Getting Skills Right

Continuing Education and Training in Germany

OECD

Getting Skills Right

Continuing Education and Training in Germany

OECD
BETTER POLICIES FOR BETTER LIVES

Please cite this publication as:
OECD (2021), *Continuing Education and Training in Germany*, Getting Skills Right, OECD Publishing, Paris, *https://doi.org/10.1787/1f552468-en*.

ISBN 978-92-64-80669-6 (print)
ISBN 978-92-64-32844-0 (pdf)

Getting Skills Right
ISSN 2520-6117 (print)
ISSN 2520-6125 (online)

Photo credits: Cover Cell phone: © Creative Commons/Alfredo Hernandez; clock: © Creative Commons/Hakan Yalcin; cloud upload: Creative Commons/Warslab; join: © Creative Commons/Tom Ingebretsen; doctor: © Creative Commons/Joseph Wilson; chef: © Creative Commons/Alfonso Melolontha; person with telescope © Shutterstock.com/Viktoria Kurpas.

Corrigenda to publications may be found on line at: *www.oecd.org/about/publishing/corrigenda.htm*.

Foreword

The world of work is rapidly changing. Digitalisation, globalisation, and demographic change are having a profound impact on the type and quality of jobs available and the skills required to perform them. The extent to which individuals, companies and whole economies can reap the benefits of these changes will depend on the readiness of adult learning systems to help people develop and maintain relevant skills over their working careers.

To explore this issue, the OECD Directorate for Employment, Labour and Social Affairs is carrying out an ambitious programme of work on the functioning, effectiveness and resilience of adult learning systems across countries. This includes the creation of the *Priorities for Adult Learning (PAL)* dashboard, which compares the readiness of each country's adult learning system to address future skills challenges, as well as a cross-country report highlighting relevant policy examples from OECD and emerging countries (*Getting Skills Right: Future-Ready Adult Learning Systems*). The Directorate is also carrying out a series of in-depth country reviews of adult learning systems to offer a comprehensive analysis of the key areas where policy action is required.

This report on *Continuing Education and Training in Germany* assesses the effectiveness of Germany's continuing education and training (CET) system in preparing people and enterprises for changes in the world of work driven by digitalisation and other megatrends. It also puts forward recommendations as to what changes are necessary to make the CET system more future-ready.

The authors of this report are Anja Meierkord (project lead), Karolin Killmeier and Magdalena Burtscher from the Skills and Employability Division of the Directorate for Employment, Labour and Social Affairs. The work was carried out under the supervision of Glenda Quintini (Skills Team Manager) and Mark Keese (Head of the Skills and Employability Division). It benefited from helpful comments by Stefano Scarpetta (Director for Employment, Labour and Social Affairs), members of the Skills Team (Julie Lassébie, Luca Marcolin, Katherine Mullock, Stefano Piano, Annelore Verhagen), and the VET and Adult Learning Team in the OECD Centre for Skills (Pauline Musset, Simon Normandeau, Marieke Vandeweyer).

The report profited greatly from discussions with German experts, officials, employer federations, trade unions, chambers, academics and education and training institutions during a virtual mission to Germany which took place between April and June 2020. It also benefited from the insights of participants in a validation workshop organised virtually in December 2020, and from written comments on an earlier draft of this report. Special thanks are given to Michael Schulze and Marie Ullmann (Federal Ministry of Labour and Social Affairs), Stefan Angermüller and Katharina Kloke (Federal Ministry of Education and Research) and Michael Dörsam (Federal Institute for Vocational Education and Research) for their support in organising this research in the challenging context of the COVID-19 pandemic.

This report is published under the responsibility of the Secretary General of the OECD, with the financial assistance from the German Ministry of Labour and Social Affairs. The views expressed in this report should not be taken to reflect the official position of OECD member countries.

Table of contents

FIGURES

TABLES

Follow OECD Publications on:

http://twitter.com/OECD_Pubs

http://www.facebook.com/OECDPublications

http://www.linkedin.com/groups/OECD-Publications-4645871

http://www.youtube.com/oecdilibrary

http://www.oecd.org/oecddirect/

Acronyms and abbreviations

General acronyms and abbreviations	
AES	Adult Education Survey
AI	Artificial Intelligence
AFBG	Upgrading Training Assistance Act
ALMP	Active Labour Market Policy
ASMK	Standing Conference of the Ministers of Labour and Social Affairs
AVMG	Act on the Promotion of Job-related CET in the Context of Structural Change and the Further Development of Training Assistance
AZAV	Accrediting and Licensing Regulation Board for Employment Promotion
CET	Continuing education and training
COVID-19	Coronavirus disease 2019
BA	Federal Employment Agency
BAföG	Federal Training Assistance Act
BAMF	Federal Agency for Migration and Refugees
BBB	Federal Association of Vocational Education and Training Providers
BBiG	Vocational Training Act
BDA	Confederation of German Employer's Associations
BetrVG	Works Constitution Act
BIBB	Federal Institute for Vocational Education
BIZ	Occupational Information Centre
BMAS	Federal Ministry of Employment and Social Affairs
BMBF	Federal Ministry of Education and Research
BMFSFJ	Federal Ministry of Family Affairs, Senior Citizens, Women and Youth
BMI	Federal Ministry of the Interior
BMWi	Federal Ministry of Economy and Energy
BQFG	Federal Recognition Act
CVET	Continuing Vocational Education and Training
CVTS	Continuing Vocational Training Survey
DGB	German Trade Union Federation
DIE	German Institute for Adult Education
DIHK	Association of German Chambers of Industry and Commerce
DQR	German Qualification Framework
DRV	German Pension Insurance
DVV	German Association of Adult Education Centres
EIB	European Investment Bank
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
EUR	Euro
FernUSG	Distance Learning Protection Act
GDP	Gross Domestic Product
HRG	Higher Education Framework Act

HwO	Crafts Code
IAB	German Institute for Employment Research
ICT	Information and Communication Technology
IHK	Chamber of Commerce and Industry
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
ISG	Institute for Social Research and Social Policy
IVET	Initial Vocational Education and Training
KMK	Standing Conference of the Ministers of Education and Cultural Affairs
KSchG	Dismissal Protection Act
LBB	Lifelong Vocational Guidance
LFS	Labour Force Survey
OECD	Organisation for Economic Co-operation and Development
NWS	National Skills Strategy
PES	Public Employment Services
PIAAC	Survey of Adult Skills
QCR	Skills Development Opportunities Act
SGB	Social Security Code
STEM	Science, technology, engineering and mathematics
SME	Small and medium enterprises
TVG	Collective Bargaining Act
VHS	Adult Education Centres
WBB	CET guidance
WMK	Standing Conference of the Ministers of Economic Affairs
ZDH	German Confederation of Skilled Crafts

Acronyms of OECD Member countries				Acronyms of the German federal states	
AUS	Australia	LVA	Latvia	BW	Baden-Württemberg
AUT	Austria	MEX	Mexico	BY	Bavaria
BEL	Belgium	NLD	Netherlands	BE	Berlin
CAN	Canada	NOR	Norway	BB	Brandenburg
CHE	Switzerland	NZL	New Zealand	HB	Bremen
CHL	Chile	POL	Poland	HH	Hamburg
COL	Colombia	PRT	Portugal	HE	Hesse
CZE	Czech Republic	SVK	Slovak Republic	NI	Lower Saxony
DEU	Germany	SVN	Slovenia	MV	Mecklenburg-Vorpommern
DNK	Denmark	SWE	Sweden	NW	North Rhine-Westphalia
ESP	Spain	TUR	Turkey	RP	Rhineland-Palatinate
EST	Estonia	USA	United States	SL	Saarland
FIN	Finland			SN	Saxony
FRA	France			ST	Saxony-Anhalt
HUN	Hungary			SH	Schleswig-Holstein
GBR	Great Britain			TH	Thuringia
GRC	Greece				
IRE	Ireland				
ISL	Iceland				
ISR	Israel				
ITA	Italy				
JPN	Japan				
KOR	South Korea				
LTU	Lithuania				
LUX	Luxemburg				

Glossary

Continuing education and training (CET) is learning undertaken by adults who have already completed their initial education and training and entered working life. **Job-related CET** helps adults to acquire new skills, in order to retrain, change career, increase their employability and for their professional development. CET can also be non-job related, i.e. for personal development, but this is not the focus of this report.

CET includes formal and non-formal education and training, as well as informal learning:

- **Formal education and training** opportunities are intentional, institutionalised learning activities, which are recognised by relevant authorities and have a minimum duration of one semester. Examples include upper secondary qualifications or Bachelor degree studies.
- **Non-formal education and training** includes intentional, institutionalised learning activities (e.g. short courses, workshops and seminars) which are either of short duration (less than one semester) or not recognised by the relevant authorities.
- **Informal learning** is intentional learning, which is non-institutionalised, less structured than formal and non-formal learning and can take place anywhere. Examples of informal learning include learning from colleagues, friends or learning by doing

Guidance services for continuing education and training help individuals to make educational, training and occupational choices. As well as providing information, they typically offer counselling, mentoring and/or skills assessment.

Low-skilled adults are adults with low basic skills and/or low qualification levels:

- **Adults with low basic skills** are individuals aged 25-64 with low proficiency in literacy, numeracy or both. These are adults who at most understand brief texts on familiar topics, and/or are able to do simple mathematical processing such as one-step calculations.
- **Adults with low qualification levels** are individuals aged 25-64 whose highest educational attainment level is at most lower secondary education (ISCED 0-2).

Partial qualifications are building blocks of full qualifications. They can be acquired either to build a full qualification over time, or for specialisation or skills updating. Partial qualifications require assessment and validation to certify the learning outcomes an individual has achieved, and usually include a form of official recognition.

Qualifications are the formal outcome of an assessment and validation process, obtained when a competent authority or body determines that an individual has achieved learning outcomes according to given standards. The outcome can be a degree, diploma or other certificate. A qualification can also be a legal entitlement to practice a trade.

Validation is a process of confirming that an individual has acquired skills measured against a relevant standard. This process is conducted by an authorised body.

Executive summary

A decade of robust economic and employment growth in Germany was brought to an abrupt end by the COVID-19 pandemic. Already in a state of flux due to digitalisation, population ageing and the transition to a low-carbon economy, the labour market is likely to undergo further changes at an accelerating rate. Now more than ever, policymakers must support future-ready continuing education and training systems that allow individuals and enterprises to adapt to these changes, and ensure that Germany's strong economic performance endures, and continues to support its high standards of living and well-being.

Germany has a strong skill development system. The country's 15-year-old students performed above the OECD average in the last (2018) edition of the Programme for International Student Assessment (PISA), continuing a trend of significant improvement since PISA's first edition in 2000. Its adult population between the ages of 15 and 65 also has above-average literacy and numeracy skills, according to the OECD Survey of Adult Skills (PIAAC). A strong and well-respected vocational education and training system is seen as one of the success factors behind these achievements. However, participation in learning beyond initial education lags behind other high-performing OECD countries and varies considerably across different groups of the population. This is problematic in a rapidly changing labour market, where participation in continuing education and training is a precondition for individuals, enterprises and economies to harness the benefits of these changes.

This report assesses the current state of the German continuing education and training (CET) system. It examines how effectively and efficiently the system prepares people and enterprises for the changes occurring in the world of work, and identifies what changes are necessary to make the CET system more future-ready. The report makes recommendations for the further development of the CET system based on international good practice.

Two findings recur across the different themes considered in this report:

- Germany has one of the most complex governance structures of CET across the OECD. It is characterised by decentralisation, federalism, pluralism, competition between providers and self-responsibility. Responsibility for CET is shared by companies, the social and economic partners, CET providers and the government at national and federal state level. This is both a great strength, as provision can cater to the diverse needs of individuals, organisations and labour markets, and a weakness, as it creates challenges with regard to co-ordination and co-operation. From a user perspective, this complexity makes the German CET landscape challenging to navigate, whether in finding high-quality CET opportunities or in identifying suitable financial support options.
- Germany has made great progress identifying and working on key issues to improve the future-readiness of its CET system. In line with international good practice, this includes developing approaches for the validation of prior learning, establishing partial qualifications in some areas and advancing CET opportunities at higher education institutions. However, having developed along historical path dependencies and within the constraints of the existing institutional context, these reforms have often taken place without an overarching systematic approach. They are sometimes implemented in a piecemeal fashion and on a project-specific basis. Structural integration of these projects into the CET system happens only slowly, if at all. Greater effectivenessand equity of the German CET system will only be achieved through fundamentally restructuring key aspects of the system and significantly reducing its complexity.

Launched in June 2019, the National Skills Strategy (*Nationale Weiterbildungsstrategie*, NWS), aims to address some of these historical challenges. In bringing together federal ministries, federal states, the Federal Employment Agency, the social partners (trade unions and employer organisations) and the economic partners (chambers of commerce and trade, chambers of skilled crafts), it is an important step towards greater co-ordination and collaboration in this policy area. By taking a joint-up approach along 10 overarching objectives, it moves towards more coherent and strategic policy-making on CET. This report is intended to support the implementation of the National Skills Strategy.

The report consists of six chapters. Chapter 1 provides an overview of the assessment and recommendations made in the report. Chapter 2 sets out the changing skill needs of the German labour market and discusses patterns of participation in CET. Chapter 3 describes the key features of the German CET landscape, investigating its governance, the structure of provision and the providers. Chapter 4 reviews the current state of guidance, validation and partial qualifications in Germany. Chapter 5 looks at the funding of CET in Germany, as well as the landscape of financial incentives available to individuals and enterprises. Finally, Chapter 6 investigates the learning participation of low-skilled adults, the CET opportunities available to them, and the barriers that may prevent them from engaging in learning. The report highlights key challenges and develops recommendations based on international evidence.

Table 1. Main findings and key recommendations of the report

Main findings	Key recommendations
Improving the governance of the CET landscape	
Decentralisation, competition and federalism pose challenges for collaboration and coherence of the CET landscape.	Deepen co-operation between stakeholders in the context of the NWS and commit to a continuation beyond mid-2021, while increasing its ambition.
The regulatory landscape of CET is fragmented, with various laws regulating specific aspects, lacking an overall framework.	Develop a German CET law that ensures a common framework throughout the German territory.
Many providers of non-formal learning are subject to minimal public supervision and quality control.	Develop and introduce minimum standards for providers to increase transparency for individuals and companies.
Taking a systematic approach to career guidance, skill validation and partial qualifications	
Career guidance structures across the territory are as diverse as the CET landscape itself, and are hard to navigate from a user perspective.	Set up a nationwide initiative on career guidance to network and streamline current provision, close regional supply gaps and offer guidance under a single brand, including online.
The system for skill validation is underdeveloped in comparison to other OECD countries.	Develop a nationwide legal framework for the validation of prior learning.
The development of partial qualifications primarily takes place on a project-specific basis.	Establish partial qualifications as a structural feature of the German CET landscape by making them available nationwide and speeding up efforts to standardise them.
Policy developments on career guidance, skill validation and partial qualifications are not conceived together from a user perspective.	Establish a stakeholder working group that systematises the connections between guidance, validation and partial qualifications.
Increasing funding and streamlining financial incentives	
The landscape of financial incentives is complex and difficult to navigate for individuals and enterprises.	Streamline financial incentives and close funding gaps through a single financial incentive for individuals.
There is no nationwide legislation on education and training leave, the regulatory framework is heterogeneous.	Introduce nationwide framework legislation on education and training leave.
CET makes up a small part of overall investment in education and training.	Make use of existing opportunities to channel federal CET investments to the federal states.
	Increase overall investment in CET and explore the introduction of additional funding streams in the medium term.
Engaging more low-skilled adults in learning	
By international standards, there are large differences in CET participation between low- and high-skilled adults.	Develop a Bund-Länder initiative on up-skilling adults with low levels of basic skills or qualifications.
Returns on investment are perceived to be limited, and low-skilled individuals have limited capacity to pay for CET.	Improve financial incentives for low-skilled adults through a top-up benefit for unemployed people and a progressive individual incentive for employed people.
Adults with low skills face multiple, multi-layered and interconnected barriers to participation, with lack of interest being a key barrier.	Finance outreach activities to activate the target group and approach them in their workplace, including through work-based guidance and mentoring schemes.

1 Assessment and recommendations

Germany has a strong skill development system. However, participation in learning beyond initial education lags behind other high-performing OECD countries. It also varies considerably across different groups of the population. Adults with low skills, those on low wages and those working in small and medium enterprises have particularly low participation rates. This is problematic in a rapidly changing labour market, where participation in continuing education and training is a precondition for individuals, enterprises and economies to harness the benefits of these changes. This report examines how effectively the system prepares people and enterprises for the changes occurring in the world of work, and identifies what changes are necessary to make the CET system more future-ready. It makes recommendations based on international good practice.

The world of work is changing and the COVID-19 crisis may accelerate pre-existing trends

Leading up to 2020, Germany experienced a decade of robust economic growth, having recovered faster than other OECD and European countries from the global financial and economic crisis. Unemployment rates fell to their lowest level since reunification, and sharp employment growth brought with it critical shortages of skilled labour (Bundesagentur für Arbeit, 2019[1]; OECD, 2020[2]). Individuals benefited from relatively high standards of living and high levels of well-being by OECD standards, with many seeing real wage gains (OECD, 2018[3]; OECD, 2020[2]). As the COVID-19 pandemic spread and global output collapsed, Germany's GDP contracted sharply, with data pointing to a fall of more than 5% in 2020 (OECD, 2021[4]). Yet, to date, employment and unemployment rates have been less affected by the COVID-19 crisis than in many other OECD countries. This is due in large part to the government's strong action in extending the well-established short-time work scheme (*Kurzarbeit*), the provision of liquidity support for enterprises and other measures to stimulate domestic demand.

Now more than ever, one of the main concerns for policy-makers in Germany is to ensure that there is a sustained recovery back to the strong social and economic outcomes experienced prior to the pandemic. Even before the crisis, the nature of work was changing through digitalisation, population ageing and the transition to a low-carbon economy. According to OECD analysis, 18% of jobs in Germany are at high risk of automation in the next 15 years, while a further 36% are at risk of significant change, adding up to one of the highest shares of jobs at risk across OECD countries (Nedelkoska and Quintini, 2018[5]). The economic fallout from the COVID-19 pandemic may well accelerate the pace of structural change, including the adoption of new technologies and ways of working, in sectors such as manufacturing, and the labour market as a whole. As some client-oriented service sectors face longer-term disruption, people currently covered by the short-time work scheme may lose their jobs. In the aftermath of the COVID-19 pandemic, it becomes even more important to ensure well-functioning continuing education and training systems that enable individuals to upskill and reskill in response to these developments.

Participation in CET is above average, but highly unequal across different groups of the population

Data from the 2018 German Adult Education Survey suggests that 54% of adults aged 18-64 in Germany take part in continuing education and training per year (BMBF, 2019[6]). According to data from the 2016 European Adult Education Survey,[1] which allows for cross-country comparison, participation of adults aged 25-64 in Germany is slightly above the average of European OECD countries. However, it lags behind other OECD countries with similar skill development systems, i.e. Austria (60% learning participation), the Netherlands (64%) and Switzerland (69%).[2]

The OECD's *Priorities for Adult Learning Dashboard* (PAL) looks at differences in CET participation between different socio-economic groups across OECD countries (OECD, 2019[7]). It shows that, on aggregate, Germany has some of the largest inequalities in CET participation in the OECD, exceeded only by Chile, the Netherlands and the Slovak Republic. Adults with low skills, those on low wages and those working in small and medium enterprises (SMEs) have particularly low participation rates. OECD countries with high-performing CET systems, such as New Zealand, Norway and Sweden, achieve substantially higher participation of these groups and lower inequalities.[3]

Germany has one of the most complex governance structures for CET across the OECD

The provision of continuing education and training is rarely organised in a systemic way in OECD countries. CET structures are best described as complex landscapes accommodating a variety of providers, policy frameworks and stakeholder interests (OECD, 2019[7]). Germany has one of the most complex governance structures of CET and some national observers have criticised the weak institutionalisation of this policy area (Autorengruppe Bildungsberichterstattung, 2018[8]). Self-responsibility, decentralisation, pluralism and strong federalism shape governance, provision and financing of CET (Desjardins, 2017[9]). This is both a great strength, as provision can cater to the diverse needs of individuals, organisations and (regional) labour markets, and a weakness, as it comes with increased challenges for co-ordination and co-operation.

Companies, the social and economic partners, CET providers and the government at national and federal state level share responsibility for CET. Social and economic partners play a key role in the CET landscape, from regulating certain aspects of the landscape to negotiating collective and company agreements with effect on CET. The National Skills Strategy (*Nationale Weiterbildungsstrategie, NWS*), adopted in 2019, is an ambitious step for greater coordination in this policy area. The first strategy of its kind, it brings together the federation and federal states, the Federal Employment Agency, and the social and economic partners to develop a common strategy on CET (BMAS et al., 2019[10]). The expressed aims of the strategy are to co-ordinate CET policies, increase transparency, improve access to CET opportunities and financial support, and work towards a new culture of CET in Germany. The strategy includes a wide set of goals and commitments of the involved stakeholders. It is a significant step towards the development of a more coherent and strategic approach to policy-making in CET and is widely appreciated by the involved partners. It will be critical to institutionalise the collaboration in the context of the NWS beyond the current legislative period, as well as to develop further its ambition.

Many OECD countries have CET laws that define rights and responsibilities of different actors in the CET landscape and ensure that CET policy is developed in a coherent manner. Austria and Switzerland, for example, regulate CET in a single law that sets out definitions, responsibilities, organisation and funding of CET. While Austria has had a federal law on CET since 1973, encompassing job-related and general CET (*BGBl. Nr.171/1973 über die Förderung der Erwachsenenbildung und des Volksbüchereiwesens aus Bundesmitteln)*, Switzerland introduced a nationwide framework law on CET in 2017 *(WeBiG, Weiterbildungsgesetz).* The German CET landscape currently lacks such clear systematisation and common legal frameworks. It is instead regulated by a multitude of laws and other frameworks at the federal and state level, which relate to specific aspects of CET. The absence of an overarching framework constitutes a challenge to the coherent and structural development of a future-ready German CET landscape.

There are an estimated 18 000 public and private CET providers in Germany, most of which provide a mix of job-related and general CET (BIBB, 2020[11]). This diverse landscape of providers is the result of a historical supply-driven development process, shaped by market mechanisms and limited state intervention. Some providers and areas of provision, notably formal learning opportunities, CET in the context of Active Labour Market Policies and distance learning, are governed and quality-assured through laws and regulations. By contrast, many non-formal learning opportunities are subject to quality assurance only on a voluntary basis. Eighty percent of CET providers use at least one of several quality assurance systems (BIBB, 2019[12]). This set-up makes the system difficult to navigate for individuals, in particular for disadvantaged groups. Many OECD countries have developed comprehensive and streamlined quality-assurance systems for CET (OECD, 2021[13]). Austria, for example, introduced the umbrella certification Ö-Cert in 2012, which sets minimum standards for providers along five quality dimensions and allows providers to use existing quality certifications to get certified.

More detailed information on the assessment and recommendations relating to the governance of the German CET landscape can be found in Chapter 3.

Recommendations

Germany should consider:

1. **Deepening co-operation between stakeholders in the context of the NWS.** Participating stakeholders should commit to a continuation of the strategy beyond mid-2021, building on the results achieved so far, while further advancing the ambition of the strategy. The structures established in the context of the NWS should be institutionalised permanently; objectives and indicators to aid the monitoring of the strategy should be developed; and education and training providers should be involved more systematically.
2. **Developing a German CET law that ensures a common framework throughout the German territory.** Such a law would establish and institutionalise CET as an independent sub-sector of Germany's education and training system. It should define the responsibilities of different actors in the CET system; uniformly regulate education leave across the German territory; set minimum standards for the quality of providers and provision; and define a common framework for the validation of prior learning.
3. **Developing and introducing minimum quality standards for providers,** to increase transparency for individuals and companies in the heterogeneous German CET landscape. Standards should relate to organisational and management practices, teaching staff and CET programmes. Structures and processes for the certification and evaluation of providers should accompany these standards.

