition of informal and non-formal learning to the design of financial incentives and the development of information and guidance systems. This requires that the different partners involved work towards the development of common goals. In an attempt to provide a coherent approach, countries have created specific institutions with different levels of policy responsibility.

These institutions can be grouped into three categories:

- *Policy-making institutions* focus on improving provision of services, research, information and guidance – in short, they function as a central authority for adult learning. Their role is to establish national priorities to balance education and labour market programmes, vocational and non-vocational programmes, and the relative roles of national and local governments. They also set training priorities for specific groups such as women and immigrants, and for potential new programmes and services. The Learning and Skills Council in the United Kingdom falls into this category.
- *Co-ordination institutions* focus on developing mechanisms for joint planning or delivery where appropriate. They seek to improve information or to set up better evaluation efforts, rather than simply offer a forum for providers to share information about their activities. In the Netherlands, the cabinet proposed in 2004 that an inter-ministerial Platform for Lifelong Learning be created to promote the co-ordination and effectiveness of policy initiatives, bringing together all relevant stakeholders: ministries of education, culture and sciences, social affairs and employment, economic affairs and justice, as well as the social partners.
- *Advisory institutions* focus on including partners and providing advice to the central authorities in charge of adult learning or to the relevant ministries. They traditionally include, *inter alia*, the social partners, private or public suppliers of learning and local development agents.

Countries have adopted different approaches within the categories above (see Box 5.1). Mexico and the United Kingdom created an institution focused on policy design and programme delivery for adult learning. The main aim is to improve the educational attainment of low-skilled adults. In Mexico, however, while the CONEVyT is the central institution focused on adult learning, there are many more players involved – a situation that calls for increased co-ordination. Recommendations by the OECD review team focused on avoiding programme duplication, lack of synergy, over-regulation and insufficient decentralisation. Such an approach could preferably be built around expanding the mission and jurisdictions for the recently established CONEVyT. This would increase the possibility of integrating strategies across the existing strict ministerial divides, while at the same time simplifying the relationship between the different levels of government.

### *Defining targets*

Another, complementary way to reach policy coherence is through the establishment of clear policy priorities. Defining priorities may be a way of improving co-ordination among all partners, because it can provide guiding goals and allow for flexibility at the local level in reaching the defined objectives.

### Box 5.1. **Reaching coherence: adult learning institutions in different countries**

The **National Council of Education for Life and Work** (CONEVyT) was created in **Mexico** in 2002 as part of the federal government's dual strategy of poverty reduction and economic growth. It is responsible for building a national system of education for work and life and for articulating the role of the different providers. It is also responsible for programme evaluation and research.

The **Learning and Skills Council** for **England** (2001) is responsible for planning and funding education and training (up to but not including higher education) for people aged 16 and over. This includes further education, work-based training for young people, school sixth form provision, workforce development, adult and community learning, education-business links, and information, advice and guidance for adults. It assures co-operation with local partners through its 47 local offices.

The **National Institute for Adult Education** (*Nemzéti Felnöttképzési Intézet*) in **Hungary** was established in 2002 as an independent institution of the Ministry of Employment and Labour, primarily through moving staff from the department of the National Institute for Vocational Education (*Nemzeti Szakképzési Intézet*).

**Finland** created the **Adult Education Council** in 2000, a Ministry of Education expert body appointed by the Council of State for periods of three years. It performs tasks assigned by the Ministry such as research, and submits motions and proposals to authorities and other bodies on the development of adult education.

**Denmark** recently created two advisory councils which include social partner representation: the **Council for General Educational Needs of the Low-Educated** (2003), responsible for offering guidance to the Minister of Education on basic educational needs; and the **Council for Vocational Adult Education and Training** (2004), which offers guidance on competence development in vocational training.

Most countries have explicit policies promoting adult learning within a lifelong learning perspective, focused especially on providing a second chance to adults who might not have finished school when young. Government-supported special institutions, programmes and courses for primary and secondary education for adults exist in all thematic review countries, to allow all adults to attain these educational levels. Some countries have clarified numerical targets with defined deadlines, as shown in Box 5.2. Setting these targets has proved a useful method to improve the overall situation, to review progress and to get different partners working towards specific goals. In fact, most of the countries with higher participation rates, such as the United Kingdom, Finland or Sweden, have developed specific targets.

The European Union recently contributed to the target setting by establishing two relevant priorities to be reached by 2010 (Education and Training 2010 strategy). At least 85% of 22-year-olds in the European Union should have completed upper secondary education; and at least 12.5% of adults should participate in further education and training in member countries on a monthly basis. Given the fact that participants in further education and training are generally higher-educated individuals (see Chapter 1), the latter target may, however, exacerbate inequities in adult learning participation.

Box 5.2. **Some countries set participation targets**

**Finland:** the Noste Programme aims to raise the level of education and training in Finland by supporting adults aged 25 to 59 without basic education, and working adults aged between 30 and 59 without post-compulsory education. The programme expects to enable 10 000 students to start training annually between 2003 and 2007.

**Netherlands:** the so-called "start qualification" for all workers by 2010 implies offering an initial qualification to 500 000 individuals. The country has defined learning trajectories and funding structures. There is also a National Action Plan for Literacy of Indigenous Dutch (2002-06).

**Sweden:** the Adult Education Initiative (1997-2002) provided free upper secondary education to all those who had not attained that level, with an annual target of 100 000 places.

**United Kingdom (England):** the joint Skills for Life Strategy and Skills Strategy aim to increase the number of adults with the skills required for employability and progression to higher levels of training through: i) improving the basic skills levels of 2.25 million adults (from 2001 to 2010, with a milestone of 1.5 million in 2007); and ii) reducing by at least 40% the number of adults in the workforce who lack NVQ2 or equivalent qualifications by 2010. Working towards this, an interim target is to have 1 million adults in the workforce achieve level 2 between 2003 and 2006.

**European Union:** has defined that at least 12.5% of adults should participate monthly in further education and training in member countries.

The Swedish Adult Education Initiative (1997-2002) established targets to provide free full-time upper secondary education, mainly to the unemployed. About 800 000 people benefited from this initiative, which has improved the overall educational attainment of the Swedish population. In England, the Skills for Life Strategy (2001) aims to help 1.5 million adults improve their literacy, language and numeracy skills by 2007, and 2.25 million to do so by 2010. By 2004, 750 000 adults in England had achieved at least one qualification in literacy, language, or numeracy. In Mexico the MEVyT, developed in 21 states, has been taken up by more than 650 000 youth and adults.

## 3. Conclusion

Adult learning is a complex policy field. Different stakeholders are involved in the policy definition and design process, such as ministries of education, labour and welfare, the social partners and other agencies. Decisions are made at central, regional or local level, and sometimes at different levels concurrently. The different types of stakeholders and levels of government involved may result in conflicting interests, policies that run counter to the objectives of improving adult skills, and wasteful public expenditures.

Policy frameworks require co-ordination with all stakeholders involved:

- Within education policies, in terms of the reduction of early school dropout rates and the development of lifelong learners.
- Between education and employment policy objectives, in the use of adult learning to assist the unemployed in finding work.
- Between adult learning and social welfare programmes, so that benefit recipients can also develop their skills.

- With the social partners in the definition of skills needs and the development of learning opportunities.

Furthermore, differences in political systems – federal, centralised and subsidiary – have a clear impact on the extent to which adult learning policy may be defined and delivered. Most countries have a decentralised subsidiary approach; this framework may help meet adult learning requirements most effectively. Federal systems are also "subsidiary" in design and delivery, thus responding more appropriately to local needs and the possibility of defining clear policies at the national level.