Policy developments on career guidance, skill validation and partial qualifications require a more systematic approach

Ideally, CET systems provide comprehensive support for individuals to help them adapt to changes in the labour market and manage their transitions. Guidance services help individuals to identify their skill development needs and to navigate the complex landscape of CET opportunities. They provide private and public benefits (OECD, 2004[14]; OECD, 2021[15]). Validation processes increase the visibility of individual' skill-sets. Modularised and partial qualifications provide flexible learning paths to manage transitions. Some OECD countries have CET systems that integrate guidance, validation and partial qualifications. In Portugal, for example, more than 300 Qualifica Centres are one-stop shops for information, guidance, the analysis of existing skills. sign-posting to validation procedures and the development of an education and training path.

In Germany, career guidance structures and approaches across the country are as diverse as the CET landscape itself. Guidance is provided by different government actors, social partners, chambers, CET providers, as well as commercial and non-profit private providers. The Federal Employment Agency provides career guidance through its employment agencies and job centres. It has traditionally focused on the unemployed and those at risk of unemployment, but is now expanding into providing guidance to all adults (*Lebensbegleitende Berufsberatung, LBB*) (BA, 2019[16]; Dauth et al., 2018[17]). At the time of writing, limited information was available on details of the implementation of the LBB. In addition, federal states and municipalities are funding and co-ordinating a multitude of career guidance measures for adults. There is a wide range of online information offers, which are not always co-ordinated, as well as a phone helpline financed by the BMBF since 2015. On the one hand, this plurality of guidance structures facilitates the

provision of tailored services for different target groups and sectors. On the other hand, this diversity is difficult to navigate for individuals and leads to unequal access to such services across the German territory (BIBB, 2019[18]). Accordingly, one of the commitments agreed upon in the NWS is to streamline the available online career guidance, amongst others, by establishing an online guidance platform (BMAS et al., 2019[10]).

Germany's approach to validating non-formal and informal learning lags behind more mature validation systems in other OECD countries (Ball, 2019[19]; Münchhausen and Seidel, 2015[20]), such as Denmark, Finland, France or Portugal. There is no common legal framework and the landscape lacks coherence and co-ordination. Existing approaches typically relate only to some educational sub-sectors, occupations or economic sectors and affect a small number of individuals in a given year. While the 2012 recommendation of the Council of the European Union has brought some momentum to the topic, the formal approaches developed to date have limited scope and reach (e.g. *ValiKom*), and only one of the existing approaches – the external student examination (*Externenprüfung*) – immediately leads to a full qualification. Instruments for the assessment and documentation of skills (e.g. *MySkills*) fill some of the gaps left by the absence of validation measures. However, many of these tools have a limited planning horizon due to project-based funding, narrow area of application and lack of *de facto* recognition in the labour market (Pielorz and Werquin, 2019[21]; Ball, 2019[19]). The NWS itself gives a strong judgement of the present system, stating "there are no uniform, comprehensive and standardised opportunities in Germany for informally and non-formally acquired job-related skills to be reliably verified" (BMAS et al., 2019[10]). In the context of the NWS, the BMBF, the federal states and social partners are examining possibilities of anchoring tested validation procedures nationwide.

Modular CET and partial qualifications are key to the creation of more flexible learning paths needed in the context of accelerating structural changes in the labour market and the time constraints facing many adult learners. In Germany, the development of partial qualifications has primarily taken place in projects, which have been limited in time and scope. A consistent approach is lacking across the territory, and there is resistance to partial qualifications by some key players in the system. These stakeholders are concerned that partial qualifications do not improve the occupational situation of employees and shift in-company training costs to the tax payer. Good practice from other OECD countries shows that modularisation and partial qualifications can make CET systems more inclusive by providing flexible pathways for adult learners. In Denmark, for example, learners have an exceptional amount of flexibility, as they can combine modules from different kinds of CET provision (basic, higher, vocational, ALMPs, adult liberal education) into essentially tailor-made formal qualifications (Desjardins, 2017[9]). In Finland, both the initial and the continuing vocational education and training systems are fully modularised. A validation process at the start of each vocational programme ensures that existing skills are recognised and individuals only take the modules they need (Cedefop, 2019[22]).

There is room to develop policies on guidance, validation and partial qualifications in a more co-ordinated manner. Such joined-up approaches already exist for specific target groups, notably migrants, where the IQ-Network (*IQ-Netzwerk*) takes a co-ordinated approach to linking up and sign-posting to guidance, recognition of prior learning and partial qualifications.

More detailed information on the assessment and recommendations relating to guidance, validation and partial qualifications can be found in Chapter 4.

Recommendations

Germany should consider:

4. **Setting up a nationwide initiative on career guidance**. Such an initiative would network and streamline current provision, close any regional supply gaps and offer career guidance under a single brand also online. It would require the strong involvement of the social and economic partners, as well as other local stakeholders, given their key role in the provision of guidance.
5. **Developing a nationwide legal framework for the validation of prior learning.** Ideally, this framework would be included in the new German CET law (see recommendation 2) and establish an individual right to validation, as well as set standards for validation procedures, including their outcomes.
6. **Establishing partial qualifications as a structural feature of the German CET landscape**, by making them available nationwide and speeding up standardisation. Germany should intensify its ambition in this area, rather than continue to develop partial qualifications as project-funded initiatives with limited scope.
7. **Establishing a stakeholder working group** that systematises the connections between guidance, validation and partial qualifications. This working group would explore links between the different policy areas, develop a systematic approach and make recommendations to the German Government on further action to be taken.

CET makes up a small part of overall investment in education and training

Two of the questions most frequently asked by policy-makers in the area of CET are: i) how much investment in CET is needed to address the labour market changes brought about by digitalisation and other megatrends; and ii) who should pay for it. Currently, there is no international benchmark for what constitutes a sufficient level of investment and who should make it.

CET may not require the same level of funding as initial education, but it is nevertheless a cost-intensive endeavour, requiring significant resources. A small number of studies estimate the yearly investment in CET in Germany. However, the results are not consistent between studies, due to diverging definitions of CET, a focus on specific sub-sectors or target groups, different data sources and distinct approaches to modelling costs (Dohmen and Cordes, 2019[23]; Müller and Wenzelmann, 2018[24]; Statistisches Bundesamt, 2020[25]; Thiele, Behringer and Schönfeld, 2016[26]). One of the most comprehensive recent studies suggests that individuals, enterprises and public bodies may invest up to EUR 36 billion per year in CET (Dohmen and Cordes, 2019[23]). This includes direct and indirect costs of participation in formal and non-formal CET. By comparison, according to data from the German statistical office (Statistisches Bundesamt, 2020[25]), total investment in initial education in 2017 was EUR 32 billion in 2017 for early childhood education and care; EUR 101 billion for general and vocational primary, secondary and post-secondary non-tertiary education; and EUR 42 billion for tertiary education (ISCED 5-8).

Internationally comparable data on the funding of CET is even more limited, making it difficult to benchmark investment in Germany against that of other countries. One of the first and only known attempts to generate cross-country comparable data on funding for CET to date finds that, in 2009, investment in CET in Germany was equivalent to about 1.2% of GDP (FiBS/DIE, 2013[27]). This was lower than in a number of countries with comparable skill development systems, namely Austria (1.7% of GDP), Denmark (2.2% of GDP), the Netherlands (1.5% of GDP) and Switzerland (1.5% of GDP). Up-to-date data on investment in specific sub-sectors of the CET system are easier to obtain. According to data from the OECD Labour

Market Policy database, for example, German public investment stands at around 0.18% of GDP in training-related Active Labour Market Policies (ALMPs). This is higher than the OECD average (0.11%), but less than half of the investment made by Austria (0.43%), Denmark, (0.39%) and Finland (0.38%). In the short-term, there is a case for stronger public investment in CET, considering the unequal access to CET opportunities for different target groups and across regions, and the substantial benefits of CET for countries and societies as a whole. Public investment is also critical in the context of the economic fall-out from the COVID-19 crisis, which is putting private spending under pressure. In the medium-term, Germany should consider raising investment by all involved actors, including individuals and enterprises.

More detailed information on the assessment and recommendations relating to the funding of the German CET landscape can be found in Chapter 5.

A complex landscape of financial incentives exists, which can be difficult to navigate

Germany incentivises participation in CET using a range of instruments. Each federal state, the federal administration, and different departments within it offer incentives for individuals and companies, often for very specific target groups. While this allows for approaches to be tailored to different target groups and regional needs, the overall incentive system lacks coherence, strategy and transparency from a user perspective (Cordes, 2020[28]; Dohmen and Cordes, 2019[29]).

Several OECD countries are currently experimenting with streamlining and promoting single financial incentive schemes for individuals (OECD, 2019[30]). The French Individual Learning Account (ILA, *Compte Personnel de Formation*) is one of the most prominent examples of such a single incentive. Introduced in 2015, the ILA allows employees to amass training entitlements over time. Entitlements amount to EUR 500 per year (EUR 800 per year for low-skilled adults) up to a ceiling of EUR 5 000 (EUR 8 000 for low-skilled adults) (Perez and Vourc'h, 2020[31]).

The recent Skills Development Opportunities Act (*Qualifizierungschancengesetz*) and the Work of Tomorrow Act (*Arbeit-von-Morgen-Gesetz, Gesetz zur Förderung der beruflichen Weiterbildung im Strukturwandel und zur Weiterentwicklung der Ausbildungsförderung)* are positive developments, introducing a single incentive for enterprises encompassing all target groups, with progressive funding for enterprises and individuals with greater support needs. The results of these reforms remain to be seen and should be carefully evaluated.

Some financial support gaps remain, for example for employed individuals with obsolete skillsets who want to take part in training on their own initiative or participation in longer non-formal learning opportunities on an individual's initiative. More generally, while several instruments incentivise vocational upskilling, there are no public incentives for the take-up of CET to train for shortage occupations or to acquire in-demand skills. Many OECD countries steer such investment in in-demand skills (OECD, 2017[32]). In Estonia, for example, all training in the context of Active Labour Market Policies delivers in-demand skills in line with the forecasts of the Estonian Skills Assessment and Anticipation system OSKA (OECD, 2020[33]).

More detailed information on the assessment and recommendations relating to financial incentives for CET can be found in Chapter 5.

More generous nation-wide education and training leave may increase participation

Money and time are two sides of the same coin. Data from the Survey of Adult Skills (PIAAC) and the Adult Education Survey (AES) show that lack of time for work-related reasons is a bigger obstacle to CET

participation than financial barriers. Currently, Germany has no nationwide legislation on education and training leave. Most federal states have their own legislation or regulatory frameworks, which enable individuals to take five days of education and training leave per year on average. While this may be sufficient for shorter non-formal training courses, it does not enable the take-up of longer CET opportunities, like the kind of substantial occupational retraining that may be needed in the context of digitalisation and structural change. In addition to the federal states' arrangements for education and training, a number of collective agreements regulate educational leave for different sectors. In Bavaria, for example, employees in the metal and electrical industries have the right to unpaid educational leave of two weeks per year (DGB Bayern, 2021[34]). Employers are encouraged to continue paying wages in this time.

Many OECD countries have nationally regulated education and leave policies (OECD, 2019[7]). Many but not all countries provide compensation for foregone earnings either directly to learners or to employers. Norway has the longest defined education and training leave across OECD countries. There, employees are entitled to up to three years of unpaid educational leave when they have worked more than three years and been with their employer more than two years. This is followed by Austria, where employees are entitled to one year of paid educational leave every four years. A number of other countries, including Estonia, Finland and Lithuania, allow individuals to take up to 30 days of leave per year.

More detailed information on the assessment and recommendations relating to education and training leave can be found in Chapter 5.

Recommendations

Germany should consider:

8. **Streamlining financial incentives and closing funding gaps through a single financial incentive for individuals.** Greater usability and fairness will only be achieved by fundamentally restructuring and significantly reducing the complexity of the current financial incentives landscape. Germany should consider subsuming the various instruments targeted at individuals that exist at national level into a single incentive system that covers both direct costs and indirect costs of CET. This could be implemented by providing a streamlined 'front-end' from a user perspective, i.e. individuals would apply for a single incentive in a single place, while the 'back-end' would bring together the various existing and differentiated incentives.
9. **Introducing nationwide framework legislation on education and training leave**. In order to be effective, any improvements of the financial incentive system for individuals must be accompanied by arrangements for paid education and training leave. This policy should apply to both part- and full-time training; substantially expand the current leave entitlements; carefully define which CET opportunities are covered, taking into account which skills and occupations are currently in demand in the labour market; and establish financial instruments to replace foregone earnings.
10. **Making use of existing opportunities to channel federal CET investments to the federal states**. To make significant progress in CET and increase the effectiveness of the funding system, Germany should consider greater Bund-Länder collaboration in the funding and implementation of CET, following established models of co-operation. Priority actions would be a national initiative on career guidance (see recommendation 4) and the upskilling of low-skilled adults (see recommendation 12), following the model of the Education-Chains Initiative, and a Digital Pact for CET, following the model of the Digital Pact for School.
11. **Increasing overall investment in CET and exploring the introduction of additional funding streams in the medium term**. All three key stakeholders – individuals, enterprises and the state – must increase investment in CET to keep up with the transformation of the German

labour market and close the gap with other countries who have better funded and better performing CET systems. This could be implemented through the introduction of Employment Insurance or by encouraging employers to ring-fence money for training through (sectoral) training funds. Take-up of existing funding should also be encouraged further.

By international standards, learning participation of low-skilled adults is low

Across the OECD countries, adults with low skills are less likely to participate in learning than higher-skilled individuals. Those adults who already have high skills and qualifications when entering the labour market tend to acquire even more over the life-course, thereby widening the gap that already exists at the end of initial education (Boeren, 2009[35]; Kilpi-Jakonen et al., 2014[36]). Engaging low-skilled adults in learning is key for ensuring their societal and economic inclusion, the innovativeness and competitiveness of enterprises, and the health of the economy as a whole (Woessmann, 2016[37]).

Across OECD countries, policy-makers are keen to find ways to engage more adults with low skills in learning. Germany displays particularly large differences in learning participation between adults with low and higher levels of skills. The country has one of the largest participation gaps between these groups among OECD countries, exceeded only by Chile, Denmark, Finland and the Netherlands (OECD, 2019[7]). Analysing participation rates of adults by different qualification levels results in a similar picture.

While employment rates of adults with low skills have increased over the past decade in Germany thanks to economic growth, a tightening labour market and an expansion of non-standard work, this trajectory may not continue. In the short term, the economic fallout of the COVID-19 crisis is likely to worsen the labour market chances of this group. In the medium to long term, digitalisation and automation will significantly change many of the jobs held by low-skilled adults, or displace some of them entirely. Occupations that require no or low levels of education have the highest risk of automation, according to OECD analysis (Nedelkoska and Quintini, 2018[5]).

CET opportunities for low-skilled adults in Germany are typically lengthy learning opportunities leading to full formal degrees. Many of them continue to be delivered in a classroom setting. Opportunities to flexibly acquire full qualifications through successive partial qualifications are limited and not streamlined throughout the German territory. According to a 2018 study, the regional social and economic context, as well as existing infrastructure, explain one-third of the variation in CET participation of low-qualified groups in Germany (DIE and Bertelsmann Stiftung, 2018[38]).

Adults with low skills face multiple, multi-layered and interconnected barriers to participation. These include dispositional, situational and institutional barriers (Cross, 1992[39]; Pennacchia, Jones and Aldridge, 2018[40]; Roosmaa and Saar, 2017[41]). Dispositional barriers relate to attitudes, personality traits, perceptions and expectations around learning. Data from the German Institute for Employment Research (IAB) show that many adults with low skills believe that they are sufficiently qualified and that learning will not pay off economically (Osiander and Stephan, 2018[42]). Situational barriers relate mostly to the personal and family situation of adults with low skills. According to PIAAC data, adults with low basic skills are disproportionately female, older (55-64 years old), low-income, and from a migrant background; all characteristics that can have an impact on their ability to train. They are also more often employed in jobs and workplaces that offer only limited opportunities for upskilling and reskilling. Institutional barriers relate to the availability, or lack thereof, of appropriate learning opportunities for adults with low skills.

As adults with low skills are often not actively searching for learning opportunities, they cannot be reached by existing advice and guidance services. What is more, public awareness campaigns may not be effective for this target group, as many of the intended recipients don't consider themselves in need of training (OECD, 2019[43]). Reaching out to this group more actively and in their regular environment, that is, their

workplaces and communities, is key for engagement. Good international practice include the UK's Unionlearn Programme, a long-standing initiative to improve learning opportunities for, and the employability of, employees. Run by the UK Trade Union Centre, evaluations have demonstrated its high return on investment and tangible benefits for employers, unions and learners, especially adults with low skills, older workers and people with an ethnic minority background (Dean et al., 2020[44]; Stuart et al., 2016[45]). Similar approaches are being trialled by social partners in Germany.

More detailed information on the assessment and recommendations relating to engaging low-skilled adults in training can be found in Chapter 6. Recommendations developed in other chapters are also particularly relevant for this target group. This includes recommendations on guidance, validation and partial qualifications (Chapter 4) and on financial incentives (Chapter 5).

Recommendations

Germany should consider:

12. **Developing a Bund-Länder initiative on up-skilling adults with low levels of basic skills and qualifications**. Such an initiative should provide free or low-cost access to learning opportunities across the territory, following a common approach and quality framework. Learning opportunities implemented under the initiative should use appropriate andragogic approaches, offering hands-on, problem-oriented, and ideally work-based learning.
13. **Improving financial incentives for low-skilled adults**. For unemployed individuals this could include topping-up the unemployment benefits to make taking part in CET more attractive. For people in employment, financial incentives could be delivered in the form of a progressively structured single incentive accessible to individuals (see also recommendation 8).
14. **Financing outreach activities to activate the target group**. Many adults with low skills are not actively searching for learning opportunities. Approaching this group of adults in their regular environment, i.e. workplaces and communities, is key to engaging them in learning. Germany should expand and systematise work-based guidance and mentoring schemes.

References

Autorengruppe Bildungsberichterstattung (2018), *Bildung in Deutschland 2018*, http://dx.doi.org/10.3278/6001820fw. [8]

BA (2019), *Weisung 201912024 vom 29.12.2019 - Lebensbegleitende Berufsberatung - Fachliche Umsetzung der Berufsberatung im Erwerbsleben*. [16]

Ball, C. (2019), *European inventory on validation of non-formal and informal learning 2018 update: Germany.*, Cedefop, http://libserver.cedefop.europa.eu/vetelib/2019/european_inventory_validation_2018_Germany.pdf. [19]

BIBB (2020), *Datenreport zum Berufsbildungsbericht 2020. Ratgeber zur beruflichen Weiterbildung.*, Bundesinstitut für Berufsbildung, Bonn, https://www.bibb.de/dokumente/pdf/bibb_datenreport_2020.pdf. [11]

BIBB (2019), *Qualitätssicherung in der Weiterbildung*, Bundesinstitut für Berufsbildung, Bonn, https://www.bibb.de/dokumente/pdf/2019-10-28_Qualitaetssicherung_in_der_Weiterbildung_final_Lit.pdf. [12]

BIBB (2019), *Weiterbildungsberatung in Deutschland - Angebote, Strukturen und Entwicklungsfelder*, https://www.bibb.de/dokumente/pdf/Weiterbildungsberatung_in_Deutschland.pdf. [18]

BMAS et al. (2019), *Nationale Weiterbildungsstrategie*, http://doku.iab.de/kurzber/2019/kb0819.pdf. [10]

BMBF (2019), *Weiterbildungsverhalten in Deutschland 2018. Ergebnisse des Adult Education Survey-AES-Trendbericht*, Bundesministerium für Bildung und Forschung (BMBF), Berlin, https://www.bmbf.de/upload_filestore/pub/Weiterbildungsverhalten_in_Deutschland_2018.pdf . [6]

Boeren, E. (2009), "Adult education participation: the Matthew principle", *Filosofija Sociologija*, Vol. 20/2, pp. 154-161. [35]

Bundesagentur für Arbeit (2019), *Fachkräfteengpassanalyse*, Bundesagentur für Arbeit, Nürnberg, https://statistik.arbeitsagentur.de/Statistikdaten/Detail/201912/arbeitsmarktberichte/fk-engpassanalyse/fk-engpassanalyse-d-0-201912-pdf.pdf?__blob=publicationFile. [1]

Cedefop (2019), *Vocational education and training in Finland: short description*, Cedefop, Luxembourg, http://dx.doi.org/10.2801/723121. [22]

Cordes, M. (2020), "Weiterbildungsförderung in Deutschland – zwischen Struktur und Systematik", *Berufsbildung in Wissenschaft und Praxis*, Vol. 01. [28]

Cross, P. (1992), *Adults as Learners: Increasing Participation and Facilitating Learning*, Jossey-Bass. [39]

Dauth, C. et al. (2018), *Qualifizierungschancen und Schutz in der Arbeitslosenversicherung*, IAB Stellungnahme, No. 15/2018, Institut für Arbeitsmarkt- und Berufsforschung (IAB), Nürnberg, http://doku.iab.de/stellungnahme/2018/sn1518.pdf. [17]

Dean, A. et al. (2020), *The Future of the Union Learning Fund An Independent Review with Specific Recommendations for Government*, https://www.tuc.org.uk/sites/default/files/2020-11/TheFutureUnionLearningFund.pdf. [44]

DGB Bayern (2021), *Bildungsurlaub — DGB Bildungswerk Bayern*, https://www.bildungswerk-bayern.de/service/manteltarifvertrag (accessed on 25 August 2020). [34]

DIE and Bertelsmann Stiftung (2018), *Deutscher Weiterbildungsatlas. Teilnahme und Angebot in Kreisen und kreisfreien Städten.*, https://www.bertelsmann-stiftung.de/fileadmin/files/user_upload/Deutscher_Weiterbildungsatlas_Staedte_Laender_2018.pdf. [38]

Dohmen, D. and M. Cordes (2019), *Kosten der Weiterbildung in Deutschland-Verteilung der Finanzlasten auf Unternehmen, Privatpersonen, öffentliche Hand*, FiBS, Berlin, https://www.fibs.eu/fileadmin/user_upload/Literatur/FiBS-Forum_061_Kosten_Weiterbildung.pdf. [23]

Dohmen, D. and M. Cordes (2019), *Verbreitung öffentlicher Förderinstrumente in Deutschland und der Blick in die Länder*, FiBS, Berlin, https://www.fibs.eu/fileadmin/user_upload/Literatur/FiBS-Forum_063_Foerderinstrumente_Bund_final.pdf. [29]

F-bb, Kantar and IAW (2019), *Evaluation des Bundesprogramms Bildungsprämie (BIP)*, http://www.iaw.edu/tl_files/dokumente/EVA_BIP_Endbericht%20FINAL-BMBF_Ansicht.pdf. [46]

FiBS/DIE (2013), *Developing the adult learning sector. Annex to the final report*, FiBS/DIE, Berlin, http://lll.mon.bg/uploaded_files/financingannex_en.pdf. [27]

Kilpi-Jakonen, E. et al. (2014), *Adult Learning, Labor Market Outcomes, and Social Inequalities in Modern Societies*, Edward Elgar Publishing. [36]

Müller, N. and F. Wenzelmann (2018), *Berufliche Weiterbildung: Aufwand und Nutzen für Individuen*, Bundesinstitut für Berufsbildung , Bonn, https://www.bibb.de/veroeffentlichungen/de/publication/show/8931. [24]

Münchhausen, G. and S. Seidel (2015), "Anerkennung und Validierung informellen und non-formalen Lernens", in *Handbuch Informelles Lernen*, Springer Fachmedien Wiesbaden, http://dx.doi.org/10.1007/978-3-658-06174-6_31-1. [20]

Nedelkoska, L. and G. Quintini (2018), "Automation, skills use and training", *OECD Social, Employment and Migration Working Papers*, No. 202, OECD Publishing, Paris, https://dx.doi.org/10.1787/2e2f4eea-en. [5]

OECD (2021), *Getting Skills Right: Career Guidance for Adults in a Changing World of Work.*, OECD Publishing, Paris, https://doi.org/10.1787/9a94bfad-en. [15]

OECD (2021), *Improving the Quality of Non-Formal Adult Learning: Learning from European Best Practices on Quality Assurance*, OECD Publishing, Paris, https://dx.doi.org/10.1787/f1b450e1-en. [13]

OECD (2021), *OECD Economic Outlook, Interim Report March 2021*, OECD Publishing, Paris, https://dx.doi.org/10.1787/34bfd999-en. [4]

OECD (2020), *Increasing Adult Learning Participation: Learning from Successful Reforms*, OECD Publishing, Paris, https://dx.doi.org/10.1787/cf5d9c21-en. [33]

OECD (2020), *OECD Economic Surveys: Germany 2020*, OECD Publishing, Paris, https://dx.doi.org/10.1787/91973c69-en. [2]

OECD (2019), *Getting Skills Right: Engaging low-skilled adults in learning*, OECD Publishing, Paris, http://www.oecd.org/employment/emp/engaging-low-skilled-adults-2019.pdf. [43]

OECD (2019), *Getting Skills Right: Future-Ready Adult Learning Systems*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264311756-en. [7]

OECD (2019), *Individual Learning Accounts : Panacea or Pandora's Box?*, OECD Publishing, Paris, https://dx.doi.org/10.1787/203b21a8-en. [30]

OECD (2018), *OECD Economic Surveys. Germany 2018*, OECD Publishing, Paris, http://dx.doi.org/10.1787/eco_surveys-deu-2018-en. [3]

OECD (2017), *Financial Incentives for Steering Education and Training*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264272415-en. [32]

OECD (2004), *Career Guidance and Public Policy: Bridging the Gap*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264105669-en. [14]

Osiander, C. and G. Stephan (2018), *Gerade geringqualifizierte Beschäftigte sehen bei der beruflichen Weiterbildung viele Hürden*, IAB, Nuernberg, https://www.iab-forum.de/gerade-geringqualifizierte-beschaeftigte-sehen-bei-der-beruflichen-weiterbildung-viele-huerden/?pdf=8601. [42]

Pennacchia, J., E. Jones and F. Aldridge (2018), *Barriers to learning for disadvantaged groups*, UK Department for Education, London, https://www.learningandwork.org.uk/wp-content/uploads/2018/08/Barriers-to-learning-for-disadvantaged-groups.pdf. [40]

Perez, C. and A. Vourc'h (2020), "Individualising training access schemes: France – the Compte Personnel de Formation (Personal Training Account – CPF)", *OECD Social, Employment and Migration Working Papers*, No. 245, OECD Publishing, Paris, https://dx.doi.org/10.1787/301041f1-en. [31]

Pielorz, M. and P. Werquin (2019), "The French and German Validation Systems: Description", *Magazin Erwachsenenbildung.at*, Vol. 37. [21]

Richard Desjardins (ed.) (2017), *Political Economy of Adult Learning Systems*, Bloomsbury Academic, London, New York. [9]

Roosmaa, E. and E. Saar (2017), "Adults who do not want to participate in learning: a cross-national European analysis of their perceived barriers", *International Journal of Lifelong Education*, Vol. 36/3, pp. 254-277, http://dx.doi.org/10.1080/02601370.2016.1246485. [41]

Statistisches Bundesamt (2020), *Bildungsfinanzbericht 2020*, Statistisches Bundesamt, https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Bildung-Forschung-Kultur/Bildungsfinanzen-Ausbildungsfoerderung/Publikationen/Downloads-Bildungsfinanzen/bildungsfinanzbericht-1023206207004.pdf. [25]

Stuart, M. et al. (2016), *Evaluation of the Union Learning Fund Rounds 15-16 and Support Role of Unionlearn. Final Report*, University of Leeds, Leeds, https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf. [45]

Thiele, M., F. Behringer and G. Schönfeld (2016), "Direkte Kosten der non-formalen Weiterbildung für die Individuen", in Bilger, F. et al. (eds.), *Ergebnisse des Adult Education Survey (AES)*, WBV Media, Bielefeld. [26]

Woessmann, L. (2016), "The economic case for education", *Education Economics*, Vol. 24/1, pp. 3-32, http://dx.doi.org/10.1080/09645292.2015.1059801. [37]

Notes

[1] Eurostat, Adult Education Survey 2016, indicator: trng_aes_100.

[2] Germany may be catching up with these countries, but only the next round of international data collection can confirm this. Data collection for the Adult Education Survey (AES) and the Survey of Adult Skills (PIAAC) is due to take place in 2022/2023.

[3] PIAAC data used in the PAL dashboard was collected in 2012 and 2015. However, newer AES data from 2018 confirms that participation gaps remain stark in Germany (BMBF, 2019[6]).

2 The changing skill needs of the German labour market

Following a decade of robust economic and employment growth, the COVID-19 crisis has led to economic disruption in Germany. Already prior to the crisis, the nature of work had been changing due to digitalisation, population ageing and the transition to a low-carbon economy. These changes will likely accelerate in the context of the COVID-19 fallout. To ensure that Germany's past strong social and economic outcomes persist in the future, policy makers must ensure a future-ready continuing education and training system that allows individuals and enterprises to adapt to these changes. This chapter discusses i) how the skill demand of the labour market is changing and the resulting skill imbalances; ii) the skill profile of the German population; and iii) current patterns of participation in continuing education and training.

Introduction

In the decade leading up to 2020, Germany experienced robust economic growth, having recovered faster than other OECD and European countries from the global financial and economic crisis. Unemployment rates fell to their lowest level since reunification, and high employment growth brought about critical shortages of skilled labour (Bundesagentur für Arbeit, 2019[1]; OECD, 2020[2]). Individuals benefited from high standards of living and high levels of well-being by OECD standards, with many people seeing real wage gains (OECD, 2018[3]; OECD, 2020[2]).

As the COVID-19 pandemic spread and global output collapsed, Germany's GDP contracted sharply, with an estimated decrease by more than 5% in 2020 (OECD, 2021[4]), although this drop is less pronounced compared to other OECD countries. To date, employment and unemployment rates have also been less affected by the COVID-19 crisis than in many other OECD countries. This is due to the government's strong action in extending the well-established short-time work scheme (*Kurzarbeit*), the provision of liquidity support for enterprises and other measures to stimulate domestic demand.

Now more than ever, one of the main concerns for policy-makers in Germany is to ensure that there is a sustained recovery back to the strong social and economic outcomes experienced prior to the pandemic. Even before the crisis, the nature of work was changing through digitalisation, population ageing and the transition to a low-carbon economy. According to OECD analysis, 18% of jobs in Germany are at high risk of automation in the next 15 years, while a further 36% are at risk of significant change, adding up to one of the highest shares of jobs at risk across OECD countries (Nedelkoska and Quintini, 2018[5])

The economic fallout from the COVID-19 pandemic may well accelerate these trends. In this context, it becomes ever more important to ensure well-functioning continuing education and training systems that enable individuals to upskill and reskill to stay abreast of these developments. The National Skills Strategy (*Nationale Weiterbildungsstrategie*), adopted in 2019, recognises the ongoing structural changes in the German labour market. It aims to address this challenge by strengthening upskilling and reskilling opportunities and by reaffirming a culture of continuing education and training in Germany (BMAS et al., 2019[6]).

Reviewing the outcomes of the current CET landscape demonstrates where improvements are necessary. Just over half of all adults in Germany participate in CET in a given year and there are large inequalities in access to CET. There is limited evidence of the impact of CET participation on employment and social outcomes. Evaluation evidence from the area of Active Labour Market Policy (ALMP) in Germany suggests that some types of CET, in particular longer CET opportunities, lead to positive labour market outcomes for certain groups and occupations in the medium to long term (Bläsche et al., 2017[7]; Bernhard, 2016[8]; Bernhard, Lang and Kruppe, 2017[9]; Doerr et al., 2014[10]; Ehlert, 2017[11]; Kruppe and Lang, 2015[12]).

This chapter discusses issues of skill demand and supply in Germany, highlights the resulting skill imbalances and the increasing need for upskilling and reskilling throughout the life-course. Following this analysis, it discusses current patterns of participation in continuing education and training in Germany, as well as the economic and social outcomes associated with participation.

The changing demand for skills

The world of work is changing, as digitalisation, technological progress, population ageing and the transition to a low-carbon economy are transforming the type of jobs that are available in Germany and how they are carried out. These changes had led to critical skills shortages prior to the COVID-19 crisis. The economic fallout from the crisis may now accelerate pre-existing trends that are changing the skills that are in demand in the labour market.

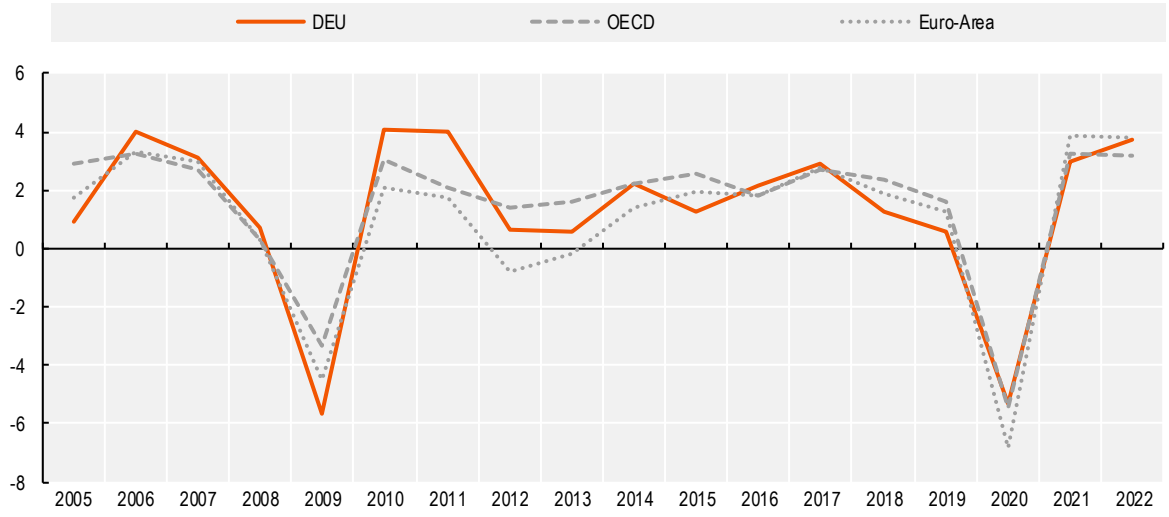
After an exceptional performance over the last decade, the German economy has been hit by the COVID-19 crisis

Prior to 2020, Germany had experienced steady and robust economic growth for a decade. The strong economic performance built on healthy domestic demand, a robust trade performance and good social outcomes (OECD, 2018[3]; OECD, 2020[2]). As the COVID-19 pandemic took hold, containment and mitigation policies, as well as the great uncertainty of the global outlook led to a sharp contraction in economic activity in Germany (OECD, 2020[2]; OECD, 2021[4]). According to OECD estimates, real GDP decreased by more than 5% in Germany in 2020, although less than in many neighbouring economies (Figure 2.1).

The German Government provided strong support to protect jobs and firms in the crisis, notably through fiscal and employment measures, which cushioned the economic downturn. Nevertheless, uncertainty and a drop in demand has had important effects on business investment and exports in key sectors, particularly manufacturing (OECD, 2020[2]). German GDP is forecasted to grow in 2021 and 2022, although further containment measures may bring prolonged uncertainty (OECD, 2020[13]).

Figure 2.1. Economic output collapsed in the COVID-19 crisis

Annual real GDP growth rates, 2005-22, percentage



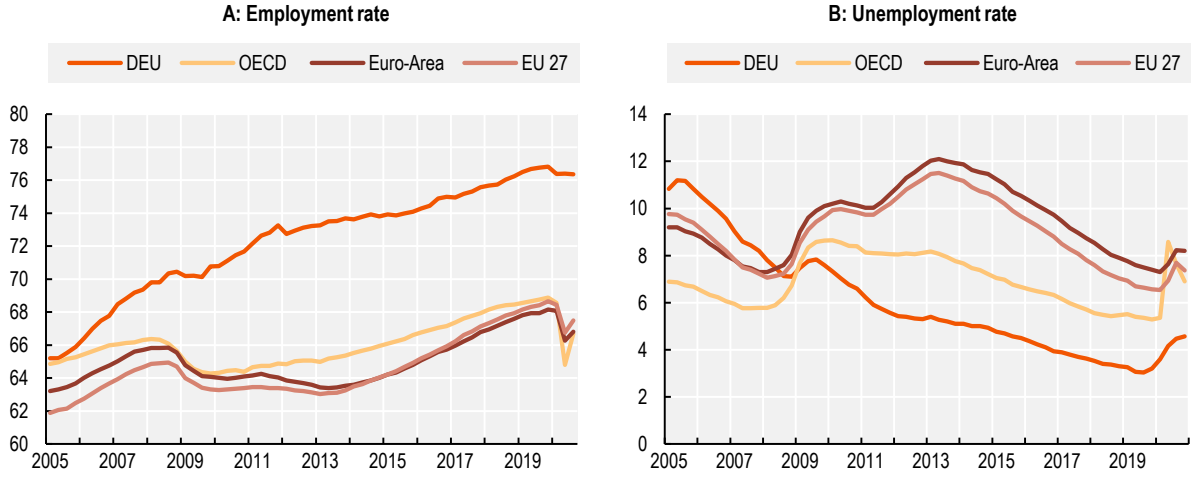
Note: Estimates and projections for Germany and the Euro area 2020-2022 are based on the 2021 Interim Economic Outlook (OECD, 2021[4]), estimates and projections for the OECD area 2020-2022 are based on the 2020 Economic Outlook (2020[13]).
Source: OECD (2021[14]), Real GDP forecast (indicator), https://dx.doi.org/10.1787/1f84150b-en, (accessed on 8 March 2021).

To date, negative employment effects of the COVID-19 crisis have been mitigated by short-time work

Germany entered the COVID-19 pandemic with high employment rates, record low levels of unemployment and important labour shortages (Figure 2.2). The crisis has impacted labour markets across OECD economies differently, and, similar to the global financial crisis, Germany has avoided rapid job losses in the initial stages of the COVID-19 pandemic. An important part of this success can be attributed to the use and extension of the established short-term work scheme (*Kurzarbeit*), through which the government subsidises the wages of employees in companies who are in temporary economic distress (OECD, 2020[2]).

Figure 2.2. To date, employment effects of the COVID-19 crisis are comparatively small in Germany

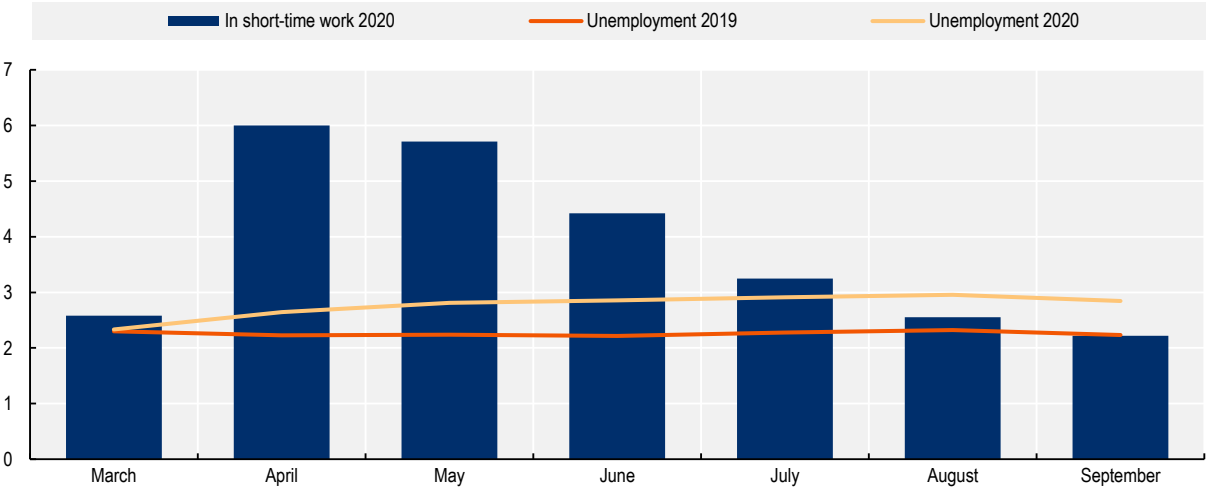
Quarterly employment and harmonised unemployment rates, age 15-64, 2005-2020, percentage



Note: Employment rate as percentage of population aged 15-64 Q1 2005 – Q3 2020, seasonally adjusted; harmonised unemployment rate as percentage of people of working age who are without work, and are both available for and are actively seeking work Q1 2005 – Q4 2020.
Source: OECD Labour Market Statistics (accessed 8 March 2021).

Figure 2.3. Close to 6 million people were in short-time work in Germany at the height of the crisis

Number of individuals in unemployment and short-time work, 2019 and 2020, in millions



Note: Data on short-time work, July to September are projections.
Source: Statistics of the Federal Employment Agency; Bundesagentur für Arbeit (2020[15]), Auswirkungen der Corona-Krise auf den Arbeits- und Ausbildungsmarkt, October 2020; Bundesagentur für Arbeit (2020[16]), Realisierte Kurzarbeit (hochgerechnete) Monatszahlen, December 2020.

Notwithstanding, an excess of 550 000 individuals were unemployed at the end of 2020, compared to the same time in the previous year, according to data by the Federal Employment Agency (*Bundesagentur für Arbeit, BA*) (Figure 2.3). Additionally, more than 2 million individuals, 4.5% of the working population, remained in short-time work in September 2020 (Bundesagentur für Arbeit, 2020[16]). Short-time work schemes aim at job retention, they moderate the increase of unemployment and act as an economic

stabiliser by supporting aggregate demand. Data from the global financial crisis suggest that short-term work can help to avoid immediate income losses and well-being costs for individuals as well as to maintain viable job matches (Hijzen and Martin, 2013[17]; Balleer et al., 2016[18]).

The downside of short-term work schemes is that they can impede labour reallocation, reduce the probability that jobseekers find work and slow job creation during the recovery (Hijzen and Martin, 2013[17]; Cahuc, 2019[19]). The COVID-19 crisis is particular in that it hit the economy more broadly and very rapidly, with many firms across different sectors having to reduce their activity or shut down temporarily, irrespective of their pre-crisis performance. As Germany moves in and out of confinement, policy makers are challenged to strike a balance between ensuring job retention and preventing income losses, on the one hand, and avoiding that the scheme subsidises jobs that would either be preserved anyway or that are not viable in the long term, on the other hand (OECD, 2020[2]). In the aftermath of the COVID-19 pandemic, more individuals may become unemployed and need retraining to cope with a changed labour market situation.

Beyond the COVID-19 crisis, long-term structural challenges loom…

Already prior to the COVID-19 pandemic, the German labour market was undergoing structural changes driven by digitalisation, population ageing and the transition to a low-carbon economy. The economic fallout from the COVID pandemic may well accelerate these trends in sectors such as manufacturing, and speed up structural changes in the labour market. As some client-oriented service sectors face longer-term disruption, people currently covered by the short-time work scheme may lose their jobs.

According to the latest projections of the German Ministry of Employment and Social Affairs (BMAS, 2021[20]), approximately 5.3 million jobs will disappear in the next 20 years (until 2040), while 3.6 million new jobs will be created. This takes into account the impact of the COVID-19 pandemic, recent policies on the transition to a low-carbon economy, increasing obstacles to trade and accelerated digitalisation. These estimates signify accelerating structural change compared to previous projections.

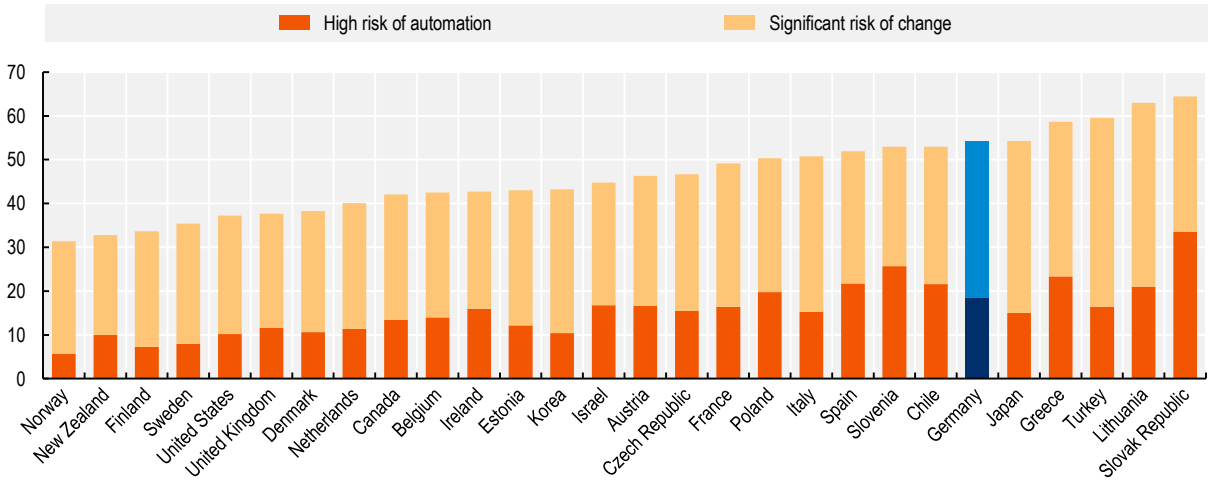
Machines are increasingly able to perform tasks previously done by humans, due to technological innovations such as artificial intelligence (AI) or industrial robotics. These innovations change the type of jobs available and how they are performed. While workers may more and more be able to focus on more creative, productive and safe tasks at work, automation will also make some jobs redundant, requiring workers and companies to adjust. According to OECD analysis, 36% of jobs in Germany are at risk of significant change and an additional 18% at a high risk of automation in the next 15 years (Nedelkoska and Quintini, 2018[5]). This is one of the highest overall shares across OECD countries, exceeded only by Japan, Greece, Lithuania, the Slovak Republic and Turkey (Figure 2.4). Across OECD economies, adults with lower skills and education levels will be the most affected by job automation.

National research complements this picture. An analysis by the German Institute for Employment Research (IAB) referring to 2016, for example, suggests that 25% of all jobs are at high risk of automation, that is more than 70% of the tasks in these jobs could already be done by computers or computer-controlled machines (Dengler and Matthes, 2018[21]). This is higher than the OECD estimates on risk of automation and would be equivalent to 8 million existing jobs disappearing through attrition or displacement. The study also finds a higher risk of automation for adults with lower qualification levels, in line with OECD findings. A number of similar studies exist, all estimating the share of jobs at risk of automation to be between 12% and 25% in Germany (Arntz, Gregory and Zierahn, 2019[22]; Effenberger, Garloff and Würzburg, 2018[23]).

While the estimates of the shares of jobs at risk of automation differ, the policy-implications are the same: The key challenge for German policy makers lies in supporting workers who hold these jobs in the transition to the new employment opportunities that emerge in a changing world of work. Continuing education and training is crucial in this endeavour and enables individuals, enterprises and the economy to harness the benefits of digitalisation and automation.