Two approaches can help shape a coherent adult learning system: the creation of adapted institutions for adult learning policy formulation and programme delivery, and the establishment of clear policy priorities in the way of targets. Countries with high participation rates, such as the United Kingdom and some Nordic countries, have adopted either one or both approaches concurrently. On the one hand, co-ordination institutions can establish priorities, define appropriate financial incentive mechanisms for increasing participation, contribute to defining information and guidance, and improve the quality of provision through the collaboration of the different partners involved. On the other hand, the definition of numerical targets in terms of learners and final output is an effective way to get a diverse range of actors to work towards common goals.

### *Notes*

1. Responding to this problem, European Union ministers of education have agreed on the following objectives by 2010: *a)* to bring this rate down to 10%; and *b)* to have at least 85% of all 22-year-olds complete upper secondary education.
2. The Education Maintenance Allowance is a scheme that offers 16-year-olds the possibility of having a means-tested weekly allowance of GBP 10, GBP 20 or GBP 30 – together with a retention bonus and an achievement bonus of GBP 100 – if they come under an income threshold of GBP 30 000 per year.
3. Members include the Secretary of State for Education and Skills, the Secretary of State for Trade and Industry, the Confederation of British Industry (CBI), the Trade Union Congress (TUC), the Small Business Council (SBC), the Learning and Skills Council (LSC) and the Sector Skills Development Agency (SSDA).
4. These include evening schools for employed persons, most of the financing of *Fachhochschul* programmes for adults, university courses for adults, the Krems adult education university and labour market programmes.

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ANNEX A

# *The Adjusted Adult Learning Participation Rate (APR): Definition and Computation of a New Indicator*

There are two drawbacks with the standard indicator of adult learning participation (*i.e.* the standard participation rate, or SPR) for purposes of international comparison. First, it does not take into account differences in the duration of learning. Second, the reference period for which the SPR is measured differs across countries.[1] These drawbacks can be addressed by harmonising adult learning statistics around a new common indicator we call the adjusted participation rate, or APR. The text below describes how the APR is defined and calculated.

## Definition

The adjusted participation rate aims to measure the fraction of time an average person spends on learning activities during the year. A one-year window appears to be a reasonable time frame for measurement, as it can account for multiple spells of learning as well as the number of hours devoted to it, and can be used in conjunction with other standard labour market indicators. Thus the APR is a full-year, full-time equivalent measure of adult learning participation that enables cross-country comparison of not only the incidence but also the intensity of learning efforts. Actually, the SPR can be a special case of the APR, and identical to it when all adult learners spend their maximum potential time on learning activities.

## Computation

The calculation of APRs is straightforward when they are based on surveys reporting both the incidence of and actual hours spent learning over a 12-month reference period, the two components needed to derive total learning hours over the year. The conversion to full-time equivalent learning hours is then achieved by dividing total learning hours by the number of learning hours corresponding to a "maximum potential learning year", assumed here to be 35 hours per week over a 52-week period.[2] To give an example, the APR for the United States in 2001 was calculated based on: *a)* an SPR of 52.1%; and *b)* the average weekly hours per adult participant in full-time equivalence, which is equal to 0.063 (2.2 weekly hours on average reported by learning participants as a fraction of a 35-hour maximum potential learning week). The APR can thus be calculated as $0.521 \times 0.064 = 3.3\%$.

The calculation of APRs for surveys using a four-week reference period is more complex. The European Union Labour Force Survey (EULFS) reports incidence and usual hours of learning with seven duration categories for a four-week reference period in the spring of each year.[3] Annualising these data requires, first, converting usual learning hours to actual learning hours and, second, the assumption that there is no seasonality in adult learning participation.[4] The calculation of APRs then follows the method noted above for the United States. For example, the APR for the United Kingdom in 2002 was calculated based on: *a)* an SPR of 22.3%; and *b)* the average weekly hours per adult participant in full-time equivalence, which is equal to 0.308 (10.8 weekly hours on average reported by learning participants as a fraction of a 35-hour maximum potential learning week). Note that the 10.8 average actual training hours are calculated by applying an adjustment factor of 0.81 to the usual weekly hours reported as 13.2 hours in the EULFS. The adjustment factor is assumed to be equivalent to the average fraction of the workweek spent on education and training (during the past four weeks) which is estimated, in turn, on the basis of a separate question in the survey on the overall length of learning activities. The APR is thus calculated as $0.223 \times 0.308 = 6.9\%$.

### *Notes*

1. By accounting for differences in reference periods, the APR makes it possible to compare participation rates between countries adopting a 12-month reference period (*e.g.* the United States) and countries adopting a four-week reference period (*e.g.* Germany).
2. A full-time learner is assumed to spend 35 hours (or more) per week in learning activities. While the choice of 35 hours is partly driven by data limitation (i.*e.* there are countries that only report learning hours up to 35), the empirical results do not hinge on this assumption. If the benchmark were assumed to be 45 hours, this would only lower the level of APRs; the country ranking would remain the same.
3. The questionnaire used in the EULFS asks individuals to choose from the following categories of duration: 1) less than one week; 2) one week to less than one month; 3) one month to less than three months; 4) three months to less than six months; 5) six months to less than one year; 6) one year to less than two years; 7) two or more years. This information is used to estimate an adjustment factor to convert usual weekly learning hours to actual weekly hours during the four-week reference period.
4. In other words, there are no particular months during which adult learning takes place more widely or frequently than other months. For countries with a four-week reference period, this assumption implies that participation patterns during the 4 weeks are representative of those during the past 12 months.

# ANNEX B

# *Key Country Approaches to Adult Learning*

## Austria

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Expansion of tertiary education.<br>• Improving horizontal and vertical permeability of the educational system.<br>• Draw more women into the workforce.<br>• Upgrade training for older workers. | • *Action Plan for Education, Training and Youth* (2003) for greater co-operation between ministries, *Länder*, municipalities and social partners, and a greater focus on lower secondary qualification.<br>• Government envisions advisory taskforce co-ordinating lifelong learning opportunities (*Taskforce LLL*). | • Federal system: *Länder* have implementation competence (following principle of subsidiarity).<br>• Federal Ministry of Education: adult learning at schools and universities, support for *Fachhochschul* courses and adult learning institutions.<br>• Federal Ministry for Economic Affairs and Labour: vocational training and labour market qualifications.<br>• Educational institutions have great liberty in designing their strategies.<br>• Strong role of social partners.<br>• Austrian Conference of Adult Education associations (KEBÖ). | • Second chance programmes for completion of lower and upper secondary education; preparation courses for exams.<br>• Vocational training.<br>• Recognition of informal learning in apprenticeship; recognition of foreign certificates.<br>• Distance and e-learning (eFit-Austria 2001-2003).<br>• Upgrade training for workers. | • Federal government: academic secondary schools and vocational schools and colleges, universities, financial support for FHS and non-profit adult learning institutions.<br>• *Länder*: further support for non-profit adult learning institutions.<br>• Vouchers for individuals (ILAs, *e.g. Bildungskonto* Upper Austria).<br>• Governmental subsidies for enrolment in evening schools, universities, and FHS –tax deductions for individuals for further education and training.<br>• Tax incentives for training firms.<br>• Public Employment Service (AMS) financed by employers and employees.<br>• Private funding by firms and individuals. | • Evening schools.<br>• Institutions run by social partners (WIFI, BFI, and LFI).<br>• Non-profit adult learning institutions (*e.g.* Folk High Schools.<br>• FHS providing professional forms of tertiary education.<br>• Universities (university courses for adults, University Krems exclusively for adult education).<br>• Firm-based education and training.<br>• Collaboration between enterprises and educational institutions (*Unternehmen Bildung*). | • Beginning longitudinal studies by the Ministry of Education and the AMS.<br>• *Bildungsdoku-mentationsgesetz* (2002): allows statistical analysis of schools, universities and FHS sector.<br>• KEBÖ: annual statistics on participation. |