Figure 2.4. A high share of jobs is at risk of automation in Germany

Share of jobs at high risk of automation or significant change, percentage



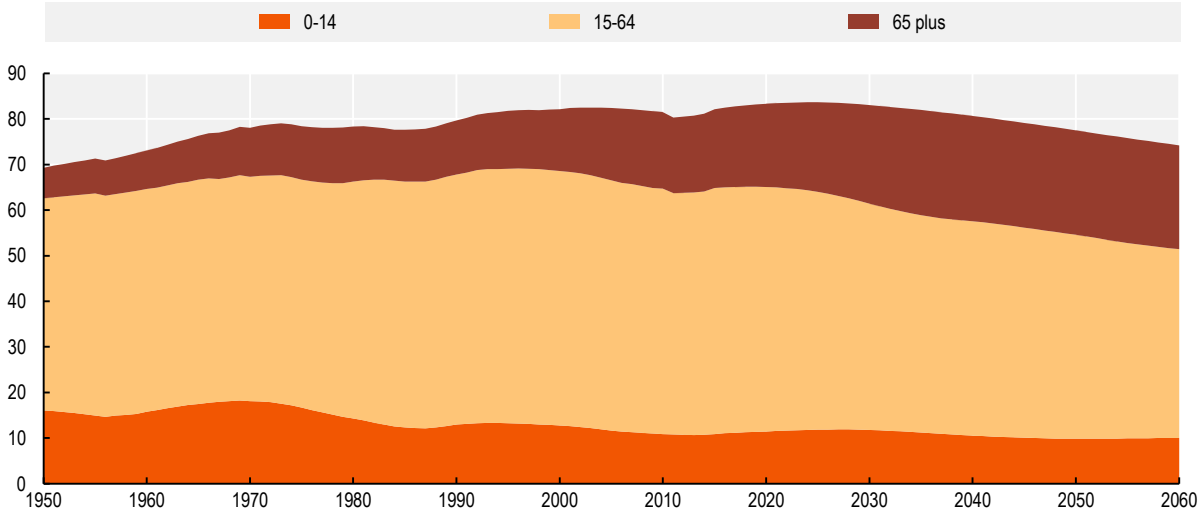
Note: Jobs are at high risk of automation if the likelihood of their job being automated is at least 70%. Jobs at risk of significant change are those with the likelihood of their job being automated estimated at between 50 and 70%. Data for Belgium correspond to Flanders and data for the United Kingdom to England and Northern Ireland.
Source: Calculations based on the Survey of Adult Skills (PIAAC) (2012); and Nedelkoska and Quintini (2018[5]), "Automation, skills use and training", https://doi.org/10.1787/2e2f4eea-en.

In addition to automation, demographic trends are a key driver of change in the German labour market, with a manifold impact: As smaller cohorts of workers are replacing retiring cohorts, skill shortages are expected to increase, constraining the potential for economic growth in the medium term (BMWi, 2020[24]). Further, individuals will need to maintain and update their skills over longer working lives. At the same time, demographic change will lead to a change in skill needs due to the associated shifts in demand for goods, services and qualified labour – notably health care professionals and personnel in elderly care (OECD, 2019[25]).

In Germany, the working age population is shrinking, despite an increase in birth rates and net migration in recent years. In the coming ten years, the population aged 15-64 is expected to diminish by 4 million people, which is equivalent to 7% of the working age population (Figure 2.5). This decrease in the working age population will not be equal across regions, with Eastern Germany experiencing greater population ageing, Berlin being the exception, and some regions in the South maintaining a stable working population or even experiencing an increase (Zika et al., 2020[26]).

Figure 2.5. The working age population in Germany is decreasing

Population by age group, 1950-2060, projections, in millions



Note: These projections assume a moderate development of the birth rate and life expectancy, as well as low net migration. Data from 2019 to 2060 are based on projections.
Source: German statistical office, Statistisches Bundesamt (2019[27]), Bevölkerung im Wandel. Annahmen und Ergebnisse der 14. koordinierten Bevölkerungsvorausberechnung, Statistisches Bundesamt, Wiesbaden.

…as job polarisation entails critical skill shortages

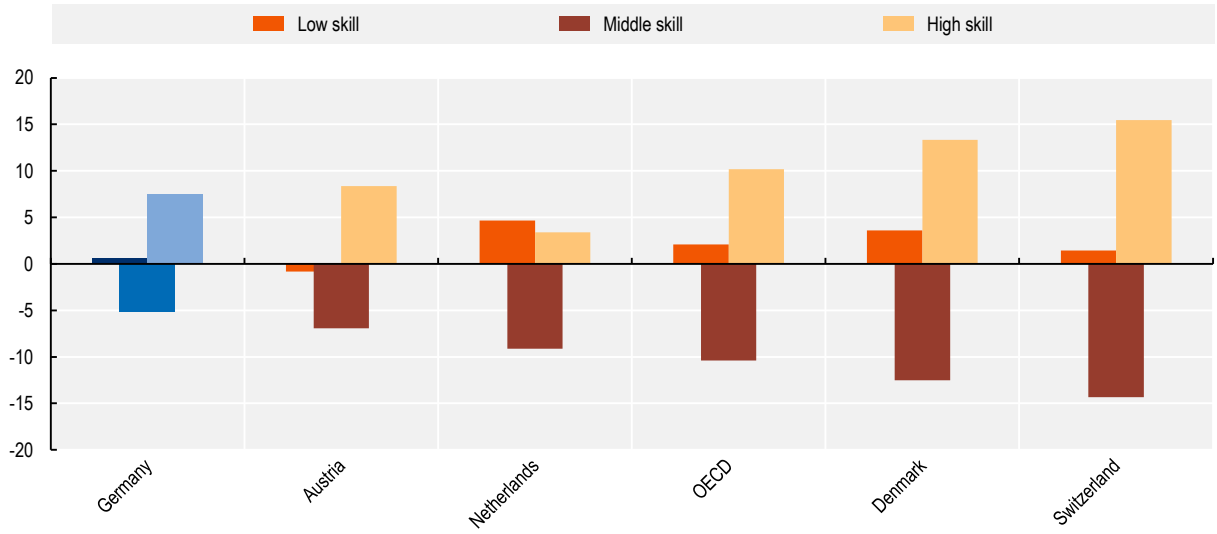
The trend in employment growth until 2020 has not been uniform across all skill levels. Similar to other OECD countries, Germany has experienced a pattern of increasing job polarisation, although less pronounced in comparison (Figure 2.6). New employment opportunities over the past two decades have increasingly required high-skills, while many middle-skill jobs have been replaced and growth in low-skilled occupations was more modest.

These structural changes came with critical skill shortages in the German labour market, as skill supply struggled to keep pace with these changes (see also sub-chapter 'the qualification and skills of the German adult population' below). According to a survey conducted by the Association of German Chambers of Industry and Commerce, close to half of German organisations had difficulties recruiting the staff they needed prior to the COVID crisis (DIHK, 2020[28]). This development is also reflected in vacancy data from the Federal Employment Agency (Bundesagentur für Arbeit, 2019[1]). While in 2009, it took 61 days on average to fill a job vacancy, recruitment time was more than double (124 days) in 2019. Recruitment difficulties were most pronounced in the social and health care sector, where 80% of organisations reported a shortage of skilled workers, according to data by the Association of German Chambers of Industry and Commerce.

According to OECD Skills for Jobs data, shortages in Germany are primarily in high-skilled occupations (Figure 2.7). More than 7 in 10 shortage occupations in Germany were high-skilled, one of the highest shares of shortages in high-skilled occupations across all countries analysed. OECD data suggest that there were no significant shortages in low-skilled occupations. In comparison, only 5 in 10 jobs in shortage on average across countries were high-skilled, 4 in 10 were medium-skilled and 1 in 10 were low-skilled.

Figure 2.6. Labour markets in OECD countries are polarising

Percentage point change in share of total employment, 1998 to 2018

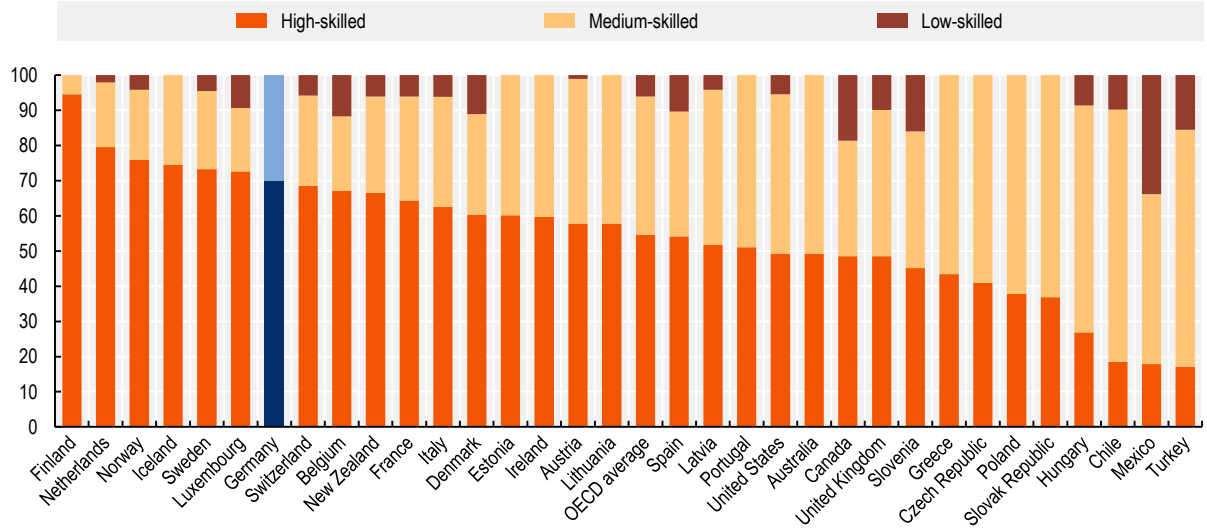


Note: High-skilled jobs correspond to ISCO-88 major groups 1, 2, and 3; Middle-skilled jobs correspond to ISCO-88 major groups 4, 6, 7 and 8; and low-skilled jobs correspond to ISCO-88 major groups 5 and 9. The OECD average is a simple unweighted average.
Source: Update of OECD (2017[29]), "How technology and globalisation are transforming the labour market", in *OECD Employment Outlook 2017*, https://doi.org/10.1787/empl_outlook-2017-7-en, based on data from the European and national labour force surveys.

Looking at specific skills, shortages were particularly severe in computer and electronics, engineering and mathematics (all typical STEM skills), and customer and personal services, according to OECD data (OECD, 2020[2]). German data on occupational shortages complement this picture: Referring to data from 2019, i.e. prior to the COVID-19 crisis, the Skilled Labour Shortage Analysis (*Fachkräfteengpassanalyse*) of the Federal Public Employment Agency suggests that occupational bottlenecks were largest in medical and care professions, information technology, construction and skilled trades occupations (Bundesagentur für Arbeit, 2019[1]). Along the same lines, the BMAS 2020 skilled labour monitor (*Fachkräftemonitoring*) finds that bottlenecks will continue to be most pronounced in occupations that require a high degree of ICT-skills, health care professions, skilled trades (such as plumbing, sanitation, heating, air conditioning) and in occupations related to mechatronics and automation technology (BMAS, 2021[20]).

Figure 2.7. Germany displays severe shortages in high-skilled occupations by international standards

Employment in occupations in shortage, by skill level, percentage



Note: The Skills for Jobs database defines skills as either in shortage or in surplus. These imbalances are measured following a two-step approach. First, an "occupational shortage indicator" is calculated for 33 occupations, based on the analysis of the wage growth, employment growth, hours worked growth, unemployment rate and the change in under-qualification. For each country, long-run trends are compared to the economy-wide trend. Based on the O*NET database, the "occupational shortage indicator" is then used to build indicators of skills shortages and surpluses. High, medium and low skilled occupations are ISCO occupational groups 1 to 3, 4 to 8 and 9 respectively. Shares of employment in each skill tier are computed as the corresponding employment in each group over the total number of workers in shortage in each country. Data refer to the latest year for which information is available.
Source: OECD skills for jobs database (accessed 15 December 2020).

The skills and qualifications of the German adult population

To ensure that past strong social and economic outcomes persist in the future, German policy makers need to pay particular attention to addressing existing skill imbalances, that is, the matching of skill supply and demand. In terms of cognitive skills, Germany's adult population scores slightly above average in the international skills assessment test PIAAC, which assesses literacy and numeracy skills. At the same time, the proficiency in digital information processing skills is low compared to the OECD average.

The overall qualification levels of the adult population have changed very little in the past 15 years, although most recently, an increasing share of young people has obtained tertiary degrees, instead of vocational upper secondary and post-secondary non-tertiary degrees.

Box 2.1. Definitions of skill and qualification levels

To describe the skill supply in the labour market, it is possible to directly measure individuals' basic skills or to consider their qualification levels. Germany has a strong tradition of using qualifications as proxies for skills, relying less on the direct measurement of skills.

Defining proficiency in basic skills

The Survey of Adult Skills (PIAAC) assesses the proficiency of adults aged 16 to 65 years in literacy, numeracy and problem solving in technology-rich environments. These skills are key information-processing competencies that are relevant to adults in many social contexts and work situations, and necessary for full integration and participation in the labour market, education and training, as well as social and civic life. In the context of this report, the following definitions based on PIAAC are used:

- Adults with **low levels of basic skills** are identified by the survey as those scoring at Level 1 or below of the proficiency scale (scores up to 225 points).
- Adults with **medium levels of basic skills** score at Levels 2 and 3 (scores 226-325 points).
- Adults with **high levels of basic skills** reach scores at Levels 4 and 5 (scores above 325 points).

Defining qualification levels

Data on the qualification levels of populations are collected through the Labour Force Survey (LFS), amongst others. To classify qualification levels, the survey uses the International Standard Classification of Education (ISCED):

- **Highest qualification ISCED 0-2** refers to individuals that at most hold a lower secondary degree (*Hauptschulabschluss, Realschulabschluss*). In the German context this group is often described as low qualified (*Geringqualifizierte*) and includes those who have not completed a full vocational qualification (*Geringqualifizierte ohne abgeschlossene Berufsausbildung*).
- **Highest qualification ISCED 3-4** includes those individuals who hold an upper secondary or post-secondary non-tertiary degree. In Germany, this comprises adults who have either completed an initial vocational qualification (*Berufsabschluss im dualen System, Berufsfachschulabschluss*) or obtained a university entry qualification following a general education track ((*Fach-)Abitur, Allgemeine Hochschulreife*).
- **Highest qualification ISECD 5-8** encompass individuals who hold a tertiary degree. This includes (vocational) short-cycle tertiary education (*Meisterausbildung, kurze Vorbereitungskurse*), Bachelor and Master degrees, and Doctoral degrees.

Source: OECD (2019[30]), *Skills Matter: Additional results from the Survey of Adult Skills*, https://doi.org/10.1787/1f029d8f-en; OECD (2020[31]), *Education at a Glance 2020: OECD Indicators*, https://dx.doi.org/10.1787/69096873-en.

The basic skill levels of the German population are slightly above OECD average

According to data collected by the Survey of Adult Skills (PIAAC), most adults in Germany have medium levels of proficiency in both literacy and numeracy (70% and 66% respectively) (OECD, 2019[30]). Close to 11% display a high proficiency in literacy skills and 14% a high proficiency in numeracy skills. By contrast, 18% of adults have low proficiency in either literacy or numeracy skills in Germany. As in most European OECD countries, a significant minority of Germans have very low proficiency in literacy (3%) and numeracy (5%). This is lower than the average share of adults with low literacy or numeracy in the OECD, however,

Germany lags behind countries with comparable education and training systems such as Austria, Denmark or the Netherlands, as well as high-performing countries such as Japan, Finland or the Slovak Republic (Figure 2.8).

The average proficiency in literacy in Germany (score of 270, not displayed in graph) is slightly but significantly above the OECD average (score of 266). The same is true for the average score of German adults on the numeracy dimension (272), compared to 261 across the OECD. In addition to examining differences in average proficiency between countries, it is also useful to explore differences in the distribution of scores within each country. On average among OECD countries, 61 score points separate the 25% of adults who attained the highest and lowest scores in literacy, and 68 score point separate these quartiles on the numeracy dimension.[1] In Germany this gap is slightly larger, at 65 score points of difference between the highest and the lowest quartile for literacy scores, and 71 score points for numeracy scores. This means that the skill levels in the German population are more dispersed and that larger differences exist between the highest and the lowest performers compared to the OECD average.

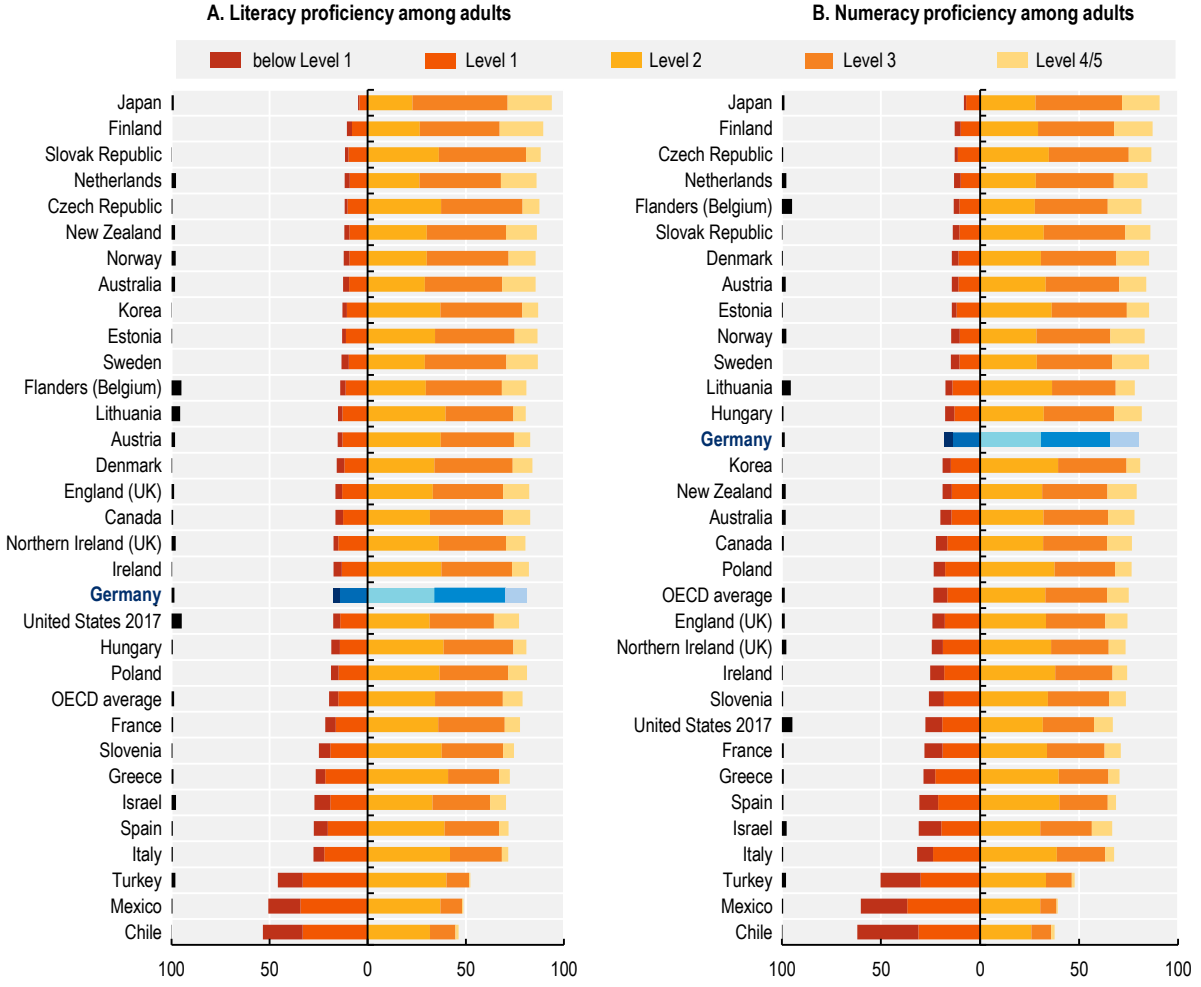
This data is complemented by national-level data on literacy skills, collected by the University of Hamburg. The LEO Survey[2] assessed the reading and writing skills of the German-speaking adult population age 18-64 in 2010 and 2018. It measures literacy levels of the adult population, with a particularly differentiated scale for the lower levels of reading and writing proficiency called Alpha-Levels (Grotlüschen et al., 2019[32]). Individuals with low literacy, according to the LEO 2018 survey, comprise the first three Alpha Levels out of a total of four Alpha Levels. They may not be able to read simple written instructions at work and have difficulties to be completely autonomous in various areas of their life.

In 2018, 12% of the German-speaking adult population were found to have a low level of proficiency in reading and writing (Alpha Levels 1-3), which is equivalent to around 6.2 million adults. An additional 21% of the population made frequent spelling errors (Alpha 4). Compared to 2010, the share of adults with the lowest literacy skills (Alpha Level 1) has remained stable, the share scoring at Alpha Level 2 decreased slightly and the one scoring at Alpha Level 3 dropped more strongly by 2 percentage points. The share of adults making frequent spelling errors (Alpha Level 4) decreased more significantly from 26% in 2010 to less than 21% in 2018.

The overall findings of the LEO study are in line with the PIAAC results described above. The LEO study also confirms OECD analysis that individual and parental background play an important role in the development of information-processing skills (OECD, 2013[33]; Grotlüschen et al., 2019[32]).

Figure 2.8. Most adults in Germany display medium levels of proficiency in literacy and numeracy

Adults scoring at each proficiency level in literacy and numeracy, percentage



Note: Adults in the missing category were not able to provide enough background information to impute proficiency scores because of language difficulties, or learning or mental disabilities (referred to as literacy-related non-response); countries and economies are ranked in descending order of the percentage of adults scoring below Level 1; adults with low basic skills (Proficiency of Level 1 and below) are displayed on the left side of the scale.

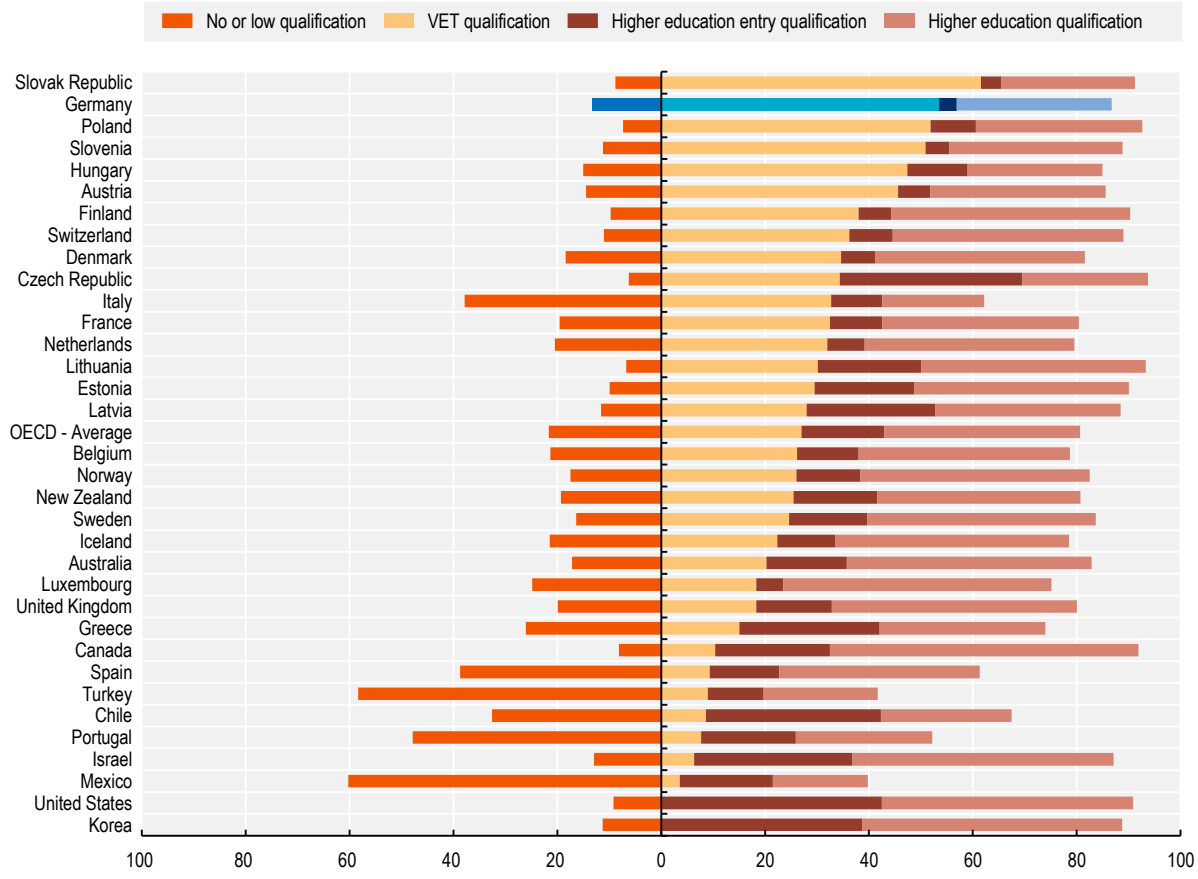
Source: OECD (2019[30]), *Skills Matter: Additional results from the Survey of Adult Skills*, https://doi.org/10.1787/1f029d8f-en, PIAAC, 2012, 2015, 2018.

The majority of adults in Germany holds a VET qualification, but the share of higher education graduates is increasing

Germany is known for its highly developed vocational education and training system. More than one in two adults in Germany hold a vocational qualification at ISCED levels 3-4 as their highest educational qualification, compared to around one in four adults across the OECD. This is the second highest share amongst OECD countries and is exceeded only by the Slovak Republic (Figure 2.9). By contrast, a negligible share of adults in Germany holds a general education qualification at ISCED levels 3-4 – 3%, in comparison to 16% of adults on average across OECD countries.

Figure 2.9. The majority of adults in Germany holds a vocational degree

Highest educational attainment of adults, age 25-64, 2019, percentage



Note: Higher education qualification refers to tertiary qualification at ISCED 5-8, be this general or vocational.
Source: OECD.stat, *Education at a Glance* (accessed 15 December 2020).

The share of adults with a tertiary qualification in Germany is well below the OECD average (30% vs. 38%). The largest shares of adults with tertiary qualifications can be found in Canada (59%) and Luxembourg (52%). On the other end of the qualification spectrum, the share of adults with no or low qualifications is relatively low in Germany (13%). However, Germany is still far from the best performing OECD countries, such as the Czech Republic and Lithuania, based on this indicator.

Data from the German statistical office show that individuals in older cohorts more frequently hold a vocational degree at ISCED level 3-4 compared to younger cohorts (Figure 2.10). This is the case for both men and women, but the pattern is even more striking for women. Only 40% of women aged 25-29 hold a vocational degree compared to 56% amongst those aged 60-64. There has been a steady decline in the number of people holding a VET degree as their highest qualification over the past decade in Germany.

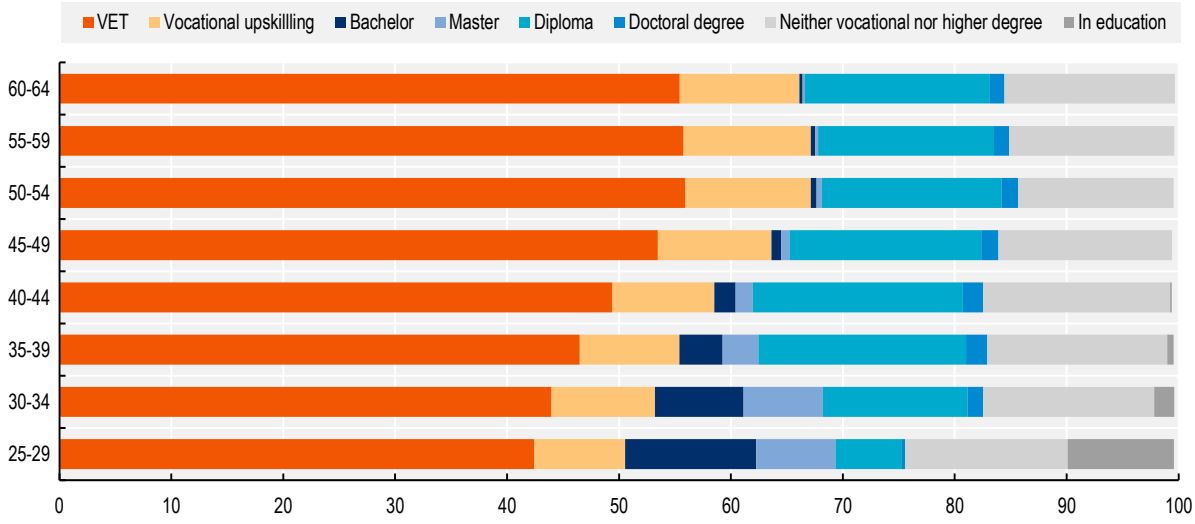
By contrast, the share of adults with tertiary degrees (ISCED 5-8) has increased steadily over the past decade, predominately driven by higher shares of younger people and especially young women completing these degrees. More individuals in younger age groups hold tertiary degrees compared to older cohorts (Figure 2.10). An exception are individuals in the age group 25-29, many of whom are still in education.

The share of adults with neither vocational nor higher degree in Germany is roughly the same in all age groups (Figure 2.10). Among the group of 25 to 29-year-olds, 10% are still in education. Younger men less

often hold a degree compared to older men (not displayed in graph). For women, in contrast, the share without a vocational or higher degree is almost the same for all age groups, except for the youngest many of whom may still be in education. Over the past decade, the share of people without any vocational or higher qualification decreased, mainly because of higher shares of women graduating with such degrees.

Figure 2.10. Younger cohorts in Germany are more likely to hold a tertiary degree

Highest level of educational attainment of adults, by age group, age 24-64, 2018, percentage

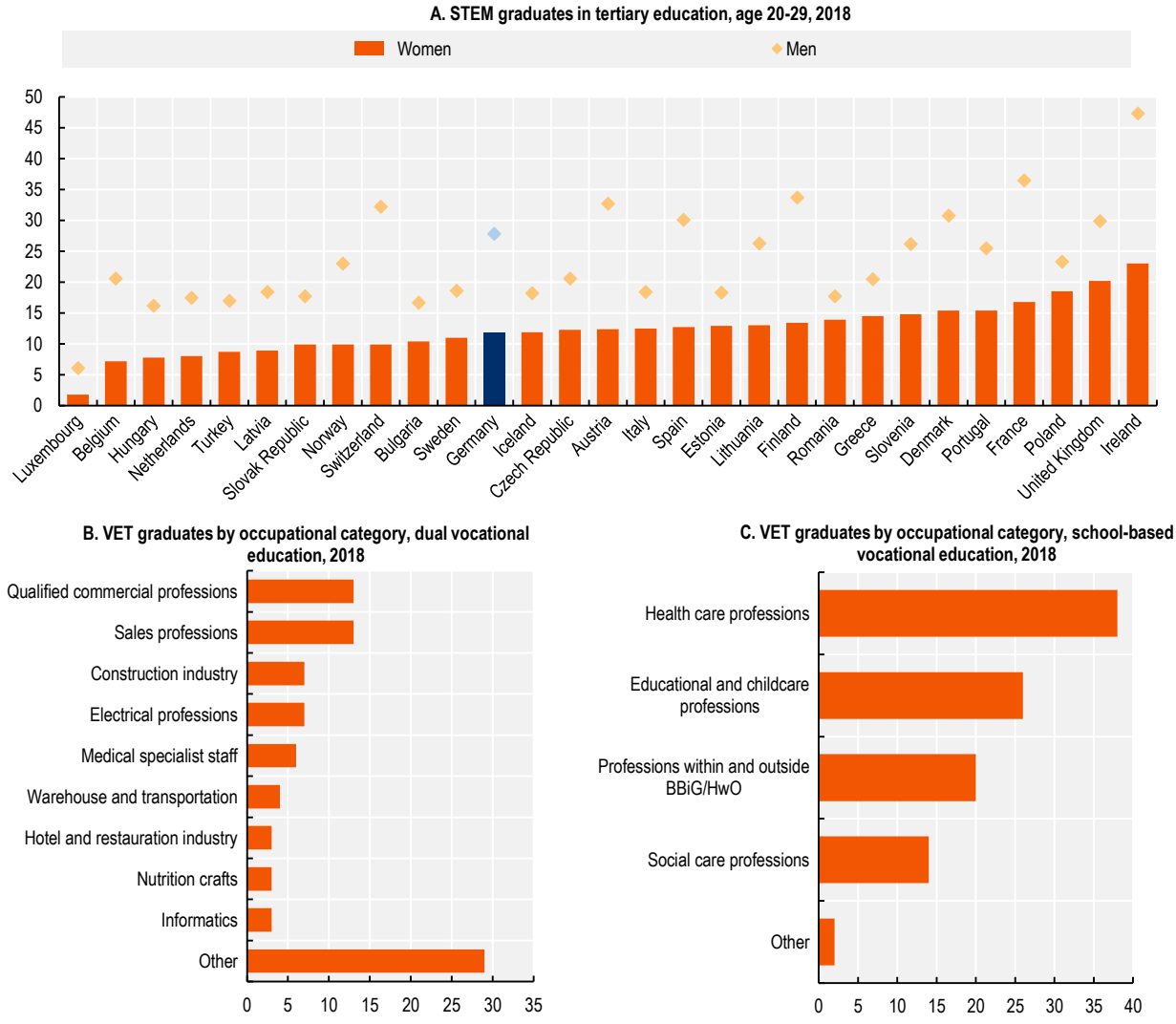


Note: Vocational upskilling (Fachschulabschluss) includes the master craftsman/technician qualification (Meister), qualification from a school of the health care sector and a vocational school qualification from the former GDR; diploma includes the Diplom (Fachhochschule), teacher training certificate (Lehramtsprüfung), state examination, master's degree (Magister), artistic qualification and comparable qualifications.
Source: Statistical Offices of the Federal Government and the Länder, Microcensus data 2018, in: Autorengruppe Bildungsberichterstattung (2020[34]), Bildung in Deutschland 2020: Ein indikatorengestützter Bericht mit einer Analyse zu Bildung in einer digitalisierten Welt, https://www.bildungsbericht.de/de/bildungsberichte-seit-2006/bildungsbericht-2020/bildung-in-deutschland-2020 (accessed 3 March 2021).

The supply of STEM skills from graduates entering the labour market is limited

As described previously, STEM skills are one of the key skills in shortage in the German labour market. According to recent OECD analysis, the share of STEM tertiary graduates lags behind other leading OECD countries, in particular among women (Figure 2.11, Panel A). There is less than one female graduate in STEM-related subjects for two male graduates. Equally, VET graduates predominantly choose occupations that are not STEM or ICT-related (Figure 2.11, Panel B, C), although sufficient graduates in these fields of study are essential to tackle shortages. In the meantime, shortages will also need to be filled by upskilling the adult population in the area of STEM and ICT.

Figure 2.11. The share of STEM graduates in Germany lags behind leading countries



Note: Panel A: Graduates in tertiary education, in science, mathematics, computing, engineering, manufacturing, construction, age 20-29, 2018, per 1 000 of population; Panel B and C: VET graduates by occupational sector, 2018, percentage

Source: OECD (2020[2]), *OECD Economic Surveys: Germany 2020*, https://doi.org/10.1787/91973c69-en; Eurostat, education and training (educ) database; Federal and Länder statistical offices, school statistics, vocational training statistics, in: Autorengruppe Bildungsberichterstattung (2020[34]), Bildung in Deutschland 2020, https://www.bildungsbericht.de/de/bildungsberichte-seit-2006/bildungsbericht-2020/bildung-in-deutschland-2020.

CET participation

Skill imbalances in the German labour market highlight the strong need for continuing education and training. Existing evidence from international surveys (see Box 2.2) suggests that participation rates in CET in Germany are slightly above the OECD average. It also shows that participation is unequal across socio-demographic groups, more so than in most other OECD countries. Adults with low skills, those on low wages and those working in small and medium enterprises (SMEs) display particularly low participation rates. Many OECD countries with high-performing CET systems, such New Zealand, Norway and Sweden, have substantially higher participation levels and lower inequalities.

Box 2.2. Cross-country data on CET participation

Comparing CET participation rates across countries is not straightforward. Different data sources sometimes tell different stories about participation across countries and over time. This is due to differences in the structure of these surveys, reference periods, reference populations and definitions of adult learning:

- **European Adult Education Survey** (AES) provides data on formal, non-formal and informal education and training based on a cross-sectional sample of people aged 25 to 64. Participation in education and training relates to the past 12 months. The survey covers 35 countries and three cycles of data collection have taken place (2007, 2011, and 2016). Participation in the survey is voluntary.
- **European Union Labour Force Survey** (LFS) is a longitudinal household sample survey, covering people aged 15 and over. It primarily collects data on labour market participation, but also includes questions on participation in education and training (formal and non-formal) in the past four weeks.[1] The survey covers 35 countries. Data on participation in education and training are available from the early 2000s. Participation in the survey is obligatory in most countries.
- **Survey of Adult Skills** (PIAAC) is a cross-sectional assessment and household survey of adults aged 16-65. PIAAC measures key cognitive and workplace skills and collects information on participation in formal, non-formal and, to some extent, informal learning. The data relate to participation in education and training in the past 12 months. It covers 40 countries and is administered every 10 years. The first cycle of data collection took place 2011-18. Participation in the survey is voluntary.

Data collected in the latest specialised surveys are relatively old, with new data collection waves for AES and PIAAC not taking place until 2022. This sub-chapter mainly uses AES data, which are the main source of information on CET used in Germany. Germany conducts the survey every two years, more frequently than other participating countries, with the latest data available referring to 2018. The latest comparable AES data across all participating countries date back to 2016.

1. There are ongoing discussions on the collection of EU LFS based indicators on education and training participation in the past 12 months. These data will be collected every two years.

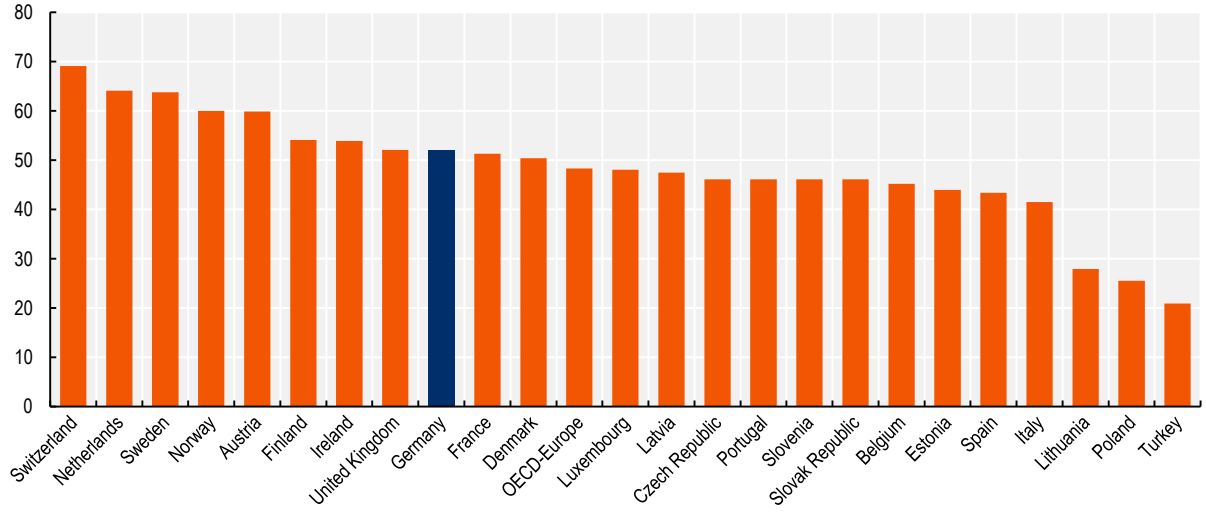
Source: Goglio and Meroni (2014[35]), *Adult participation in lifelong learning. The impact of using a 12-months or 4-weeks reference period*, http://dx.doi.org/10.2788/43117; OECD (2019[36]), *Increasing Adult Learning Participation: Learning From Successful Reforms*, https://dx.doi.org/10.1787/9789264311756-en; Widany et al., (2019[37]), "The Quality of Data on Participation in Adult Education and Training. An Analysis of Varying Participation Rates and Patterns Under Consideration of Survey Design and Measurement Effects", https://doi.org/10.3389/fsoc.2019.00071.

CET participation in Germany is slightly above the OECD average…

In Germany, 52% of the population aged 25-64 took part in formal or non-formal learning in 2016, according to the Adult Education Survey (AES) (Figure 2.12). This places Germany slightly above the average of OECD countries for which these data are available. However, it lags behind other OECD countries with similar skill development systems, i.e. Austria (60% learning participation), the Netherlands (64%) and Switzerland (69%).[3]. Other countries with considerably higher participation rates than Germany include Norway (60%) and Sweden (64%). These AES data refer to participation in all types of formal and non-formal learning, irrespective of whether or not its purpose is job-related.

Figure 2.12. Just over half of all adults participate in learning

Participants in formal or non-formal learning in the past 12 months, age 25-64, 2016, percentage



Note: OECD-Europe refers to unweighted average of OECD countries participating in AES (AUT, BEL, CHE, CZE, DNK, ESP, EST, FIN, FRA, GBR, GRC, IRE, ITA, LTU, LUX, LVA, NLD, NOR, POL, PRT, SVK, SVN, SWE, TUR); formal and non-formal education and training.
Source: Adult Education Survey, 2016.

Data from the 2018 AES indicate that German participation may be increasing, continuing an upward trajectory of the last decade. Making reference to the wider adult population aged 18-64, the German AES suggests that 54% of adults took part in CET in 2018, up from 50% only two years earlier (Statistisches Bundesamt, 2021[38]; BMBF, 2019[39]). This continues, and indeed steepens, the country's upward trajectory when it comes to CET participation, which previously increased from 44% in 2007. It remains to be seen if this recent increase improves Germany's performance vis-à-vis other OECD countries. Over the past decade, other countries for which AES data are available have seen similar increases in learning participation than Germany.

It should also be noted that other data sources, e.g. the European Labour Force Survey (LFS), cast doubts on the success story of increasing participation. According to the LFS, which measures participation in education and training in the 4 weeks prior to the survey (Box 2.2), the participation rate in Germany has essentially flat lined since 2007 and hovers around 8% of 25-64 year-olds having participated in education and training in the past 4 weeks. By contrast, the participation rate in European OECD countries increased by 3 percentage points in the same period, from 8% in 2007 to 11% in 2019.[4]

…with non-formal and informal learning making up the bulk of learning

The majority of learning takes place non-formally in Germany (Figure 2.13); in 2016, 50% of adults took part in courses of short duration and/or not leading to a certification in a given year, according to AES data. This compares to 44% of adults who engaged in informal learning, such as learning from their peers or learning by doing. A small share of adults took part in formal learning (less than 4%), according to the AES. German adults participate less frequently in formal and informal learning and more frequently in non-formal learning than adults in other European OECD countries.

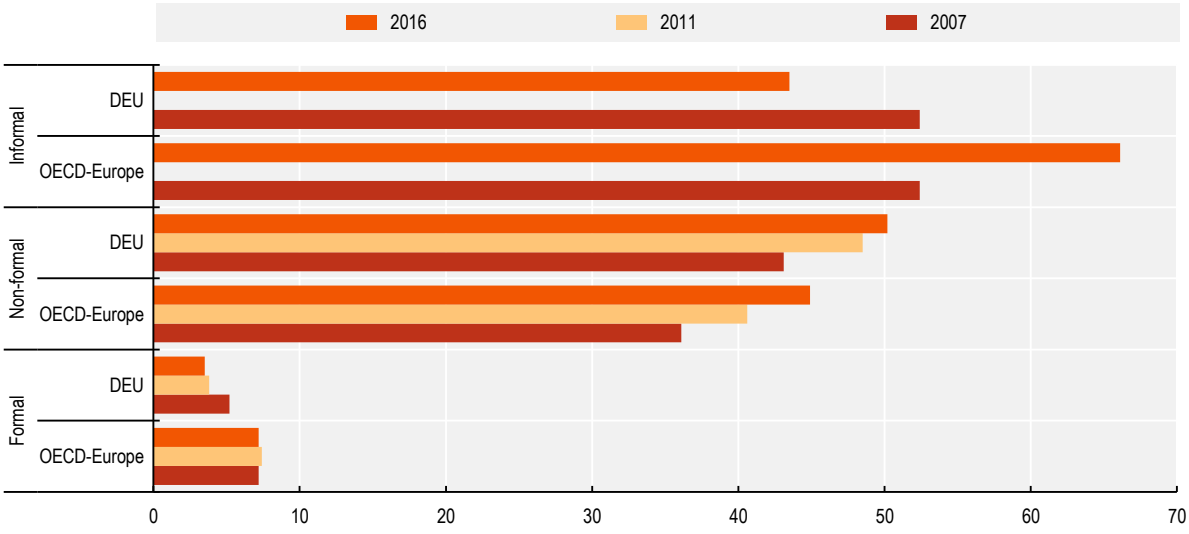
In Germany, the share of adults who participates in formal education decreased from 5% in 2007 to less than 4% in 2016. The share of adults who engages in informal learning decreased from 52% to 44%. At the same time, participation in non-formal learning increased from 43% to 50%.

Adults who do participate in learning take part in 124 hours of formal and non-formal learning on average in Germany (Figure 2.14). This is equivalent to just over 3 weeks of full-time education or training per year. Among those countries for which data is available, adult learners in Slovenia take part in most learning in a given year: 180 hours or the equivalent of 4.5 weeks of full-time education or training.

However, when considering only formal education and training, adults in Germany display the highest learning intensity of all countries by a vast margin. On average, these adults take part in 872 hours of instructed learning per year, which is equivalent to over 5 months of full-time study. The country with the second highest learning intensity for formal learning is Portugal, where adult learners take part in 653 hours (equivalent to 4 months) on average. This statistic may be explained by the fact that formal vocational CET in Germany, has a long duration by law and that the provision of courses to obtain partial formal qualifications in Germany could be developed further (see also Chapter 4).

Figure 2.13. The majority of learning is non-formal or informal in Germany

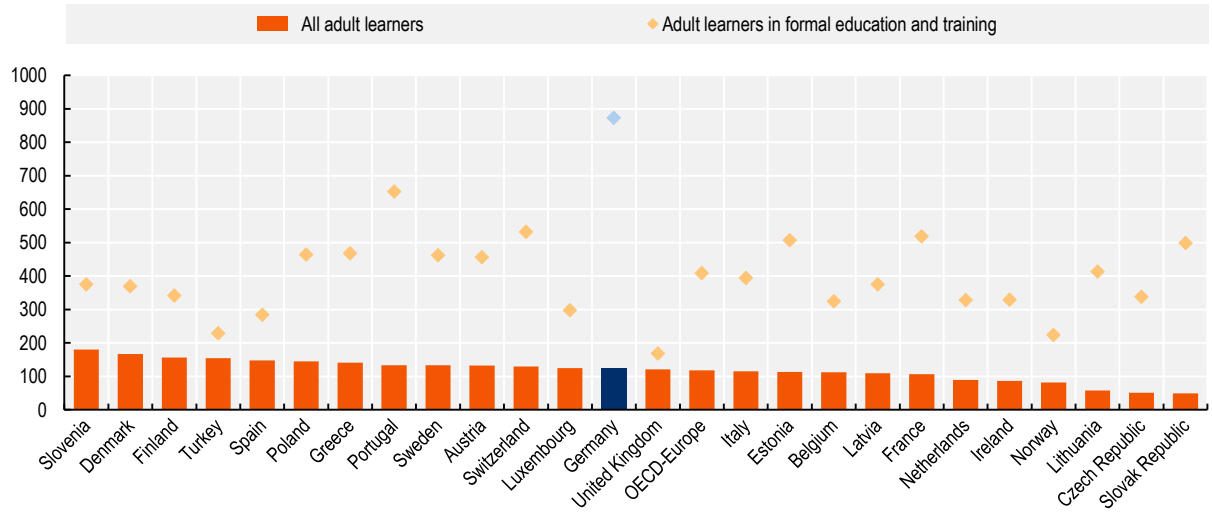
Participants in formal, non-formal and informal learning in the past 12 months, age 25-64, 2007-16, percentage



Note: OECD-Europe is unweighted average of OECD countries participating in AES (AUT, BEL, CHE, CZE, DNK, ESP, EST, FIN, FRA, GBR, GRC, IRE, ITA, LTU, LUX, LVA, NLD, NOR, POL, PRT, SVK, SVN, SWE, TUR); the German definition of informal learning deviates from the AES-Manual. It refers to "intentional activities" of self-learning, while the AES manual asks if individuals "tried to learn" to determine informal learning activities; no 2011 data on informal learning available.
Source: Adult Education Survey, 2007, 2011, 2016.