## Canada

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| Make building a highly skilled, inclusive and mobile workforce and an efficient labour market a national effort:<br>• Access to post-secondary education, reducing non-financial barriers.<br>• Training for the unemployed, under-employed and employed.<br>• Increasing literacy levels.<br>• Prior learning assessment and recognition (PLAR). | • *Human Capital Development Strategy* (2004~): helps adults find time or resources to improve skills.<br>• Individual financial incentive mechanisms.<br>• Improve loans for part-time students.<br>• Work with provinces and territories to develop and deliver student financial assistance programmes.<br>• Strengthen and expand partnerships with employers, unions, suppliers and the voluntary sector to promote work-based learning. | • Federal government: Human Resource and Skills Development Canada (HRSDC).<br>• National Literacy Secretariat.<br>• Council of Ministers of Education (CMEC), Canada.<br>• Forum of Labour Market Ministers (FLMM).<br>• Provincial and territorial governments.<br>• Key stakeholders: employers, unions, training providers and community-based organisations. | • Adult Basic Education, including literacy.<br>• Special Adult Basic Education (minorities and aboriginal people).<br>• Strong focus on post-secondary education.<br>• Employment-related training, including in the skilled trades through apprenticeship training.<br>• Vocational training for the unemployed (Employment Insurance System). | • Federal government: indirect investment, financial assistance for PSE (support for research and innovation, tax measures, block funding through Canada Social Transfer, CST).<br>• Strong focus on individual initiative and choice mechanisms (loans and grants).<br>• Strong variation of levels of spending across provinces.<br>• Employment Insurance System (short-term training).<br>• Employer tax 1% of wage bill (in Quebec).<br>• Public post-secondary institutions. | • Public and private post-secondary institutions (universities, community colleges, union training schools and training institutes).<br>• Community-based organisations, including community learning networks.<br>• Partnerships of all types across public and private sector.<br>• Sector councils, etc.<br>• Commercial institutions. | • Research.<br>• Evaluation.<br>• Pilot projects.<br>• Stakeholder consultations. |

## Denmark

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Provide a publicly funded basic, further and continuing education and training system for adults at all levels.<br>• Access for all (statutory right to general adult education).<br>• Ensure possibilities of competence development aimed at acquisition of general and work-related competences.<br>• Ensuring recognition of competences by individuals, employers and society at large. | • *Adult Education Reform* (2001): reform for demand-driven provision. Recent amendments:<br>• Ensuring coherent provision through development of National Qualifications System including provision for adults.<br>• Co-financing by participants or employers.<br>• *Adult Vocational Training Reform* (2003):<br>• Shift to identifying and describing coherent outcomes-based competences within job areas/sectors, common to Adult Vocational Training (AMU) and selected VET single subject courses. | • Shared responsibility between state, regional and local government.<br>• Ministry of Education: education and training.<br>• Ministry of Science, Technology and Innovation: university education including adult programmes.<br>• Social partners: co-operation on vocational education. Participation in national councils, trade/vocational training committees.<br>• Council on further education and training opportunities for low-skilled (social partners, local and regional government, other organisations). | • Adult basic education (literacy, lower and upper secondary).<br>• Liberal Adult Education (non-qualifying).<br>• General and vocational education (qualifying) (incl. recognition of non-formal and informal learning.<br>• Danish as a second language.<br>• Special teaching for handicapped adults.<br>• Adult Vocational Training (AMU) for employed (including RPL) and unemployed.<br>• Adult VET apprenticeship programmes (incl. RPL).<br>• Distance and e-learning. | • Public provision and *taximeter* funding of approved education activities.<br>• Co-financing by participants or employers through user fees (vocationally oriented training and folk high schools).<br>• Support schemes for forgone earnings during employee training leave for formally recognised competencies.<br>• Adult education/training for unemployed purchased by public employment service.<br>• Employment-based training paid by the employer, or through bilateral funds. | • Adult education centres.<br>• Folk high schools.<br>• Preparatory adult education (FVU): interplay with the participants' daily life/workplace.<br>• Adult Vocational Training (AMU) centres, most of which have merged with VET colleges.<br>• Single subject courses from VET, mainstream tertiary education, and "Adult Education System" programmes offered to adults part-time under the Act on Open Education. | • National Evaluation Institute (EVA).<br>• Quality Assurance regulations based on self-assessment.<br>• Act on Transparency and Openness (2002) (institutions must make information accessible to the public on the Internet).<br>• Output management. |

## Finland

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Provide learning content that supports the development of personality, consolidates democratic values, maintains social cohesion and promotes innovation and productivity.<br>• Target those who lack initial education or have a poor secondary education.<br>• Focus on constructing individual educational paths for adults. | • *Noste Programme* (2003-07): provides the opportunity for all adults to gain at least an upper secondary or vocational qualification.<br>• *Development Plan for Education and Research* (2003-08): stronger status for liberal adult education (social cohesion and educational needs of the ageing population).<br>• Alternation and study leave.<br>• Increased powers to education providers applying equally to municipal, state and private education. | • Ministry of Education: learning for change or general skills.<br>• Ministry of Labour: learning for employment.<br>• Municipalities: responsible for education institutions.<br>• Labour market departments of the T&E Centres (combined regional units of the Ministry of Trade and Industry, the Ministry of Labour and the Ministry of Agriculture and Forestry) for labour market training.<br>• Participation of social partners at different levels. | • Universal and free provision of adult certificate – or diploma-oriented education.<br>• Same qualifications as young people.<br>• Specific education structure for adult-oriented qualifications, upgrading of skills and competences and leisure activities.<br>• Recognition of informal learning through competence-based examinations for vocational qualifications. | • Public funding of certificate- and diploma-oriented education.<br>• Education and training insurance scheme: financial aid to adults for full-time and part-time studies for workers, financing of all further training.<br>• Study Leave Act enabling support for employees to take part in full-time studies.<br>• Alternation leave: employee on leave from work covered by unemployed job seeker. | • Large variety of adult education and training institutions.<br>• Adults entitled to participate in initial vocational programmes leading to a qualification as young people.<br>• Special vocational adult education centres and national specialised institutions.<br>• For tertiary education.<br>• Continuing education centres.<br>• Open university.<br>• Open polytechnics.<br>• Liberal education institutions. | • Surveys to plan supply.<br>• Annual data on students and education/training collected from all education and training. Institutions. |