Figure 2.14. Learning intensity in formal education is exceptionally high in Germany

Mean instruction hours spent by participants in education and training, age 25-64, 2016



Note: OECD-Europe is unweighted average of OECD countries participating in AES (AUT, BEL, CHE, CZE, DNK, ESP, EST, FIN, FRA, GBR, GRC, IRE, ITA, LTU, LUX, LVA, NLD, NOR, POL, PRT, SVK, SVN, SWE, TUR); formal and non-formal education and training.
Source: Adult Education Survey, 2016.

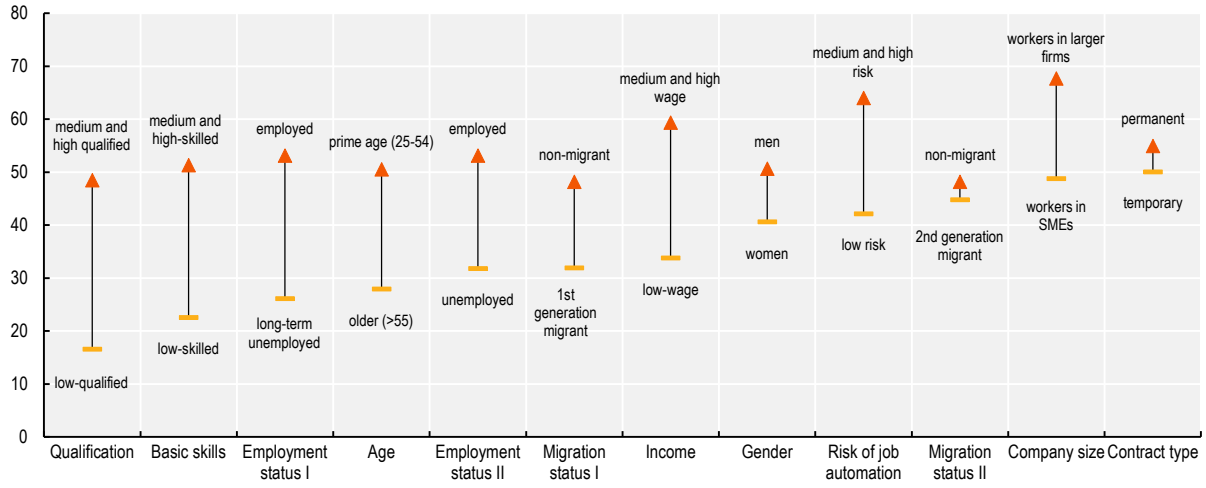
By international standards, Germany has large inequalities in CET participation

The OECD's *Priorities for Adult Learning* dashboard looks at differences in CET participation of different socio-economic groups across OECD countries.[5] It shows that, on aggregate, Germany has some of the largest inequalities in CET participation in the OECD, exceeded only by Chile, the Netherlands and the Slovak Republic (OECD, 2019[36]). In Germany, adults with low levels of basic skills or qualifications, low wages and the long-term unemployed have particularly low participation rates, compared to their higher skilled, higher earning or employed peers.

According to PIAAC data, only 23% of adults with low levels of basic skills in Germany participate in job-related learning compared with 51% of those with medium to high levels of basic skills. Similarly, only 17% of adults with low qualification levels participate in job-related learning compared to 48% with medium or higher qualifications (see Chapter 6). Participation gaps between the long-term unemployed and the employed (26% vs. 53%) and between low-wage and medium to high-wage earners (34% vs. 59%) are similarly large (Figure 2.15).

Figure 2.15. There are large participation gaps between groups

Participants in job-related learning in past 12 months, by group, age 25-64, 2012, percentage



Note: Job-related formal and non-formal learning; the baseline varies across categories, e.g. skill-level refers to all adults, while contract type refers to employed adults only. Low-skilled refers to adults scoring at level 1 or below in literacy and/or numeracy in PIAAC; low-qualified refers to adults not holding an upper secondary qualification; long-term unemployed are defined at those who have been unemployed for 12 months or more; low-wage refers to workers who earn at most two third of the national median wage; high risk of automation refers to adults in jobs with at least 70% probability of automation; temporary refers to workers in temporary contracts; workers in SMEs refers to workers in enterprises between 1 and 249 employees.
Source: PIAAC, 2012.

The OECD *Priorities for Adult Learning* dashboard uses PIAAC data to ensure comparability across all OECD countries. Using these data also facilitates the analysis of gaps by actual skill and wage level, as well as risk of automation, which cannot be achieved with AES data. However, the AES allows looking at changes over time in the participation gaps. Analysis of the 2018 AES in Germany shows that overall participation gaps remain stark in Germany (BMBF, 2019[39]):

- While the participation gap between employed and unemployed individuals stayed relatively stable between 2012 and 2016, it narrowed in 2018. This was due to a sharp increase in education and training participation of the unemployed from 27% in 2016 to 49% in 2018, which is being attributed to the large inflow of migrants in 2015/2016 and the subsequent participation of this group in integration courses. Whether this development has reduced the inequalities of participation vis-à-vis other countries remains to be seen.
- The gap between those with low and high qualification levels has remained relatively stable since 2012, with some fluctuations between the years and a slight overall increase in participation for both groups (32% to 39% and 64% to 69% respectively).
- Participation gaps between adults in SMEs and larger enterprises have slightly decreased, primarily driven by sharp increases in participation by adults who work in micro-enterprises with up to 19 employees.

Outcomes of participation

Across OECD countries, there is limited evidence on the impact of CET participation on labour market and social outcomes, with Germany being no exception. There are some international surveys, which collect comparative data on subjective outcomes. For example, PIAAC collects information on whether

participation has been useful for the participant's job or if they make use of the acquired skills. Additionally, the AES collects data on self-reported employment outcomes following participation, such as promotions or wage raises. However, evaluation studies assessing the causal impact of CET participation on individual outcomes are typically limited to CET programmes in the context of Active Labour Market Policy (ALMP).

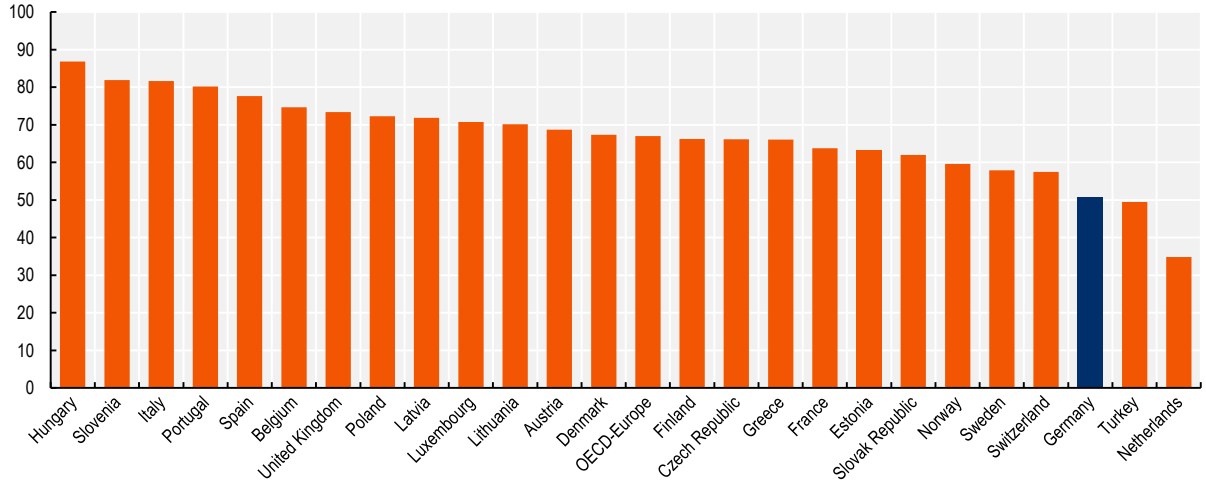
Adult learners engaging in non-formal job-related learning in Germany seem to report less positive employment outcomes than adults in other countries…

According to PIAAC data, the majority (73%) of adults in OECD countries participates in CET for job-related reasons. These reasons include increasing their chances of finding a job or changing jobs, getting a promotion or wage increase, or performing better in their present job. AES data show that across European OECD countries, 67% of learners thought that participation in *non-formal* job-related CET had helped them achieve such outcomes (Figure 2.16). The effect of CET is largest in Italy, Hungary, Portugal and Slovenia, where more than 80% of learners self-reported positive outcomes following participation. By contrast, in Germany only 50% of learners thought that CET had had a positive effect on their employment outcomes.[6] Only the Netherlands and Turkey record lower shares.

These self-reported employment outcomes likely capture some differences in the quality and relevance of the training received. However, they also reflect differences in labour market conditions, institutions and other contextual factors, such as cultural attitudes. For example, in economies with tight labour markets, i.e. where job-seekers have limited competition for jobs, training participation typically has a much smaller impact on individual employment outcomes than in loose labour markets, where job competition is fierce (OECD, 2019[36]). Further, the data presented relate to non-formal job-related CET only, and may therefore describe the value that different labour markets place on different types of learning. In Germany's strongly qualification-focused labour market, formal learning opportunities might be much more important in leading to better employment outcomes. Unfortunately, no data on self-reported employment outcomes are available for participation in formal CET.

Figure 2.16. Learners in Germany report limited employment outcomes after participation in job-related learning

Participants in non-formal job-related education and training experiencing positive employment outcomes, 2016, percentage



Note: Share of participants in non-formal job-related adult learning for whom the skills and knowledge acquired helped them: i) getting a (new) job, ii) higher salary/wages, iii) promotion in the job, iv) new tasks, and/or v) better performance in present job; OECD-Europe is unweighted average of OECD countries participating in AES (AUT, BEL, CHE, CZE, DNK, ESP, EST, FIN, FRA, GBR, GRC, IRE, ITA, LTU, LUX, LVA, NLD, NOR, POL, PRT, SVK, SVN, SWE, TUR).
Source: Adult Education Survey, 2016.

…but evidence from Germany shows that there are benefits of certain types of training, especially in the long-term…

While the above reported AES data allow for broad comparisons across countries, better insights into the effectiveness of specific CET provision can be gleaned through evaluations from Germany. The bulk of these evaluations are in regard to ALMPs and relate to the impact of CET on unemployed individuals. Key findings include:

- Individuals can achieve monetary returns through participation in in-service training, but effects vary widely based on individual characteristics, as well as type of training. These effects are also moderated by the job context, such as the sector or occupation individuals find themselves in (Ehlert, 2017[11]).
- Positive effects of participation in CET are larger for some groups, including women, low-skilled adults, those with a migrant background, and those retraining for specific occupations such as health and care professions (Doerr et al., 2014[10]; Kruppe and Lang, 2015[12]; Autorengruppe Bildungsberichterstattung, 2020[34]).
- While short-term effects of training participation can be negative due to lock-in effects, positive effects materialise in the long term (Bläsche et al., 2017[7]). Participants in vocational retraining (*Umschulung),* for example, are significantly more likely than a comparison group to be employed 2.5 to 3 years after the starting training (Bernhard, Lang and Kruppe, 2017[9]).
- Participation in CET programmes of longer duration, typically vocational retraining, has bigger effects on labour market outcomes than participation in shorter courses. One study finds that participants in CET programmes of one-year duration or more experience positive employment and wage effects up to twice as large as those in shorter CET programmes (Bernhard, 2016[8]).
- It should not be concluded that training has a causal impact on promotion or monetary returns, as training is often obligatory for those already selected for promotion (Autorengruppe Bildungsberichterstattung, 2020[34]). In fact, one study finds that participation in in-company training has a stabilising – rather than accelerating – effect on careers, preventing downgrading but also promotions (Ebner and Ehlert, 2018[40]).

…and positive effects of CET participation go beyond the labour market

The benefits of participation in CET for individuals and societies are not limited to the labour market. A vast body of international research supports its positive effects on health and well-being, social and political attitudes and engagement, and social capital (Balatti and Falk, 2002[41]; Dee, 2004[42]; OECD, 2020[31]; Preston and Feinstein, 2004[43]; Schuller and Desjardins, 2010[44]). A recent study for Germany finds that participation in CET leads to increased engagement in politics, civil society and cultural activities (Ruhose, Thomsen and Weilage, 2019[45]).

References

Arntz, M., T. Gregory and U. Zierahn (2019), *Digitalization and the Future of Work: Macroeconomic Consequences*, IZA DP No. 12428, http://ftp.iza.org/dp12428.pdf. [22]

Autorengruppe Bildungsberichterstattung (2020), *Bildung in Deutschland 2020. Ein indikatorengestützter Bericht mit einer Analyse zu Bildung in einer digitalisierten Welt.*, Autorengruppe Bildungsberichterstattung, Bielefeld, https://www.bildungsbericht.de/de/bildungsberichte-seit-2006/bildungsbericht-2020/pdf-dateien-2020/bildungsbericht-2020-barrierefrei.pdf. [34]

Balatti, J. and I. Falk (2002), *Socioeconomic contributions of adult learning to community: A social capital perspective*, http://dx.doi.org/10.1177/074171302400448618. [41]

Balleer, A. et al. (2016), "Does short-time work save jobs? A business cycle analysis", *European Economic Review*, Vol. 84, pp. 99-122, http://dx.doi.org/10.1016/j.euroecorev.2015.05.007. [18]

Bernhard, S. (2016), "Long-term Effects of Vocational Training for Unemployment Benefit Recipients in Germany", *Sozialer Fortschritt*, Vol. 65/7, pp. 153-161, http://dx.doi.org/10.3790/sfo.65.7.153. [8]

Bernhard, S., J. Lang and T. Kruppe (2017), "Langfristige Wirkungen von geförderter beruflicher Weiterbildung", in Möller, J. and U. Walwei (eds.), *Arbeitsmarkt Kompakt. Analysen, Daten, Fakten*, Institut für Arbeitsmarkt- und Berufsforschung, Nürnberg. [9]

Bläsche, A. et al. (2017), "Qualitätsoffensive strukturierte Weiterbildung in Deutschland", No. 025, Hans-Böckler-Stiftung, Düsseldorf, https://www.boeckler.de/pdf/p_fofoe_WP_025_2017.pdf. [7]

BMAS (2021), *Fachkräftemonitoring*, Institut für Arbeitsmarkt- und Berufsforschung (IAB), Bundesinstitut für Berufsbildung (BIBB) und Gesellschaft für Wirtschaftliche Strukturforschung (GWS), https://www.bmas.de/DE/Arbeit/Fachkraeftesicherung-und-Integration/Fachkraeftemonitoring/fachkraeftemonitoring-art.html. [20]

BMAS et al. (2019), *Nationale Weiterbildungsstrategie*, http://doku.iab.de/kurzber/2019/kb0819.pdf. [6]

BMBF (2019), *Weiterbildungsverhalten in Deutschland 2018. Ergebnisse des Adult Education Survey-AES-Trendbericht*, Bundesministerium für Bildung und Forschung (BMBF), Berlin, https://www.bmbf.de/upload_filestore/pub/Weiterbildungsverhalten_in_Deutschland_2018.pdf . [39]

BMWi (2020), *Herbstprojektion 2020. Nach schneller Erholung setzt sich der Aufholprozess langsam fort*, Bundesministerium für Wirtschaft und Energie, Berlin, https://www.bmwi.de/Redaktion/DE/Publikationen/Schlaglichter-der-Wirtschaftspolitik/schlaglichter-der-wirtschaftspolitik-11-2020.pdf?__blob=publicationFile&v=36 (accessed on 16 December 2020). [24]

Bundesagentur für Arbeit (2020), *Auswirkungen der Corona-Krise auf den Arbeits-und Ausbildungsmarkt*, Bundesagentur für Arbeit, https://statistik.arbeitsagentur.de/Statistikdaten/Detail/202011/arbeitsmarktberichte/am-kompakt-corona/am-kompakt-corona-d-0-202011-pdf.pdf?__blob=publicationFile&v=1 (accessed on 15 December 2020). [15]

Bundesagentur für Arbeit (2020), *Realisierte Kurzarbeit (hochgerechnet) Monatszahlen*, Bundesagentur für Arbeit;, https://statistik.arbeitsagentur.de/SiteGlobals/Forms/Suche/Einzelheftsuche_Formular.html?nn=1524090&topic_f=kurzarbeit-hr (accessed on 15 December 2020). [16]

Bundesagentur für Arbeit (2019), *Fachkräfteengpassanalyse*, Bundesagentur für Arbeit, Nürnberg, https://statistik.arbeitsagentur.de/Statistikdaten/Detail/201912/arbeitsmarktberichte/fk-engpassanalyse/fk-engpassanalyse-d-0-201912-pdf.pdf?__blob=publicationFile (accessed on 4 March 2021). [1]

Bundesamt, S. (2019), *Bevölkerung im Wandel. Annahmen und Ergebnisse der 14. koordinierten Bevölkerungsvorausberechnung*, https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Bevoelkerung/Bevoelkerungsvorausberechnung/_inhalt.html#sprg233474 (accessed on 15 December 2020). [27]

Cahuc, P. (2019), "Short-time work compensations and employment", *IZA World of Labor*, http://dx.doi.org/10.15185/izawol.11. [19]

Dee, T. (2004), "Are there civic returns to education?", *Journal of Public Economics*, Vol. 88/9-10, pp. 1697-1720, http://dx.doi.org/10.1016/j.jpubeco.2003.11.002. [42]

Dengler, K. and B. Matthes (2018), *Substituierbarkeitspotenziale von Berufen: Wenige Berufsbilder halten mit der Digitalisierung Schritt*, IAB, http://doku.iab.de/kurzber/2018/kb0418.pdf (accessed on 15 December 2020). [21]

DIHK (2020), *Fachkräftesuche bleibt Herausforderung. DIHK-Report Fachkräfte 2020*, Deutscher Industrie- und Handelskammertag e.V. (DIHK), Berlin, https://www.dihk.de/resource/blob/17812/f1dc195354b02c9dab098fee4fbc137a/dihk-report-fachkraefte-2020-data.pdf (accessed on 16 December 2020). [28]

Doerr, A. et al. (2014), "Employment and Earnings Effects of Awarding Training Vouchers in Germany", *Discussion Paper*, No. 14-065, IZA, http://ftp.zew.de/pub/zew-docs/dp/dp14065.pdf. [10]

Ebner, C. and M. Ehlert (2018), "Does Further Education lead to Career Advancement? Non-Formal Further Training and Labour Market Mobility in Germany", *Kolner Zeitschrift fur Soziologie und Sozialpsychologie*, Vol. 70/2, pp. 213-235, http://dx.doi.org/10.1007/s11577-018-0518-x. [40]

Effenberger, A., A. Garloff and H. Würzburg (2018), *Beschäftigungseffekte der Digitalisierung-Forschungsansätze und Ergebnisse. Diskussionspapier Nr. 7*, Bundesministerium für Wirtschaft und Energie, https://www.bmwi.de/Redaktion/DE/Downloads/Diskussionspapiere/20180621-diskussionspapier-beschaeftigungseffekte-der-digitalisierung.pdf?__blob=publicationFile&v=8 (accessed on 4 March 2021). [23]

Ehlert, M. (2017), "Who Benefits from Training Courses in Germany? Monetary Returns to Non-formal Further Education on a Segmented Labour Market", *European Sociological Review*, Vol. 33/3, pp. 436-448, http://dx.doi.org/10.1093/esr/jcx042. [11]

Goglio, V. and E. Meroni (2014), *Adult participation in lifelong learning. The impact of using a 12-months or 4-weeks reference period*, Joint Research Center of the European Commission, http://dx.doi.org/10.2788/43117. [35]

Grotlüschen, A. et al. (2019), *LEO 2018 Living with low literacy*, https://leo.blogs.uni-hamburg.de/wp-content/uploads/2019/07/LEO_2018_Living_with_Low_Literacy.pdf. [32]

Hijzen, A. and S. Martin (2013), "The Role of Short-Time Work Schemes during the Global Financial Crisis and Early Recovery: A Cross-Country Analysis"*, Discussion Paper*, No. 7291, IZA, http://ftp.iza.org/dp7291.pdf. [17]

Kruppe, T. and J. Lang (2015), "Weiterbildungen mit Berufsabschluss Arbeitslose profitieren von Qualifizierungen"*, IAB Kurzbericht*, No. 22/2015, IAB, http://doku.iab.de/kurzber/2015/kb2215.pdf. [12]

Nedelkoska, L. and G. Quintini (2018), "Automation, skills use and training"*, OECD Social, Employment and Migration Working Papers*, No. 202, OECD Publishing, Paris, https://dx.doi.org/10.1787/2e2f4eea-en. [5]

OECD (2021), *OECD Economic Outlook, Interim Report. Strengthening the recovery. The need for speed*, OECD Publishing, Paris, https://doi.org/10.1787/34bfd999-en. [4]

OECD (2021), *Real GDP forecast*, https://dx.doi.org/10.1787/1f84150b-en (accessed on 8 March 2021). [14]

OECD (2020), *Education at a Glance 2020: OECD Indicators*, OECD Publishing, Paris, https://dx.doi.org/10.1787/69096873-en. [31]

OECD (2020), *OECD Economic Outlook, Volume 2020 Issue 2*, OECD Publishing, Paris, https://dx.doi.org/10.1787/39a88ab1-en. [13]

OECD (2020), *OECD Economic Surveys: Germany 2020*, OECD Publishing, Paris, https://dx.doi.org/10.1787/91973c69-en. [2]

OECD (2019), *Getting Skills Right: Future-Ready Adult Learning Systems*, OECD Publishing, Paris, https://doi.org/10.1787/9789264311756-en. [36]

OECD (2019), *OECD Employment Outlook 2019: The Future of Work*, OECD Publishing, Paris, https://doi.org/10.1787/9ee00155-en. [25]

OECD (2019), *Skills Matter: Additional Results from the Survey of Adult Skills*, OECD Publishing, Paris, https://doi.org/10.1787/1f029d8f-en. [30]

OECD (2018), *OECD Economic Surveys: Germany 2018*, OECD Publishing, Paris, https://dx.doi.org/10.1787/eco_surveys-deu-2018-en. [3]

OECD (2017), *How technology and globalisation are transforming the labour market*, OECD Publishing, Paris, https://dx.doi.org/10.1787/empl_outlook-2017-7-en. [29]

OECD (2013), *Germany. Country Note-Survey of Adult Skills*, OECD Publishing, Paris, https://www.oecd.org/skills/piaac/Country%20note%20-%20Germany.pdf. [33]

Preston, J. and L. Feinstein (2004), *Adult Education and Attitude Change*, Centre for Research on the Wider Benefits of Learning, https://discovery.ucl.ac.uk/id/eprint/10015019/1/WBLResRep11.pdf. [43]

Ruhose, J., S. Thomsen and I. Weilage (2019), "The benefits of adult learning: Work-related training, social capital, and earnings", *Economics of Education Review*, Vol. 72, pp. 166-186, http://dx.doi.org/10.1016/j.econedurev.2019.05.010. [45]

Schuller, T. and R. Desjardins (2010), "Wider benefits of adult education", in *International Encyclopedia of Education*, Elsevier Ltd, http://dx.doi.org/10.1016/B978-0-08-044894-7.00045-2. [44]

Statistisches Bundesamt (2021), *Weiterbildung - 2020*, Statistisches Bundesamt, https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Bildung-Forschung-Kultur/Weiterbildung/Publikationen/Downloads-Weiterbildung/berufliche-weiterbildung-5215001207004.pdf?__blob=publicationFile (accessed on 3 April 2021). [38]

Widany, S. et al. (2019), "The Quality of Data on Participation in Adult Education and Training. An Analysis of Varying Participation Rates and Patterns Under Consideration of Survey Design and Measurement Effects", *Frontiers in Sociology*, Vol. 4, p. 71, https://doi.org/10.3389/fsoc.2019.00071. [37]

Zika, G. et al. (2020), *Digitaler und demografischer Wandel wirken sich regional sehr unterschiedlich auf den künftigen Arbeitskräftebedarf aus*, IAB, https://www.iab-forum.de/digitaler-und-demografischer-wandel-wirken-sich-regional-sehr-unterschiedlich-auf-den-kuenftigen-arbeitskraeftebedarf-aus/?pdf=15850 (accessed on 16 December 2020). [26]

Notes

[1] This measure is known as the interquartile range.

[2] LEO 2018 is based on a random sample of adults living in private households in Germany, aged between 18 and 64. The net sample size comprised 6 681 people. It was supplemented with an additional random sample of 511 people from the lower levels of education. People were only included in the survey if their command of German was sufficient to follow an approximately one-hour-long interview. The sample was weighted based on key socio-demographic data taken from the German Microcensus. After answering a set of standardised questions about various aspects of their background, the interviewees then completed a skills test comprising reading and writing exercises. All 7 192 subjects were given an initial assessment test. The interviews were carried out by the polling institution Kantar Public as computer-assisted personal interviews (CAPIs) (Grotlüschen et al., 2019[32]).

[3] Germany may be catching up with these countries, but only the next round of international data collection can confirm this. Data collection for the Adult Education Survey (AES) and the Survey of Adult Skills (PIAAC) is due to take place in 2022/2023.

[4] Eurostat, trng_lfse_01 indicator, accessed 11 June 2020.

[5] The analysis included participation differences between older (55 years and above) and prime age (25-54) individuals; women and men; low-skilled and medium/high skilled adults (according to PIAAC); low-wage and medium/high wage workers; unemployed and employed individuals; long-term unemployed and employed individuals; temporary and permanent workers; workers in SMEs and workers in larger firms.

[6] Positive employment outcomes included: i) getting a (new) job, ii) higher salary/wages, iii) promotion in the job, iv) new tasks, and/or v) better performance in present job.

3 The continuing education and training landscape

In most countries, CET is not organised as a systematic, cohesive and unified structure. It rather resembles a complex landscape accommodating a variety of providers, policy frameworks and stakeholder interests. The position of CET at the nexus of different policy areas, including education, labour market and social policy, poses additional complexity challenges. This chapter sketches the key features of the German CET landscape, investigating the governance and the structure of CET provision. It identifies key challenges of the current setup and develops recommendations for how to improve it.

Introduction

The provision of continuing education and training is rarely organised in a systemic way across OECD countries, being neither cohesive, nor unified. Instead, CET structures may better be described as complex CET *landscapes.* These landscapes encompass a variety of provision with different objectives and for different target groups, often with limited overall coherence. As they occupy a space at the nexus of education, labour market and social policy, they are governed by a range of different policy frameworks and stakeholder interests. This complexity poses a challenge for the development of cohesive and unified CET systems that are high performing and ready to address current and future skill needs in the context of digitalisation and other megatrends.

In the German policy arena, it is often argued that there is no one-size-fits-all approach to good governance and provision of CET. While it is certainly true that each CET *landscape* is the unique result of a historical development process, research has identified some desirable features of advanced CET *systems*. These include: i) institutionalised stakeholder involvement; ii) high levels of co-ordination between key actors; iii) flexible and diverse provision that satisfies the needs of individuals and the labour market; and iv) linkages between different kinds of provision, which ensure the permeability of the system (Desjardins, 2017[1]; OECD, 2020[2]).

In Germany, companies, the social and economic partners, CET providers and the government at national and federal state level share responsibility for CET. The German CET landscape is complex and characterised by "pluralism, competition and self-responsibility" (Desjardins, 2017[1]). It is governed through a multi-level framework, funded by many different stakeholders, and encompasses a wide variety of education and training opportunities. These are delivered by more than 18 000 public and private providers, although this constitutes an estimate with the exact number being unknown (BIBB, 2020[3]; Christ et al., 2019[4]; Christ et al., 2020[5]).

This pluralism is both a great strength, as provision caters to the diverse needs of individuals, organisations and (regional) labour markets, and a weakness, as it comes with increased co-ordination and co-operation needs. The 2019 National Skills Strategy (*Nationale Weiterbildungsstrategie, NWS*) recognised the need to co-ordinate activities in this area and to foster a new culture of co-operation between key stakeholders.

This chapter analyses the CET landscape in Germany and its key challenges. It first describes the key actors, strategies and legal frameworks governing the landscape. Then it sketches the structure of CET provision and associated providers. Based on this analysis it presents an assessment and policy directions for future action in this area.

Status-quo and key challenges

Governance

A key defining feature of the CET landscape in Germany is its high degree of decentralisation. This places strong responsibility on individuals and enterprises for the take-up and provision of training. Its multi-level governance involves companies, the social and economic partners, CET providers and the government at national and federal state level. This decentralised setup is widely recognised for achieving training provision that is relevant and accountable to regional context. At the same time, the resulting wide distribution of responsibilities requires a high degree of co-ordination and co-operation, which remains a challenge for all stakeholders involved. The process of developing and implementing a National Skills Strategy (NWS) aims to strengthen governance in the German CET landscape.

Decentralisation and federalism shape the governance of CET

German education policy is shaped by strong federalism and the cultural sovereignty of the **federal states** (*Kulturhoheit der Länder*). Länder have the primary responsibility for legislation and administration of education policy, including General CET (*Art 72 GG*) and adult liberal education (*allgemeine Weiterbildung*). Power is shared between different Länder ministries, typically education, labour and social affairs, and economic affairs, but the set-up varies between different federal states. Amongst themselves, the Länder co-ordinate their activities in the area of CET through Conferences of Ministers (see Box 3.1). Under certain conditions, the federation can take over legislative responsibilities, notably to ensure equal living conditions across the territory or to preserve legal and economic unity in the national interest (Art 72 GG Abs. 2, competing legislation – *konkurrierende Gesetzgebung*[1]).

Box 3.1. Co-ordination between federal states

The 16 German federal states co-ordinate their activities in the area of CET through Standing Conferences of Ministers (*Fachministerkonferenzen*). These conferences have no legislative power, but enable self-co-ordination between the Länder. Decisions, recommendations and agreements of the Conferences serve as a framework of CET policy across federal states. Federal ministries may attend as guests in an advisory capacity.

Conferences with responsibilities in the area of CET include i) the Standing Conference of Ministers of Education and Cultural Affairs (*Kultusministerkonferenz, KMK*); ii) the Standing Conference of the Ministers of Economic Affairs (*Wirtschaftsministerkonferenz*, *WMK*); and iii) the Standing Conference of the Ministers of Labour and Social Affairs (*Arbeits- und Sozialministerkonferenz, ASMK*).

Conferences operate using a range of formal commissions, committees and working groups. In the area of CET, the KMK operates a working group (*Arbeitskreis*) and ASMK/WMK established an *Arbeitskreis* on vocational education (*Berufliche Bildung*). The working groups facilitate the exchange of good practices between Länder administrators, for example on CET legislation or funding guidelines and programmes. The low level of institutionalisation of these working groups reflects the lack of formal co-operation in this policy area compared to, for example, general school education.

The federalism reform of 2006 attempted to disentangle the responsibilities of the federal states from those of the federation. It further limited the federation's scope for intervention in the cultural sovereignty of the Länder. Competing legislation continues to exist, both for vocational education outside of schools and for financial incentives for CET (Krug and Nuissl, 2017[6]). Since 2019, the federal government can provide financial assistance to the federal states and municipalities in order to improve the performance of municipal education infrastructure (Art 104c GG). The first case of use of this constitutional change is the digital pact for schools (*Digitalpakt Schule*, see Chapter 5).

In the area of CET, the **federal government** retains responsibility for national labour market policy, regulation of Vocational CET outside the school sector, financial assistance in the field of non-school-based Vocational CET, some aspects of Basic CET (e.g. *Alphabetisierung und Grundbildung*) and CET in Higher Education (*wissenschaftliche Weiterbildung*), research and statistics in CET and international co-operation. Different ministries share the responsibilities for CET at federal level and are supported by a range of associated agencies (see Box 3.2):

- The **Federal Ministry of Education and Research** (*BMBF, Bundesministerium für Bildung und Forschung*) has some responsibilities for general, civic and job-related CET. This includes the regulation of Vocational CET outside of schools, financial incentives to support take-up of Vocational CET and issues related to the recognition and validation of skills for professions

regulated by federal law. The ministry funds educational research and generates national CET statistics, including the regular Adult Education Survey (AES). The ministry is also involved in the NWS and funds projects related to digitalisation, as well as General CET, including literacy education, CET in Higher Education and liberal CET, namely civic education.

- The **Federal Ministry of Labour and Social Affairs** (*BMAS, Bundesministerium für Arbeit und Soziales*) is responsible for labour market policy according to the Social Security Codes II and III (*Sozialgesetzbuch II und III*), which it implements through the Federal Employment Agency (*BA, Bundesagentur für Arbeit*). This includes job-related CET and guidance for the unemployed and, increasingly, for the employed. The BMAS also plays an important role in designing broader strategies to strengthen CET nationwide, such as the NWS, and laws that expand the opportunities for people to take part in CET, e.g. the 2019 Skills Development Opportunities Act (see below).
- The **Federal Ministry of Economy and Energy** (*BMWI, Bundesministerium für Wirtschaft und Energie)* has some responsibility for the regulation of Vocational CET, as well as for supporting enterprises in offering CET opportunities. One example is the investment in inter-company vocational training centres (*überbetriebliche Berufsbildungsstätten*), which are co-financed by the Länder.

Additionally, the **Federal Ministry of Family Affairs, Senior Citizens, Women and Youth** (*BMFSFJ*, *Bundesministeriums für Familie, Senioren, Frauen und Jugend*) and the Federal Ministry of the Interior (*BMI*, *Bundesministerium des Inneren*) carry responsibility for aspects of liberal CET.

Box 3.2. Agencies and expert bodies in the area of CET

The **Federal Employment Agency** *(Bundesagentur für Arbeit, BA)* is the Public Employment Service in Germany and under legal supervision by the BMAS. Its broad and expanding range of tasks includes providing labour market services, in particular job placement and employment promotion. In the area of CET, the BA is responsible for delivering training-related ALMPs, for example by purchasing training, placing job seekers in job-related training and providing financial incentives to take up training. The agency is headquartered in Nurnberg and has 10 regional directorates as well as 156 employment agencies (*Agenturen für Arbeit)* with about 600 offices and 303 Jobcentres to ensure local accessibility. Employment agency offices and job centres differ with regards to their target group:

- Employment agency offices are responsible for: the payment of unemployment benefits according to Social Security Code III, financed through the unemployment insurance; placement in jobs and apprenticeships; career guidance; employer counselling; promotion of continuing vocational training; and promoting the occupational integration of people with disabilities.
- Job centres are joint facilities of the BA and a municipal agency (e.g. a city). They are responsible for the payment of various basic security benefits in line with the Social Security Code II. The BA ensures the livelihood of recipients and covers statutory health and nursing care insurance. It also provides funds for labour market integration measures. The municipalities pay housing allowances to people in need of assistance. They co-operate with institutions that provide, for example, local childcare facilities (BA, n.d.[7]).

Given the multi-level setup of the BA and its presence in all regions in Germany, co-ordination with actors on all levels is key for the successful delivery of its tasks.

Federal ministries are supported by specialised research and implementing agencies in the area of CET:

- The **Institute for Employment Research** (*Institut für Arbeitsmarkt und Berufsforschung, IAB)* conducts research on labour market topics, including the link between education and

employment and evaluations of ALMPs. The Institute has been a special office of the Federal Employment Agency since 2004.

- The **Federal Institute for Vocational Education** (*Bundesinstitut für Berufsbildung, BIBB)* operates as a subordinate authority to the BMBF. It focuses on the research and development of Vocational CET. BIBB has a key co-ordination role in the development of training regulations for Vocational CET.
- The **German Institute for Adult Education** *(Deutsches Institut für Erwachsenenbildung, DIE*) is a research institute that is jointly financed by the federal government and the Länder. Its research focusses on general adult teaching and learning, continuing education programmes and institutions and on political and institutional contexts of lifelong learning.

Municipalities have the main responsibility for Community Adult Education Centres (*Volkshochschulen, VHS*), which make up 16% of CET providers, according to data from the WB monitor (BIBB, 2020[3]). In co-operation with the BA, municipalities are also responsible for the integration of individuals into employment (e.g. counselling and placement, qualifications, job opportunities) through municipal employment agencies (*Jobcenters*).

Social and economic partners play a strong role in the CET landscape

Germany's approach to governance in CET can be described as corporatist. Social partners (trade unions and employer organisations) and economic partners (Chambers of Commerce and Trade, Chambers of Skilled Crafts) play a key role in the CET landscape. This role includes:

- Consulting in commissions and legislative processes at the federal and federal state level; involvement in agenda setting;
- involvement in the regulation of certain aspects of the CET landscape, primarily formal Vocational CET and ALMPs;
- negotiating collective and company agreements with effect on CET;
- providing CET through associated education and training institutions.

In their consultative role, social and economic partners provide inputs in advisory councils, committees and legislative processes in the area of CET, such as setting agendas and priorities. Their involvement takes place both at federal and federal state level. For example, social partners are involved in the Monitoring Committees of the European Social Fund (ESF). All co-ordination efforts in the area of CET in recent years, including the NWS, have built on strong involvement from the social and economic partners (see next sub-section on the NWS).

Regulatory responsibilities primarily encompass ALMPs and formal Vocational CET. In the area of ALMPs, social partners play a key role. The Federal Public Employment Services are a tripartite agency, where employers' associations and the trade unions each represent a third of the governing board. This provides social partners with considerable influence over the choice of new CET initiatives, the distribution of finances and the involvement at regional and local level, among other aspects of CET policy. Social partners are also involved in the Accreditation and Licensing Regulation Board for Employment Promotion (AZAV), which formulates recommendations for the accreditation and licensing of CET providers and programmes in the context of ALMPs. In the area of formal Vocational CET, social and economic partners are key actors in the regulatory activity for initial and vocational upskilling qualifications. This includes the development of content, framework curricula and examination requirements of such qualifications. Examination boards are composed of representatives of employer organisations, trade unions and education institutions. Additionally, social and economic partners make up half of the Members of the Board of the Federal Institute for Vocational Education and Training (BIBB).

Social and economic partners negotiate collective and company agreements in relation to CET, which take into account sector-specific needs for education and training. Collective agreements that regulate financial incentives and educational leave for CET exist in several sectors. For instance, workers in companies in the metal and electrical industry bound by collective agreement have the right to take part- and full-time educational leave of up to seven years. The collective agreement also introduced educational accounts (*Bildungskonten*), which allow individuals to accumulate entitlements towards paid educational leave (IG Metall, 2016[8]). Other collective agreements, for example in the chemical industry, include provisions to build capacity for personnel planning and career guidance in enterprises. As trade union coverage and bargaining power varies across different sectors, not all workers benefit from these collective and company agreements. This concerns low qualified and low-wage workers in particular.

Additionally, social and economic partners are involved in the provision of CET and implementation of specific programmes in the area of CET. All partners have associated education and training centres, which operate both at the federal and federal state level. Chambers of Commerce and Trade, as well as Chambers of Skilled Crafts, offer a range of CET opportunities including preparatory courses towards examination as Master craftsperson (*Meister*).

In contrast to social and economic partners, other **providers of education and training** have less institutionalised channels of engagement with the policy-making process. There exist several interest groups of CET providers, including the association of Adult Education Centres (*Deutscher Volkshochschul-Verband e.V., DVV*), the Federal Association of Vocational Education and Training Providers (*Bundesverband der Träger beruflicher Bildung, BBB*) and the Wuppertaler Kreis e.V., an umbrella organisation of leading providers of CET in the German economy. These groups act as lobby organisations, representing the interests of their members in the policy-making process. They may be involved in expert commissions and strategy formulation processes, as well as in commenting on draft bills prepared by civil servants or being invited to consultations of parliamentary groups or committees.

The National Skills Strategy improves co-ordination of actors in this fragmented policy area

As described above, the governance of the German CET system has evolved to create a complex network of shared responsibilities with a strong need for co-ordination. The National Skills Strategy (*Nationale Weiterbildungsstrategie, NWS*), adopted in 2019, is an ambitious step for greater coordination in this policy area. The first strategy of its kind, it brings together the federation and federal states, the Federal Employment Agency, and the social and economic partners to develop a common strategy on CET (BMAS et al., 2019[9]). The expressed aims of the strategy are to co-ordinate CET policies, increase transparency, improve access to CET opportunities and financial support, and work towards a new culture of CET in Germany. The strategy is focussed on job-related CET, although stakeholders acknowledge that the distinction between job-related and general CET is not clear-cut.

The NWS is an important step towards greater co-ordination and co-operation between key actors in the area of CET policy. The function of the NWS as a platform for exchange and joint development of the CET system is widely appreciated by the involved partners. Over time, similar co-ordination processes have been attempted, but they were either focused on narrow sub-aspects of the CET landscape or did not engage the wide range of stakeholders involved in the NWS (see Box 3.4). The NWS is the first strategy process that has been led jointly by the BMAS, BMBF and included the BMWI, social and economic partners (trade unions, employer organisations, Chambers of Commerce and Trade, Chambers of Skilled Crafts), federal states (representatives of ASMK, KMK and WMK) and the Federal Employment Agency. Other actors, such as education providers and academic/industry experts, provided inputs in the development process.

The resulting paper of the NWS sets out a joint approach to respond to structural changes in the labour market brought about by digitalisation and automation. It outlines 10 overarching objectives, which each contain a series of commitments made by strategy partners (Box 3.3).

Box 3.3. Objectives of the National Skills Strategy

The strategy partners (BMAS, BMBF, BMWI, social and economic partners, federal states, Federal Employment Agency) agreed on the following 10 objectives:

1. Improve transparency of CET offers;
2. Close financial support gaps, set new incentives and adjust existing incentive systems;
3. Link up career guidance across the German territory and strengthen advice and guidance services in particular for small and medium enterprises;
4. Strengthen the responsibility of the social partners;
5. Assess and strengthen the quality and quality assessment of CET offers;
6. Make acquired competences of employees visible and recognise them;
7. Develop CET offers and qualifications;
8. Transform education and training institutions into competence centres for job-related CET;
9. Strengthen teachers and trainers in CET and train them for digital change;
10. Strengthen strategic anticipation and optimise CET statistics.

Source: BMAS et al. (2019[9]), Nationale Weiterbildungsstrategie, Berlin.

Progress towards these commitments is monitored in the ongoing implementation phase. Thematic laboratories (*Themenlabore*) focus on some of the key themes of the strategy, deepen collaboration between actors, drive policy development further and disseminate the content of the NWS. An implementation report is planned for June 2021, which will also set out plans for the continuation of the NWS process.

The particular objectives chosen testify to the challenging task of finding consensus between stakeholders. They are designed to tackle specific problematic areas, but remain a rather limited blueprint of a coherent common vision. The types of commitments made vary widely. Some are made by individual strategy partners, while others are collective commitments from a sub-set of partners. A few are very concrete, for example the pledge of the BA to develop a new online self-assessment tool for career guidance, however, the majority are kept very general. A range of commitments concern assessments of the feasibility of certain actions, instead of the action itself (*Prüfauftrag*). All commitments are qualitative, rather than tied to quantitative targets.

Overall, the broad engagement of stakeholders and the inclusion of varied perspectives is a key success factor of the NWS. At the same time, the number of actors involved also constituted a challenge when trying to keep processes workable, as well as in the consensual formulation of objective and concrete commitments. Many stakeholders are now keen for the strategy to produce concrete results, in the form of new initiatives or legislative changes. The NWS should be institutionalised as a platform for exchange in the future and adjusted to avoid some of its shortcomings (see also recommendations), in order to address future policy challenges in the area of CET.

Box 3.4. Other forums for co-ordination amongst key actors in CET

Alongside the NWS, there exist a number of more specialised forums of exchange on CET policy:

- The **Alliance for Initial Vocational Education and Training and CET** (*Allianz für Aus- und Weiterbildung*) was founded in 2014. Its objective is to strengthen the attractiveness, quality, performance and integrative function of initial and continuing education and training. The alliance brings together the Federal Government (BMWI, BMAS, BMBF), the BA, social and economic partners and the federal states. Despite its name, the focus of the alliance has been on the initial VET system, rather than all forms of CET for adults, according to stakeholders. The NWS aims to close this gap with its wider focus on CET.
- The **National Decade for Literacy and Basic Skills** (*AlphaDekade)* brings together the federal government (BMBF), the federal states and a range of partners, including the BA, education providers, scientific institutions, social and economic partners, interest organisations, foundations, and representatives of municipalities. Its aim is to improve adults' reading and writing skills, as well as to raise basic skill levels in Germany. Between 2016 and 2026, the Decade aims to implement activities in five areas: i) raising awareness, ii) research, iii) provision, iv) professionalisation of adult educators and v) establishment of structures. Its work programme is implemented through projects funded by the federal government or the federal states.

Previous platforms with the objective of developing the CET landscape included:

- The **concerted action on CET** (*Konzertierte Aktion Weiterbildung*), which was launched in 1987 by the Ministry for Education and Science. It brought together federal ministries, federal states, municipalities, social and economic partners, as well as representatives of churches, higher education institutions, Adult Education Centres and cultural institutions. The main objective was to create a platform for discussion, exchange and co-operation, without limiting the autonomy of each individual actor. At that time, the involved actors acknowledged that CET had to become the fourth pillar of the education system in Germany (alongside primary, secondary and tertiary education).

The NWS also builds on several forums for co-ordination that focus on ensuring the availability of skilled workers in Germany, including through encouraging migration:

- The **Workforce Alliance** (*Arbeitskräfteallianz*) was founded in 2009. BMAS, DIHK, DGB, BDA, BA and the German pension insurance (DRV) came together to foster existing and introduce new co-operation mechanisms at a regional level. Its aim was to ensure a sustainable supply of workers for regional labour markets, including by facilitating the hiring of foreign workers.
- In 2014, the Alliance was followed by the launch of a **Partnership for Skilled Workers** *(Partnerschaft für Fachkräfte)*, a partnership between BMAS, BMWI, BMBF, BA, social and economic partners and representatives of the federal states. It aims to make use of the potential of the labour force, with a special focus on women, older workers, low-skilled people and people with a migration background. To reach this goal, the partnership works towards more attractive working conditions, improving access to CET, supporting health at work and work-life balance. In 2018, it launched the strategy for skilled labour (*Fachkräftestrategie*).