## Germany

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Allow greater competition among providers and increased self-determination of participants.<br>• Surmount social problems and lack of motivation preventing adult learning participation.<br>• Expand the number of apprenticeship places.<br>• Better co-operation between labour exchange offices, local community social offices and training providers.<br>• Adapting training programmes to the needs of an ageing society. | *Federal Vocational Training Act Reform* (2004):<br>• Provides better linkages between initial and continuing training; determines certifiable additional and intermediate qualifications beyond the apprenticeship and up to "master" exam.<br>• *Job ACTIV Act:* supports employees' training leave to obtain a vocational degree.<br>• *Learning in the regions:* Building regional networks of education and training initiatives.<br>• "*Hartz-laws*": More market-oriented training. Shift from long-duration training of already qualified to labour market activation and shorter courses. | • Decentralised federal structure: *Länder* have main responsibilities.<br>• Close collaboration between Ministry of Economics and Labour (BMWA) and Education Ministry (BMBF).<br>• Federal Employment Service (*Bundesagentur für Arbeit*): reintegration into the labour market.<br>• Chambers of Commerce: participate in determining training regulations and curricula. | • Basic and secondary education.<br>• Second chance programmes for completion of lower and upper secondary education.<br>• Upgrade training for employed workers.<br>• German language for immigrants.<br>• IT learning and self-instruction.<br>• Procedure for modular qualification.<br>• Qualification passport: documents experiences and qualifications acquired outside the formal learning system. | • Free provision of second chance education, especially for the long-term jobless.<br>• Policy favours co-financing between the government and the individual.<br>• Training financed by the public employment service, with the help of training vouchers.<br>• Employer sponsoring for work-based training.<br>• Educational leave financed by employer. | • Public colleges (*Volkshochschulen*) provide remedial and general purpose courses.<br>• Universities/universities of applied science.<br>• Non-profit providers.<br>• Private institutions, for-profit companies.<br>• Trade unions.<br>• "One stop shops" such as the *Job Kompass (Cologne Model).*<br>• *Kombilohn* (in-work benefits) models including a qualification element, such as in the Hamburg Model for job promotion. | • Evaluation studies of PES-financed training programmes.<br>• Statistics and research (German Institute for Adult Learning, *Deutsches Institut für Erwachsenenbildung*).<br>• Recurrent surveys on adult learning participation financed by BMBF (*Berichtssystem Weiterbildung*). |

## Hungary

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Broadening adult participation in learning.<br>• Completion of initial labour market qualifications for young people.<br>• Improve foreign languages.<br>• Improve basic skills: literacy, numeracy and problem solving.<br>• Raise quality of education by improving educational infrastructure. | *Adult Education Act* (2001):<br>• Establishment of advisory, support and supervisory institutions at national level.<br>• Instruments of institutional registration and accreditation.<br>• Debating a new act which comprises all regulations of adult learning. | • Centralised structure.<br>• Ministry of Employment and Labour: training for the unemployed.<br>• Ministry of Education: basic and vocational education, foreign languages.<br>• Ministry of National Cultural Heritage: folk high schools.<br>• National Councils: for adult education, vocational training, distance education and professional training.<br>• Employment and Labour Councils at county level.<br>• National Institute for Adult Education: accreditation body.<br>• Multi-stakeholder interest representation, *e.g.* the Association of Adult Training Providers. | • Adult basic education.<br>• Foreign languages.<br>• Entrepreneurial skills in secondary higher and adult education.<br>• Vocational training (modular).<br>• Transit Employment Programme: improving job-related skills and psychological-social support for the unemployed.<br>• E-learning programmes.<br>• Assessment of prior and experiential learning (APEL). | • Contributions from the European Social Fund.<br>• Government funding divided into regular school-based system and non-formal adult learning.<br>• Compulsory vocational training contribution from business organisations.<br>• Part of labour market funds from employers and employees devoted to training.<br>• Tax allowances.<br>• Public funding only available for accredited institutions. | • State-run training organisations: adult high schools and specialised vocational high schools for adults without secondary education and school dropouts.<br>• Folk high schools: agrarian knowledge.<br>• Job centres.<br>• Institutions managed by local authorities.<br>• Business entreprises.<br>• Non-profit organisations. | • Hungarian Central Statistical Office: analysis of participation in adult learning.<br>• Adult Training Accreditation Body (2002) supervised by the National Adult Training Institute. |

## Korea

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Educational system focuses on young people.<br>• Bringing women to lifelong learning programmes.<br>• Cope with the newly recognised problem of literacy.<br>• Support for the socially excluded such as the elderly, disabled persons and people with very low income.<br>• Promoting private initiative. | • *Worker's Vocational Training Promotion Act* (1999) to strengthen the private sector.<br>• *Lifelong Learning Promotion Law* (1999) provides basis for accreditation.<br>• *Comprehensive Plan for Promotion of Lifelong Learning* (2003): focus on integration of the most vulnerable groups.<br>• Human Resources Development Service (HRD) and Chamber of Commerce and Industry measure quality of vocational training (National Technical Standards) in co-operation with trade and industry. | • Ministry of Labour: responsible for vocational training and standards.<br>• Ministry of Education and HRD: responsible for adult education for the low-skilled.<br>• National Centre for Lifelong Education (NCLE) under the Korean Educational Development Institute (KEDI) carries out research on lifelong education and manages the credit bank system.<br>• KRIVET (Korea Research Institute for Vocational Education and Training) carries out research on technical and vocational education and training as part of lifelong learning.<br>• Presidential Commission on educational reform. | • Literacy courses.<br>• National Qualification System and Credit Bank System recognising credits of various education institutes.<br>• Vocational Ability Development Training (VADT) for workers.<br>• Training for the unemployed.<br>• Special courses for the elderly.<br>• IT skills: fostering creative e-Koreans. | • High level of private expenditure on education.<br>• Employment Insurance System (EIS) of levies and grants, financed via employers' and employees' contributions (companies with over 1 000 employees pay 0.7% of their wage bill for training).<br>• Ministry of Education supports tuition for compulsory education for vulnerable groups.<br>• Public funds for paid training leave. | • Para-schools aimed at the low-skilled (civic schools and trade schools).<br>• In-company training and training for the unemployed (Vocational Ability Programme).<br>• Distance high schools, cyber colleges offer second chance programmes.<br>• Korea Open (National University).<br>• NGOs.<br>• The National Centre for Lifelong Education: online and other information centres. | • Ministry of Education and Human Resources Development.<br>• Ministry of Labour. |

## Mexico

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Main priority: basic education of young adults (starting at 15), focus on marginalised groups.<br>• Tackling poverty and promoting economic growth by improving human capital and quality of education.<br>• Achieving more equal educational distribution.<br>• Provide technical training for the rural population, small-business owners and the self-employed, to help prepare for technical changes.<br>• Process of decentralisation. | *National Development Programme* 2001-06:<br>• Right of all citizens to education.<br>• Model of *Education for Life and Work* (MEVyT) stressing more practical forms of education connected to needs in working life. | • Secretariat of Public Education.<br>• Secretariat of Labour and Social Security.<br>• National Council of Education for Life and Work (CONEVyT): national educational system, evaluation and research.<br>• INEA, decentralised national institution specialised in adult education.<br>• Secretariat of Agriculture, Natural Resources and Fishing: focus on rural development.<br>• Secretariats of Economy and Social Development.<br>• Social movements linked to struggle for more democratic society, women's or indigenous peoples' rights and sustainable development.<br>• Volunteers have an important role. | • Basic literacy.<br>• Basic primary and secondary education for adults.<br>• Literacy programmes for indigenous population and emigrant day labourers.<br>• Bilingual and mobile education programmes for indigenous population.<br>• Distance education.<br>• Work-related training, often combining basic education with practical skills and assistance in creating a new enterprise.<br>• Handicraft.<br>• Computer skills. | • Public support: state funding: 3.5% of the total educational expenditures devoted to adult learning.<br>• Financial support by regional governments: approx. 11.3% of expenditures on adult learning. | • MEVyT: modular programmes developed in local institutions.<br>• Study circles and meeting points.<br>• *Plazas Comunitarias:* community centres offering basic education, crafts and work-oriented programmes; classroom, TV and Internet access.<br>• CEBAS: basic education centres for adults, provided by the state.<br>• IDEA-Institute of Future Entrepreneurs that combines training and micro-financing.<br>• Trade unions provide job-related training.<br>• Opportunities: training in highly marginalised areas.<br>• CONALEP: mobile learning for the rural deprived areas.<br>• Labour Competence Standardisation and Certification Systems, and Agreement 286: recognition of informal and non-formal learning. | • INEA.<br>• Secretariat of Public Education.<br>• Labour Competence Certification System.<br>• Agreement 286.<br>• Few ministerial studies. |

## Netherlands

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Attainment of basic qualifications.<br>• Facilitating entrance to the labour market.<br>• Social integration and activation through education, especially for immigrants.<br>• Emphasis on sense of individual responsibility to improve employability and develop own learning.<br>• Developing individual learning routes, personal "human support".<br>• Better co-ordination of different organisations involved in adult education. | *National Action Plan for Lifelong Learning* (1998):<br>• Keep economy competitive in the context of a knowledge-based society.<br>• Preventive approaches: early childhood education for groups at risk, monitoring of dropouts.<br>• *Het nieuwe leren* (the new way of learning): advice of the Dutch social partners for more "marketisation" of the adult education system.<br>*Action Plan for Lifelong Learning* (2005):<br>• Emphasis on actions to stimulate the individual learner (RPL, co-financing.<br>• Tailor-made approaches for target groups (illiterates, immigrants, low-skilled, long-term unemployed). | • Central government responsible for policy design, local level implementation.<br>• Ministry of Education, Culture and Science: initial and general adult education.<br>• Ministry of Social Affairs and Employment: training for job seekers.<br>• Ministry of Economic Affairs: training for the employed.<br>• Foundation for Work: national employers' and employees' organisations.<br>• Social partners play important role. | • Literacy courses for immigrants and native Dutch people.<br>• Citizenship courses (language, social skills, work orientation and educational support) for immigrants: compulsory for some groups.<br>• Secondary vocational training.<br>• Learning for re-integration: compulsory programme for long-term unemployed.<br>• Learning for social cohesion: activation programmes for social assistance clients.<br>• Accreditation of prior (experiential) learning (APEL). | • Public support decentralised to the local authorities.<br>• Individual Learning Accounts (ILAs, introduced in 2001 as an experiment, continuation uncertain) co-financed by the government and firms/municipalities.<br>• Employers are responsible for funding the training of their workforce, and for compulsory training funds.<br>• Tax deductions.<br>• Social partners and individuals. | • Regional Education Centres (ROC): adult education and citizenship courses.<br>• Commercial providers (commercial, vocational and management training, private re-integration companies).<br>• Folk high schools (personal development and socio-cultural courses).<br>• Non profit organisations, neighbourhood and community centres (literacy).<br>• "Ambassadors" recruiting learners through home visits, informal contacts. | • Survey research conducted by Statistics Netherlands.<br>• Research. |

## Norway

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Raise the education level of the entire adult population.<br>• Meet the needs of the labour market for skills and competencies.<br>• Satisfy the needs of individuals for personal and professional development.<br>• Increase the valuation of non-formal and informal learning in respect of formal education.<br>• Develop the workplace as an arena for learning. | *Competence Reform* (1999): long-term initiative to expand learning opportunities for all adults, develop a lifelong learning strategy and improve interaction between education and workplace.<br>• Right to basic education (2002).<br>• Right to upper secondary education (2000).<br>• Right to access to upper secondary education through non-formal learning assessment (born before 1978) and to admission to universities or colleges for 25+ without upper secondary education.<br>• Reorganisation of the public education system.<br>• Project on motivation, guidance and information. | • Ministry of Education and Research (UFD), responsible for education system and national education policy.<br>• Ministry of Labour and Social Affairs (ASD), responsible for employment policy.<br>• Ministry of Trade and Industry (NHD), responsible for industrial policy<br>• Municipalities and counties responsible for providing formal adult education.<br>• Social partners (strong role). | • Compulsory education, including primary and secondary education.<br>• Special needs education.<br>• Education for immigrants.<br>• Labour market training for the unemployed, focusing on immigrants, young and older adults, long-term unemployed, individuals at risk and with low levels of educational attainment.<br>• Training in the enterprise. | • Public support (loans and grants) for most types of education and training, especially up to upper secondary education.<br>• Free tuition for up to secondary education and labour market training for immigrants.<br>• Block grants to municipalities (central government).<br>• Some grants to private institutions and NGOs.<br>• Tax exemption for employer-financed education.<br>• Study leave and employer-financed education. | • Municipalities: compulsory education.<br>• County municipalities: upper secondary education.<br>• Folk high schools.<br>• Institutions of higher education (further and continuing education).<br>• Private providers.<br>• Study associations: tradition of popular enlightenment.<br>• NGOs. | • Future policy based on analysis of the need for resources in the workplace and in society.<br>• Different research institutions. |

## Poland

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Creation of knowledge-based society through education, training and employment.<br>• Improvement of completion rates of secondary and tertiary education for young people.<br>• Counteracting unemployment.<br>• Harmonisation of Poland to the EU.<br>• Building partnerships at local level based on territorial self-government, decentralisation. | • Ministry of National Education and Sport: *Strategy for Development of Continuing Education until the year 2010* (2003): lifelong learning concept development.<br>• Ministry of Labour and *Social Policy: National Strategy for Employment and Human Resources Development 2000-2006* (2000): improve labour market participation.<br>• EU Project Phare 2000 National Vocational Training System. | • Decentralised system.<br>• Ministry of National Education and Sport: general education.<br>• Ministry of Labour and Social Policy: training of unemployed.<br>• Minister of Finance: determines tax deductions.<br>• Regional and local governments. | • Adult basic education.<br>• Vocational training focused on labour market needs.<br>• Training relevant for enterprises (sales and marketing, accountancy, IT, law, environment protection).<br>• Possibility of accrediting informal knowledge by taking external examinations for vocational degrees.<br>• Foreign languages.<br>• E-learning. | • European Social Fund, European Structural Fund, World Bank.<br>• Public support for adult learning.<br>• Labour Fund: composed of 2.4 % of gross wages paid by employers and by state budget transfers; covers labour market training. | • Adult education centres for primary, secondary academic and vocational education (Continuing and Practical Education Centres).<br>• Tertiary-level school (day, evening and external classes).<br>• Public employment services provide training for unemployed.<br>• Non-profit sector: *Voluntary Corps* (training for young and disadvantaged), folk universities, associations.<br>• Firms.<br>• Commercial institutions. | • Surveys within the scope of the EU project Phare 2000. |

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## Portugal

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Reinforce competitiveness, social cohesion and active citizenship.<br>• Raise adults' low skills, low educational attainment.<br>• Combat unemployment with active labour market policies.<br>• Ensure recognition and validation of non-formal and informally acquired competencies.<br>• Mobilise society to carry out community-based lifelong education and training. | • *Strategy for the Development of Adult Education* (1998) and *Recurrent Education: Evaluation Report* (1998).<br>• *Agreement on Employment, Labour, Education and Training Policy* (2001): to develop enterprise training and a system for the recognition and validation of non-formal and informal competencies (RVCC system) focused on low-skilled adults, employed or unemployed.<br>• *Lifelong Learning Strategy – National Action Plan for Employment* (2001): enhance qualifications, improve vocational education and training, develop the national system for RVCC and develop ICT literacy.<br>• Restructuring of the Ministry of Education (2002): creation of the Directorate General for Vocational Education and Training (DGFV) to replace the National Agency for Adult Education and Training (ANEFA). | • Shared responsibility between national, regional, local/sector levels.<br>• Articulation and co-ordination of strategies: DGFV, Ministry of Education, IVET, the Institute for Employment and Vocational Training (IEFP), and the Ministry of Economic Activities and Labour for vocational training and training for employment.<br>• Institute for Quality in Training (IQF) (2004) replaces INOFOR for accreditation of training bodies.<br>• Accredited local public/private bodies: competence development and identification and validation of informal and non-formal developed competences.<br>• Partnerships with enterprises, local/regional development and cultural and municipal associations, municipalities and unions.<br>• Social partners (strong role). | • Adult basic education and vocational training for the low-qualified.<br>• Adult education and training courses: acquisition/reinforcement of key skills (language and communication, mathematics, ICT and citizenship and employability), as well as vocational training for low-skilled active adults.<br>• Short training courses (S@ber +): skills enhancement in specific sectors.<br>• Recognition, validation and certification of non-formal and informally acquired competencies.<br>• Recurrent adult education.<br>• Training for unemployed adults.<br>• Right of workers to minimum of 20 certified hours of training per year from 2003, increasing to 35 hours by 2006. | • Indirect tax levy for training: 4.2% of the social security budget, financed by a 33% tax on wages.<br>• Free provision.<br>• European Social Fund (ESF). | • Arrangements with accredited local public/ private bodies to provide adult education and training: *i.e.* public schools for basic and secondary education, vocational training centres, regional and local development associations, business associations, unions.<br>• Public and private evening schools provide recurrent adult education (lower and upper secondary).<br>• Vocational training centres/IEFP: provide vocational training.<br>• Neighbourhood organisations and NGOs provide literacy and basic education programmes.<br>• National network of RVCC Centres. | • IQF, Ministry of Economic Activities and Labour: diagnosis for training.<br>• Education inspectorate at national level: adult recurrent education evaluation.<br>• DGFV, Ministry of Education: follow-up and evaluation of the National Network of RVCC Centres and of the AET Courses under its supervision.<br>• RVCC Centres: self-evaluation.<br>• PRODEP and POEFDS programmes: evaluation of accomplishment of AET provision.<br>• Research survey conducted by the Interdisciplinary Centre for Economic Studies (CIDEC). |

## Spain

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Provide adults with access to education at all levels.<br>• Right to education, vocational training and self-advancement through learning, work, and access to cultural resources.<br>• Help acquire or improve professional qualifications and the capacity to participate in the social, cultural, political and economic areas of life.<br>• Homogenisation of education and accreditation levels to EU standards.<br>• Bring vocational training closer to economy needs. | • Reorganisation of the public education system.<br>• *Third National Agreement for Continuous Training* (2000-04): tripartite agreement to fund continuous training.<br>• *Vocational Training and Qualifications Bill* (2002) on qualifications and vocational training: creation of a national qualifications system with catalogue of qualifications and certificates, including recognition of informal/ non-formal learning.<br>• Open call exams for compulsory secondary education. | • Ministry of Education and Science: basic adult education, vocational training, social guarantee programmes, language classes.<br>• INEM State Employment Public System, Ministry of Labour and Social Affairs: vocational training.<br>• Social partners (through the Tripartite Foundation for Training at Work, previously FORCEM).<br>• Departments of Education and Labour of the Autonomous Communities. | • Basic adult education.<br>• Primary and secondary education and personal development.<br>• Social guarantee programmes.<br>• Language programmes.<br>• Spanish language for immigrants.<br>• Vocational training programmes for the unemployed.<br>• Occupational training (craft school workshops, trade schools and employment workshops).<br>• Continuing vocational training for employed workers. | • Free provision of adult basic education, financed through state or regional government's general budgets and the EU support (ESF).<br>• Subsidies to private training centres.<br>• Training activities for the unemployed and employed, financed primarily through the vocational training levy paid by businesses and workers (0.7% of the wage bill).<br>• Contributions from the ESF and regional governments. | • Specific adult education institutions for adult basic education and literacy programmes.<br>• Regular education centres cater to adults.<br>• Private training centres co-financed by public employment services.<br>• National Vocational Training Centres.<br>• "Aula Mentor", open, free training system carried out over the Internet.<br>• Education in prison.<br>• National Distance University (UNED).<br>• Catalonia Open University (UOC).<br>• University education aimed at older individuals.<br>• NGOs. | • Education inspectorate at national level. |

## Sweden

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Support adult learning for redistribution and growth.<br>• Bridge educational gaps, promote economic growth, strengthen democracy and satisfy the wishes of individuals.<br>• Popular adult education: promote social well-being and strengthen democratic values and cultural life.<br>• Focus on individual needs.<br>• Outreach activities. | • *The Adult Education Initiative* (1997-2002): Upper secondary education support (about 100 000 places annually), continued through new state funding to municipalities and folk high schools (2003-05).<br>• Adult Learning and the Future Development of Adult Education (Government Bill 2000/01:72).<br>• More flexible support for individual learning, adjusting content and form to more individual needs.<br>• Provide a broad range of financial assistance, including special grants for the unemployed or at-risk persons, or to those with disabilities.<br>• Develop an infrastructure of flexible learning.<br>• Develop validation of competences for the individual.<br>• Advanced vocational education (2002) mainstreamed as part of the education and training system. | • Ministry of Education, Research and Culture.<br>• The Swedish National Agency for Education.<br>• The Swedish National Agency for School Improvement.<br>• The Swedish Agency for Advanced Vocational Education.<br>• The Swedish Agency for Flexible Learning.<br>• The Swedish National Council of Adult Education.<br>• Municipalities (strong role in delivery). | Strong public adult education and training system:<br>• Adult basic education corresponding to compulsory and upper secondary levels.<br>• Advanced vocational education.<br>• Popular adult education.<br>• Labour market training.<br>• In-service training.<br>• Supplementary education programmes. | • Study allowances for university, university college or other post-secondary education, folk high schools, municipal adult education and other forms equivalent to compulsory and secondary school.<br>• Study grant (2003) for those with greatest needs and disabilities.<br>• Labour market policy financed by state educational grants to support participants while studying.<br>• Part of in-service training and competence development in working life funded by EU structural funds.<br>• New state funding for municipal adult education and folk high schools (2003-05).<br>• Free municipal adult education.<br>• Advanced Vocational Education (AVE) is co-financed by the state, industry and the individual.<br>• New state funding for developing an infrastructure of flexible learning. | • Municipal adult education.<br>• Adult education for those with functional disabilities.<br>• Swedish tuition for immigrants.<br>• Advanced vocational training.<br>• Folk high schools.<br>• Study circles.<br>• Labour market training carried out by private and public educational providers.<br>• Supplementary education programmes. | • Follow-up and evaluation of publicly funded adult education.<br>• Different agencies responsible for the various forms of education. |

## Switzerland

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Federal policy emphasis on development of skills for occupational purposes.<br>• For the cantons: view adult learning as a whole, without distinguishing goals.<br>• Vocational training: focus on qualifications for professional activity.<br>• Efforts under way to develop a system conducive to occupational and personal development as well as social and occupational integration, to ensure equal opportunities to regions and genders. | • *Law on vocational education* (2004) to weaken the distinction between vocational education and general adult education.<br>• Active labour market policies: training for the unemployed.<br>• *EduQua:* quality assurance scheme introduced.<br>• Cantons: a diversity of policies. | • Federal structure and principle of subsidiarity in adult learning.<br>• Confederation in charge of vocational training in co-operation with the cantons.<br>• State Secretariat for Economic Affairs (Seco): training for the unemployed.<br>• Federal Office for Professional Education and Technology (OFFT): initial and continuing vocational training.<br>• Federal Office of Culture: general adult education.<br>• *Forum Weiterbildung:* co-ordination of national policies and funding strategies.<br>• Important role of the private sector and non-profit institutions.<br>• Cantons support continuing training by subsidising groups, associations, and secondary and vocational schools. | • Languages.<br>• Diploma courses (*maturité* or higher education entrance examination for adults).<br>• Federal certificates and diplomas.<br>• Secondary and upper secondary education.<br>• Enterprise training.<br>• New technologies.<br>• Leisure courses. | • Broad variety of arrangements.<br>• Public financing spread out across the confederation and cantons.<br>• Confederation funds cantons for grant distribution to those who want to finish secondary or tertiary education.<br>• Subsidies to training firms for the unemployed.<br>• Financing of material and teacher training.<br>• Financing by the enterprises and individuals.<br>• Other financing to private institutions. | • Secondary schools.<br>• Vocational school and higher vocational schools.<br>• Universities.<br>• Private training institutions or commercial schools.<br>• Privately run, state-approved institutions, (not-for-profit) associations.<br>• Denominational, trade union, political or ethical institutions.<br>• Local associations, community groups and third-sector enterprises.<br>• Popular universities.<br>• Private institutions with public objectives.<br>• Migros “club schools”.<br>• Employers. | • Regular surveys by Federal Statistical Office (OFS) on participation in adult education. |

## United Kingdom

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • Ensure that everyone of working age and beyond has the skills to meet needs of employment and to lead rewarding and fulfilling lives.<br>• Provide higher-level skills needed for a successful innovative knowledge-based economy.<br>• Drive up standards of teaching and learning across education and training. | • White paper *Learning to Succeed* (1999): sets out reforms to the delivery framework, including the establishment of Learning and Skills Council (LSC) for strategic planning for lifelong learning, to stimulate demand for and participation in learning.<br>• *Skills for life* (2001): national strategy to improve adult literacy and numeracy.<br>• *21st Century Skills* (2003): to ensure high skills of working age adults. Includes *Skills for Life* and *Skills Strategy* (2002): strategy to provide upper secondary vocational training to all adults. | • Department for Education and Skills (DfES): lifelong learning.<br>• Department for Work and Pensions (DWP): helping the unemployed and inactive.<br>• Learning and Skills Council (LSC) support for post-16 education and training.<br>• Sector Skills Councils (SSCs).<br>• Jobcentre Plus (JC+): supporting those on benefits and providing training for the unemployed.<br>• Investors in People UK. | • Lifelong learning.<br>• Literacy and basic skills.<br>• Flexible learning opportunities.<br>• Further education.<br>• Academic or vocational training.<br>• Labour market training for the unemployed.<br>• Skills upgrading for the employed.<br>• NVQs (National Vocational Qualifications).<br>• IT literacy.<br>• Online learning in IT skills, business skills, basic skills and multimedia.<br>• Short training courses.<br>• Work-based learning. | • Financial support mechanisms.<br>• Financial support to students through income contingent loans (ICL).<br>• Adult Learning Grant (provides weekly support to adults studying full time).<br>• Further education: receives subsidies for students.<br>• Tuition-free remission.<br>• Loans and grants.<br>• Free provision.<br>• Support for enterprise-based training.<br>• EU financing. | • Open University.<br>• Ufi/learndirect: distance learning platform (includes information, advice and guidance [IAG]).<br>• Further education colleges.<br>• Residential colleges.<br>• National Extension College (distance learning).<br>• BBC Education.<br>• Enterprises.<br>• NGOs.<br>• Union Learning Representatives. | • Studies and evaluation of results of programmes.<br>• National Qualification Framework (NQF).<br>• Surveys on adult learning participation. |

## United States

| Objectives | Measure or reform | Main actors in policy design and implementation | Content or forms of adult education | Financing | Delivery methods | Evaluation |
|---|---|---|---|---|---|---|
| • At the federal level: focus on integration of low-skilled in society and the labour market.<br>• Increasing literacy among immigrants to increase work opportunities.<br>• Promote both equal access and educational excellence.<br>• Improve professional development opportunities for adult educators.<br>• Increased accountability and use of research-based practices. | • *Workforce Investment Act* (1998): second chance adult education and establishment of one-stop career centres providing core services, including training.<br>• *Adult Education and Family Literacy Act* (1998): Integration of the low-skilled and support for literacy training. | • Decentralised system: education is mainly a competence of individual states.<br>• Department of Education: aims at the promotion of equal access and educational excellence.<br>• Department of Labor: reinsertion into the job market via education and training.<br>• Department of Welfare: compulsory educational programmes for social assistance beneficiaries.<br>• National Institute for Literacy. | • English as a second language (ESL) for immigrants, sometimes combined with civic education (EL/Civics).<br>• Family literacy programmes.<br>• Workplace literacy programmes.<br>• Literacy and numeracy combined with knowledge of computer software to overcome the "digital divide".<br>• Adult basic and secondary education.<br>• IT training.<br>• Occupational skills in prisons, vocational training aimed at facilitating the reinsertion of offenders in the job market.<br>• General Education Development (GED) exams, equivalent of high school diploma. | • 90% of adult education spending occurs at state level or through private sources.<br>• Department of Education budget is 2.9% of the total federal budget.<br>• Funds are allocated in conformity with census results, with extra rewards for states fulfilling established requirements. | • Institutions of higher education (universities, colleges).<br>• External Degree Programme allows earning high school diploma by showing competency in life skills.<br>• Mobile units (Transformer Bus).<br>• Community-based organisations.<br>• National volunteer literacy organisations.<br>• Faith-based organisations, libraries, private language schools.<br>• Distance and self-study learning. | • Studies and evaluation of results of programmes.<br>• Workforce Investment Act: requires states to evaluate local programme's performance according to the National Reporting System. |

*Note:* For more information concerning specific country approaches please refer to the source.

*Source:* Thematic review on adult learning country background reports and country notes (*www.oecd.org/edu/adultlearning*).

ANNEX C

# *Glossary*

| | |
|---|---|
| **AMS** | *Arbeitsmarktservice* (Public Employment Service, Austria) |
| **BFI** | *Berufsförderungsinstitut* (Institute for Vocational Promotion, Austria) |
| **CEBAS** | *Centros de Educación Básica* (Basic Education Centres for Adults, Mexico) |
| **CONALEP** | *Colegio Nacional de Educación Profesional* (National Professional Education College, Mexico) |
| **CONEVyT** | *Consejo Nacional de Educación para la Vida y el Trabajo* (National Council of Education for Life and Work, Mexico) |
| **DGB** | *Deutscher Gewerkschaftsbund* (National Trade Union Federation, Germany) |
| **EU** | European Union |
| **FHS** | *Fachhochschule* (Non-university form of tertiary education, Austria) |
| **GED** | General Education Development (United States) |
| **ICT** | Information and Communication Technologies |
| **ILA** | Individual Learning Accounts |
| **INEA** | National Institute for Adult Learning (Mexico) |
| **Land/Landër** | Regional or provincial government(s), Austria and Germany |
| **LFI** | *Ländliches Fortbildungsinstitut* (Institute for Adult Education in Rural Areas, Austria) |
| **MEVyT** | *Modelo de Educación para la Vida y el Trabajo* (Education for Life and Work Model, Mexico) |
| **NGO** | Non Governmental Organisation |
| **NVQ** | National Vocational Qualification (United Kingdom) |
| **PES** | Public Employment Service |
| **RPL** | Recognition of Prior Learning |
| **RVCC** | Reconhesimento, Validação e Certificação de Competências (Centres for Recognition, Validation and Certification of Competencies, Portugal) |
| **SMEs** | Small and medium size enterprises |
| **SVU** | *Statens Voksenuddannselsesstøtte* (Grant for Educational Support, Denmark) |
| **VET** | Vocational Education and Training |
| **VEU** | *Voksen- og efteruddannelse* (Adult Education and Continuing Training, Denmark) |
| **VHS** | *Volkshochschule* (Folk high-school, Austria/Germany) |
| **WIFI** | *Wirtschaftsförderungsinstitut* (Institute of Economic Promotion, Austria) |

# ANNEX D

# *National Coordinators and Review Team Members*

## Austria

### *National Coordinator*

*Mr. Ernst Koller*
Federal Ministry for Education, Science and Culture
Department for Education
Vienna, Austria

*Mr. Helmut Höpflinger*
Federal Ministry for Economic Affairs and Labour
Department for International Employment Policy
Vienna, Austria

### *OECD Reviewers for the visit 4-13 March 2003*

Prof. Norton Grubb (Rapporteur)
David Gardner Chair in Higher Education, School of Education, University of California
Berkeley, United States

Ms. Beatriz Pont
Education and Training Policy Division,
Directorate for Education, OECD

Mr. Andre Schlaefli
Director
Swiss Federation of Adult Education (SVEB)
Switzerland

Ms. Hanne Shapiro
Director
Technological Institute, Center for Competence,
IT and Analysis, Denmark

Mr. Peter Tergeist
Employment Analysis and Policy Division,
Directorate for Employment, Labour and Social Affairs, OECD

## Germany

### *National Coordinator*

*Ms. Helga Reinhardt*
Continuing Education Division
Federal Ministry of Education and Research
Bonn, Germany

### *OECD Reviewers for the visit 8-12 December 2003*

Ms. Elena Arnal
Education and Training Policy Division,
Directorate for Education, OECD

Mr. Paul Ryan (Rapporteur)
Senior Lecturer, Faculty of Economics and Politics, Fellow of King's College,
University of Cambridge (*from January 2004*: Professor of Labour Economics,
Management Centre, King's College, London)
United Kingdom

Mr. Peter Tergeist
Employment Analysis and Policy Division,
Directorate for Employment, Labour and Social Affairs, OECD

## Korea

### *National Coordinator*

*Ms. Youngsun Ra*
Research fellow
Korean Research Institute for Vocational
Education and Training (KRIVET)
Seoul, Korea

*Mr. Namchul Lee*
Director
International Studies and Co-operation Team KRIVET
Seoul, Korea

### *OECD Reviewers for the visit 26-30 January 2004*

Mr. Gerhard Bosch (Rapporteur)
Professor for Sociology, University Duisburg- Essen
Vice President, Institute for Work and Technology
Gelsenkirchen, Germany

Mr. Koji Miyamoto
Employment Analysis and Policy Division
Directorate for Employment, Labour and Social Affairs, OECD

Mr. Patrick Werquin
Education and Training Policy Division,
Directorate for Education, OECD

## Hungary

### *National Coordinator*

Mr. György Szent-Léleky
Ministry of Employment Policy and Labour
Budapest, Hungary

### *OECD Reviewers for the visit 18-26 March 2004*

Mr. Koji Miyamoto
Employment Analysis and Policy Division
Directorate for Employment, Labour and Social Affairs, OECD

Ms. Irina Radevska
Bulgarian Ministry of Education and Science
(Policy in Higher Directorate for Education Department)
Part-time lecturer, Sofia University
Sofia, Bulgaria

Ms. Evelyn Viertel (Rapporteur)
European Training Foundation
Turin, Italy

Mr. Patrick Werquin
Education and Training Policy Division,
Directorate for Education, OECD

## Mexico

### *National Coordinators*

Mr. Ramón de la Peña
Director
National Institute for Adult Learning, INEA

Mr. Rene Gonzalez Cantú
Director of the Planning Department, INEA

Ms. Ana del Toro Martinez
Department of Educational Research, INEA
Mexico City, Mexico

### *OECD Reviewers for the visit 17-27 Sept 2003*

Prof. Peter Dolton
Sir David Dale Professor of Economics,
University of Newcastle
Senior Research Fellow at the Centre for Economic Performance,
London School of Economics
United Kingdom

Mr. Koji Miyamoto
Employment Analysis and Policy Division,
Directorate for Employment, Labour and Social Affairs, OECD

Prof. Kjell Rubenson (Rapporteur)
Professor of Education, University of British Columbia
Co-director of the Centre for Policy Studies in Higher Education and Training
British Colombia, Canada

Mr. Patrick Werquin
Education and Training Policy Division,
Directorate for Education, OECD

## Netherlands

### *National Coordinators*

Mr. Toon Janssen
Ministry of Education
The Hague, The Netherlands

Ms. Anneke Westerhuis
Centre for the Innovation of Education and Training (CINOP)
The Netherlands

### *OECD Reviewers for the visit 9-13 February 2004*

Mr. Ides Nicaise (Rapporteur)
Professor and Research Manager at Higher Institute for Labour Studies (HIVA),
University of Leuven
Leuven, Belgium

Ms. Elena Arnal
Education and Training Policy Division,
Directorate for Education, OECD

Mr. Koji Miyamoto
Employment Analysis and Policy Division,
Directorate for Employment, Labour and Social Affairs, OECD

## Poland

### *National Coordinator*

Ms. Magdalena Nojszewska-Dochev
Labour Market Department
Ministry of Economy and Labour
Warsaw, Poland

### *OECD Reviewers for the visit 13-21 May 2004*

Ms. Beatriz Pont
Education and Training Policy Division,
Directorate for Education, OECD

Mr. Peter Tergeist
Employment Analysis and Policy Division,
Directorate for Employment, Labour and Social Affairs, OECD

Mr. Stefan Wolter (Rapporteur)
Managing Director Swiss Coordination Centre for Research in Education,
Aarau, Switzerland

Mr. Helmut Zelloth
European Training Foundation
Turin, Italy

## United Kingdom (England)

### *National Coordinator*

Mr. Del Jenkins
Jobseeker Analysis Division (JAD)
Department for Work and Pensions (DWP)
London, England

### *OECD Reviewers for the visit 26-30 April 2004*

Ms. Åsa Sohlman (Rapporteur)
Consultant, Sohlman Senior Consultants
Stockholm, Sweden

Ms. Beatriz Pont
Education and Training Policy Division,
Directorate for Education, OECD

Mr. Peter Tergeist
Employment Analysis and Policy Division,
Directorate for Employment, Labour and Social Affairs, OECD

## United States

### *National Coordinator*

Mr. Michael Jones
US Department of Education
Washington DC, United States

### *OECD Reviewers for the visit 20-24 October 2003*

Prof. Robert Boyer (Rapporteur)
Senior Researcher, Centre National de la Recherche Scientifique (CNRS)
Paris, France

Mr. Peter Tergeist
Employment Analysis and Policy Division
Directorate for Employment, Labour and Social Affairs, OECD

Mr. Patrick Werquin
Education and Training Policy Division,
Directorate for Education, OECD

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# Promoting Adult Learning

Adult learning is important for economic growth and also for social and personal development. However, it is still a weak link in the lifelong learning agenda. Adult learning can enhance the human capital of individuals and nations. It can bring important social benefits in terms of improved civic participation and social cohesion, as well as personal benefits, such as improved health and well-being, and greater self-confidence. However, despite these benefits, there is insufficient participation in adult learning. It generally concentrates on certain groups: the younger, the more educated, or those working in larger enterprises. The low participation of more disadvantaged groups in adult learning is mainly due to lack of motivation and other barriers such as time and financial constraints and lack of quality education programmes.

This publication provides policy guidance in an area that has been given little policy priority until recent years. It brings together key lessons from 17 OECD countries, providing evidence on the strategies in place to improve adults' participation in learning. It addresses potential barriers to learning as well as the policies to remedy them. Among these are policies for increasing and promoting the benefits of adult learning to make them transparent and easily recognised. Other policy levers include economic incentives and co-financing mechanisms that can raise the efficiency of adult learning provision and deliver quality learning that is adapted to adults' needs. Finally, policy making can be improved via co-ordination and coherence in a field that is characterised by a wide variety of stakeholders, including ministries of education and ministries of labour.



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