Source: Fachkraeftebuero (n.d.[10]), https://www.fachkraeftebuero.de/ueber-uns/arbeitskraefteallianz/; Kooperation in der "Arbeitskräfteallianz"; Bundesregierung (1988[11]), http://dipbt.bundestag.de/doc/btd/11/022/1102267.pdf; Antwort der Bundesregierung auf die Kleine Anfrage der Abgeordneten Odendahl et al. Drucksache 11/2187, http://dipbt.bundestag.de/doc/btd/11/022/1102267.pdf; AlphaDekade (n.d.[12]), Die Nationale Dekade für Alphabetisierung und Grundbildung: Ziele und Maßnahmen, www.alphadekade.de/de/ziele-1698.html; Allianz fuer Aus- und Weiterbildung (n.d.[13]), https://www.aus-und-weiterbildungsallianz.de/.

The CET landscape is regulated by a wide range of laws at federal and federal state level

There is no single law regulating CET in Germany. Instead, the CET landscape is regulated by a complex net of laws at different levels of government relating to specific sub-aspects of CET. An overview of all laws relating to CET is provided in Figure 3.1.

At the **federal level**, the most regulated sub-sectors of CET are Vocational CET and CET in the context of ALMPs. The Vocational Training Act (*Berufsbildungsgesetz*) regulates preparation for vocational training, in-company vocational training, vocational retraining and continuing vocational education and training. The Crafts Code (*Handwerksordnung*) regulates initial and continuing vocational training, as well as retraining in the crafts sector. Access and financial support for training for job seekers in the context of ALMPs is regulated in the Social Security Codes II and III (*Sozialgesetzbücher II & III).*

Several laws regulate the financial incentives available for individuals and companies engaging in CET. The Upgrading Training Assistance Act (*Aufstiegsfortbildungsförderungsgesetz*) sets out financial support for those taking part in formal vocational upskilling.[2] Its equivalent for initial education and training in schools and higher education institutions is the Federal Training Assistance Act (*Bundesausbildungsförderungsgesetz, BAföG*). The federal government recently adopted two new laws aimed at increasing the take-up of CET:

- The 2019 Skills Development Opportunities Act (*Qualifizierungschancengesetz, QCG*) expanded the possibilities of the BA to financially support CET in enterprises, with a view to help individuals and enterprises adapt to digitalisation and structural change;
- The 2020 Act on the Promotion of Job-related CET in the Context of Structural Change and the Further Development of Training Assistance (*Gesetz zur Förderung der beruflichen Weiterbildung im Strukturwandel und zur Weiterentwicklung der Ausbildungsförderung, „Arbeit von Morgen Gesetz", AVMG*) expanded those provisions and aims to promote Vocational CET in times of structural change.

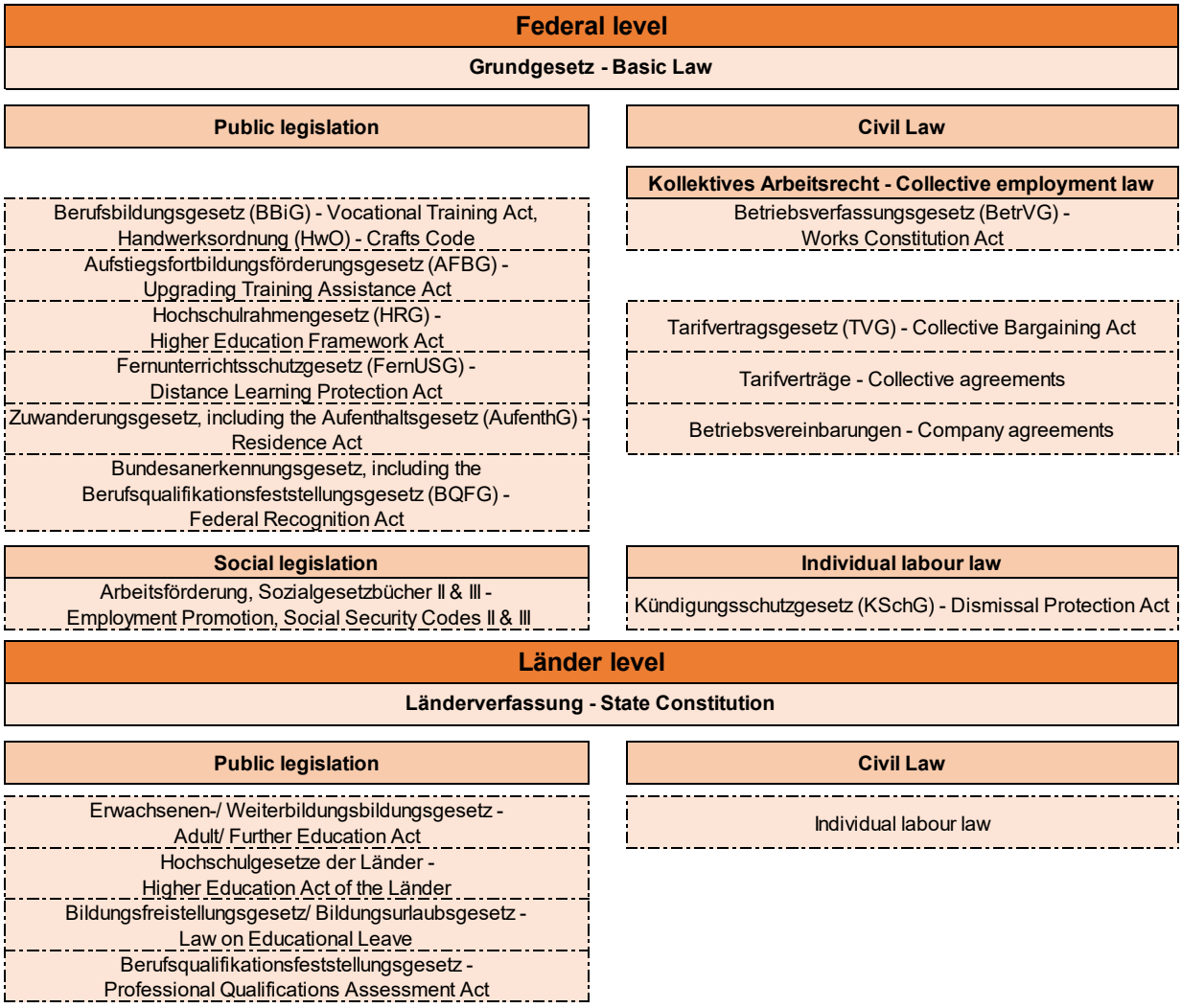
Both the QCG and the AVMG are laws amending Social Security Codes II and III.

There are other federal laws related to CET: the Distance Learning Protection Act *(Fernunterrichtsschutzgesetz*), which regulates distance learning courses; the Higher Education Framework Act (*Hochschulrahmengesetz*), which sets out that CET in Higher Education is a responsibility of higher education institutions; the Act on the Residence, Economic Activity and Integration of Foreigners in the Federal Territory – Residence Act (*Aufenthaltsgesetz, AufenthG*), that regulates (among other things) integration courses for immigrants.

The federation also legislates in the area of recognition of prior learning. The Act to Improve the Assessment and Recognition of Professional and Vocational Qualifications Acquired Abroad – Federal Recognition Act, (*Gesetz zur Verbesserung der Feststellung und Anerkennung im Ausland erworbener Berufsqualifikationen, Bundesanerkennungsgesetz)* sets out legal rights and processes to verify the equivalence of foreign with domestic vocational qualifications. An important part of the Federal Recognition Act is the Professional Qualifications Assessment Act (*Berufsqualifikationsfeststellungsgesetz, BQFG*), which contains standardised regulations and criteria for recognition and applies to around 330 non-regulated training occupations in the dual vocational system. The recognition of foreign vocational qualifications of around 30 professions lies within the responsibility of the Länder, which they regulate in their respective Professional Qualifications Assessment Acts (*Berufsqualifikationsfeststellungsgesetze der Länder, BQFG*) at federal state level.

Figure 3.1. A multitude of laws regulate the German CET landscape

Overview of laws relevant to CET at federal and Länder level



Source: Updated and based on Dobischat, Fischel und Rosendahl (2015[14]), Einführung in das Recht der Weiterbildung, Springer Fachmedien, Wiesbaden.

All **federal states** either have their own Further Education Acts (*Weiterbildungsgesetz/ Erwachsenenbildungsgesetz*) or other frameworks to regulate parts of the CET sector. They ensure the quality of CET, for example through rules on the curricula, required qualifications for teaching staff and access for different community groups (EAEA, 2011[15]). Furthermore, all federal states have their own Higher Education Acts which regulate CET as responsibility of higher education institutions. They are supplemented by other specific laws or ordinances on educational leave. Most Länder have educational leave laws (*Bildungsfreistellungsgesetz/ Bildungurlaubsgesetz*), which entitle employees to get paid time off work for the purpose of professional or political further training (for more detail, see Chapter 5).

CET is further regulated through civil law, company agreements and collective bargaining agreements.

Provision and providers

The German CET landscape is characterised by "pluralism, competition and self-responsibility" (Desjardins, 2017[1]). It features a diversity of education and training opportunities, a large number of funding agencies and more than 18 000 estimated providers (BIBB, 2020[3]). This is both a great strength, as the provision caters to the diverse needs of individuals, organisations and (regional) labour markets; and also a weakness, as the landscape is difficult to navigate for individuals and companies looking for learning opportunities, increasing the need for advice and guidance (see Chapter 4).

The complexity of the CET landscape makes structuring and categorising the existing provision challenging. For the purposes of international comparison, this report uses the typology of adult learning provision developed by Desjardins (2017[1]). The typology groups all existing formal and non-formal learning opportunities into five types of learning provision: Basic CET, General CET, Vocational CET, CET in Higher Education and Adult Liberal Education. Each type of provision shares some key characteristics, such as the type of providers, contents and mode of learning. It should be noted that this typology does not reflect a judgment on the hierarchy of different kinds of provision. Both Vocational and CET in Higher Education, for example, contain provision at level 6 and 7 of the German Qualification Framework (DQR):[3]

- **Basic CET** refers to literacy and other basic skills courses, which are non-formal.
- **General CET** refers to second-chance education for adults. These are formal education opportunities that lead to different school leaving certifications, including Secondary School Leaving Certification (*Nachholen des Hauptschulabschluss*), Intermediate School Leaving Certification (*Nachholen des Realschulabschluss*) and the Certification for Entrance into Higher Education (*Nachholen des Abitur/ der Hochschulzugangsberechtigung*).
- **Vocational CET** (CVET) refers to formal and non-formal learning opportunities that are vocational in nature and typically have a strong work-based learning component. They include opportunities for second-chance Initial Vocational Education and Training (*Nachholen des Berufsabschlusses*) and Vocational Retraining (*Umschulung*). They also include learning opportunities for experienced professionals to engage in Vocational Upskilling (*höherqualifizierende Berufsbildung/ Aufstiegsfortbildung*). Finally, CVET also encompasses many non-formal learning opportunities, including adjustment measures (*Anpassungsqualifizierung).*
- **CET in Higher Education** (*wissenschaftliche Weiterbildung*) refers to learning opportunities provided by universities or higher education institutions. This includes academic courses at Bachelor and Master degree level, as well as specific non-formal courses for adults.
- **Adult Liberal Education**, also known as popular education, includes non-formal basic or Vocational CET, alongside more citizenship-building and leisure-oriented provision.

It should be noted that the categories are not mutually exclusive and that informal learning opportunities, which make up a large share of all learning in adult age, are not reflected in this typology.

Table 3.1. Overview of types of CET provision in Germany

Sub-sector of CET	Specific provision	Type of learning		Reason for participation		
		Formal	Non-formal	In-service training	Individual job-related	Individual general
Basic CET	Literacy courses		x	(x)	x	x
	Basic skills courses		x	(x)	x	x
General CET	Secondary school leaving certification	x		(x)	x	x
	Intermediate school-leaving certification	x		(x)	x	x
	Certification for entrance into higher education	x		(x)	x	x
Vocational CET	Initial vocational education and training	x	x*	x	x	
	Vocational retraining	x	x	x	x	
	Adjustment measures		x	x	x	
	Vocational upskilling	x	x		x	
CET in Higher Education	Bachelor's degree studies	x		x	x	(x)
	Master's degree studies	x		x	x	(x)
	Non-formal CET in Higher Education		x	x	x	(x)
Adult liberal education	Non-formal learning activities		x		(x)	x

Note: Refers to job-related provision only; *refers only to non-formal preparatory courses to take the external students examination; (x) = not primarily accessed for this reason.

The adult learning landscape includes diverse learning offers at all levels

Basic CET includes a large number of non-formal learning opportunities for adults who lack basic skills including literacy, numeracy and IT. Many of these take place in Adult Education Centres (*VHS*), but private non-profit providers, e.g. educational institutions of churches, are also active in this sub-sector. Learning opportunities for adults who lack basic skills may or may not lead to a certificate. They are frequently preparatory for the pursuit of formal learning, e.g. the take-up of initial vocational education and training. Three quarters of provision of the Adult Education Centres in the area of literacy targets adults with migrant backgrounds and includes the integration courses funded by the Federal Agency for Migration and Refugees (BAMF) (Christ, Horn and Ambos, 2019[16]).

Table 3.2. Types of Basic CET provision in Germany

Types of provision	Providers	Duration	DQR level	Number of participations (2018)	
Literacy courses *(Alphabetisierung)*	Adult Education Centres *(Volkshochschulen)*	Various	Not assigned	Adult Education Centres: 169 800	BAK AL: 800* DEAE: 6 500 KEB: 3 900
Basic skills courses (*Grundbildung, Elementarbildung)*	Education institutes of trade unions *(Arbeit und Leben DGB/BHS)*	Various	Not assigned	Adult Education Centres: 28 800**	
	Education institutes of the Protestant and Catholic Churches				
	Private non-profit providers				

Note: Data on participants refer to all participants, irrespective of age, *refers to 2017, specific non-profit providers only, including BAK AL=Bundesarbeitskreis Arbeit und Leben e.V., DEAE=Deutsche Evangelische Arbeitsgemeinschaft für Erwachsenenbildung and KEB=Katholische Erwachsenenbildung Deutschland – Bundesarbeitsgemeinschaft e.V; refers only to courses with more than 3 teaching hours, excludes job-related trainings, ** programme area basic education, excluding literacy courses.
Source: Horn et al. (2019[17]), *Weiterbildungsstatistik im Verbund. Ergebnisse für das Berichtsjahr 2017*, https://doi.org/10.3278/85/0023w; Reichart et al. (2019[18]), *Volkshochschulstatistik 2018*, https://doi.org/10.3278/85/0022aw.

General CET gives adults the opportunity to obtain formal degrees, such as the Secondary School-leaving Certification (*Hauptschulabschluss*) or the Certification for Entrance into Higher Education (*Hochschulzugangsberechtigung*) in the form of second-chance education (*zweiter Bildungsweg)*. Teaching is provided through a variety of public and private non-profit providers. It can take place in part-time evening schools (e.g. *Abendhauptschule, Abendrealschule, Abendgymnasium*) of full-time schools (e.g. *Kollegs*) and it typically takes multiple years to graduate. The obtained qualifications are referenced at Level 2-4 of the DQR (BMBF/KMK, 2020[19]).

Table 3.3. Types of General CET provision in Germany

Types of provision	Providers	Duration	DQR level	Number of participations (2018)	
Secondary School-leaving Certification (*Hauptschulabschluss*)	Evening schools (*Abendhauptschule*) Adult Education Centres (*Volkshochschule)* Vocational schools *(Berufsfachschulen)* Private non-profit providers	Approx. 1-1.5 years	Level 2	Evening schools: 1 000 Adult Education Centres: 14 200	BAK AL, DEAE, KEB*: 2 605 across all certificate levels Adult Education Centres: 30 000 non-specified general school qualifications
Intermediate School-leaving Certification (*Realschulabschluss*)	Evening schools (*Abendrealschule)* Vocational schools (*Berufsfachschule, Berufsschule)* Private non-profit providers	Approx. 2 years	Level 3	Evening schools: 16 300 Adult Education Centres: 16 800	
Certification for Entrance into Higher Education (*Hochschulzugangs-berechtigung*)	Evening schools *(Abendgymnasium)* Day schools (*Kolleg*) Vocational upper secondary schools (*Berufsoberschule)* Technical upper secondary schools *(Fachschule, Fachoberschule)* Private non-profit providers	Approx. 3 years	Level 4	Evening schools: 11 852 Day schools: 13 181 Adult Education Centres: 5 700	

Note: Data on participants refer to all participants in basic and general upper secondary education for adults, irrespective of age, *refers to 2017, specific non-profit providers only, including BAK AL=Bundesarbeitskreis Arbeit und Leben e.V., DEAE=Deutsche Evangelische Arbeitsgemeinschaft für Erwachsenenbildung and KEB=Katholische Erwachsenenbildung Deutschland – Bundesarbeitsgemeinschaft e.V.
Source: KMK (2019[20]), Schüler, Klassen, Lehrer und Absolventen der Schulen 2009-18, https://www.kmk.org/dokumentation-statistik/statistik/schulstatistik/schueler-klassen-lehrer-und-absolventen.html; KMK; Horn et al. (2019[17]), *Weiterbildungsstatistik im Verbund. Ergebnisse für das Berichtsjahr 2017*, https://doi.org/10.3278/85/0023w; Reichart et al. (2019[18]), *Volkshochschulstatistik 2018*, https://doi.org/10.3278/85/0022aw.

Vocational CET, also Continuing Vocational Education and Training (CVET), is the cornerstone of the German adult learning system. It encompasses a wide range of learning provision at different levels of the German qualification framework ranging from basic vocational qualifications (DQR 3) over Master craftsperson (*Meister*) and Bachelor professional degrees (DQR 6) to certified business economists (DQR 7).[4] CVET includes formal and non-formal learning opportunities.

For adults seeking to obtain vocational degrees at DQR level 3 and 4, two types of learning provision exist:

- **Initial vocational education and training** *(IVET, Berufsausbildung)* in Germany typically takes place at the upper secondary level.[5] More than half of each cohort of young people (55%) starts training in one of the 320 officially recognised initial vocational degrees of the dual vocational system (BIBB, 2020[3]). However, pursuing IVET is not limited to young people. In 2018, more than 65 000 adults aged 24 and older took up IVET, i.e. 13% of all new starters according to the German Statistical Office. While for some of these, IVET constitutes part of a prolonged initial education journey, others take up IVET after having spent some time in the labour market. IVET is predominately delivered through the dual system, which combines in-company and school-based training, with a smaller share of IVET being delivered in vocational schools *(*e.g. *Berufsschulen, Berufsfachschulen, Berufskolleg)*.[6] IVET is typically free of charge,[7] with those in the dual system receiving an apprentice salary from their employing company.

- **Vocational retraining** (*Umschulung)* is targeted at professionally experienced adults without formal vocational qualifications or individuals who hold an IVET degree, but can no longer pursue their original profession, for example due to health issues or obsolescence of their skillset. Vocational retraining enables individuals to take up a different profession and is equivalent to pursuing a second IVET degree at Level 4 of the DQR. Jobseekers and people in vocational rehabilitation have a legal entitlement to financial support for the retraining through the BA, Job Centres or public pension and accident insurance entities. Vocational retraining is provided by private non-profit or commercial education providers, as well as vocational schools (*Berufsschule, Berufsfachschule*).

For individuals seeking to update and further develop their vocational skills, the following learning opportunities exist:

- **Adjustment measures** (*Anpassungsqualifizierung/ -maßnahmen*) are the most common type of vocational training for adults. The format, duration and content of adjustment measures are not universally regulated and are typically non-formal. Participation may lead to certification, but not to an officially recognised qualification. These measures are also used in the context of the recognition of foreign qualifications and their alignment with the German occupational system. Education providers, Chambers, professional associations and companies provide adjustment measures, an example being a short, certificated course on a new software programme.
- Additionally, the Vocational Training Act makes a reference to **adjustment training** opportunities (*Anpassungsfortbildung*), which serve the purpose of maintaining, expanding or adjusting the vocational competence of an individual *(§1 Abs. 4 Nr.1 BBiG*), typically in the context of changing requirements in their workplace. To date no regulation for adjustment training exists in practice, but its implementation is planned for the future.

For experienced individuals seeking to extend their vocational capabilities at DQR level 5 to 7, the following learning opportunities exist:

- **Vocational upskilling** *(höherqualifizierende Berufsbildung/ Aufstiegsfortbildung)* serves the purpose of extending the vocational capabilities of individuals and advancing their careers, according to the German Vocational Training Act (*§1 Abs. 4 Nr. 2 BBiG*). Typical examples of vocational upskilling are those leading to qualifications such as Master craftsperson (*Meister*) or Certified Business Economist (*Geprüfter Betriebswirt*) (Box 3.5).

Box 3.5. Vocational upskilling in Germany

In Germany, adults with and without IVET degree and professional experience can take part in exams to obtain vocational upskilling qualifications. For many adults these are an entryway to higher professional and management positions. Approximately 8% of adults hold advanced vocational degrees.

The 2020 revision of the Vocational Training Act increased the transparency of vocational upskilling in Germany by streamlining the designation of qualifications. Three levels of vocational upskilling will now bear the titles (§53a Abs.1-53d BBiG, §§ 42a Abs. 1-42d HwO): i) Certified Occupational Specialist (*Geprüfte/r Berufsspezialist/in*); ii) Bachelor Professional; and iii) Master Professional.

The new designations map onto Levels 5-7 of the DQR, although the exact classification is at the discretion of designated committees. Since January 2020, Master craftsperson (*Meister*) may call themselves Bachelor Professional in their respective craft. Other existing designations can be carried together with the new degree designations in case the respective statutory order stipulates this. The

change is intended to highlight the equivalence of CVET, in particular vocational upskilling, and higher education. The full rollout of the new designations across qualifications is expected to take years.

It is not obligatory to take part in courses before taking the assessment towards a vocational upskilling qualification. However, many adults take part in preparatory courses offered by educational institutions, technical schools, private non-profit and commercial providers.

Source: BMBF (2019[21]), Die Novellierung des Berufsbildungsgesetzes (BBiG) www.bmbf.de/de/die-novellierung-des-berufsbildungsgesetzes-bbig-10024.html; IWWB (2020[22]), Lohnt sich höherqualifizierende Berufsbildung?, www.iwwb.de/Lohnt-sich-hoeherqualifizierende-Berufsbildung-meldungen-1975.html.

Table 3.4. Main types of Vocational CET in Germany

Types of provision	Providers	Duration	DQR level	Number of CET learners (2018)	
Initial vocational education and training *(Nachholen eines Berufsabschlusses)*	Enterprises in combination with part-time vocational schools (*Berufsschule*) Full-time vocational schools (*Berufsfachschule, Berufskolleg, Fachakademien)* Inter-company vocational training facilities (*überbetriebliche Berufsbildungsstätten)* Private non-profit providers Private commercial providers	2-3.5 years	Level 3 or 4	190 000*	
Vocational Retraining *(Umschulung)*	Vocational schools (*Berufsschule, Berufsfachschule)* Private non-profit providers Private commercial providers Enterprises**	1.5-3 years	Level 4	Not available	
Adjustment measures *(Anpassungsqualifizierung)*	Enterprises Full-time vocational schools (*Berufsfachschule, Berufskolleg, Fachakademien)* Adult Education Centres (*Volkshochschule)* Education institutes of the Chambers Private non-profit providers Private commercial providers	Various, typically short	Not assigned	Not available	Educational institutions of the Chambers of Commerce: 91 000***
Vocational upskilling (*höherqualifizierende Berufsbildung/ Aufstiegsfortbildung*)	Education institutes of the Chambers Technical Schools (*Fachschulen, Fachakademien*) Private non-profit providers Private commercial providers	1-4 years****	Level 5-7	Technical schools (without academies): 180 000	

Note: *all participants age 24 or above, including those for whom IVET can be considered part of their initial education cycle; **enterprises are involved as providers of vocational retraining in specific areas only; ***passed vocational upskilling exams according to BBiG/HwO'; ****participation in these courses is not obligatory for taking part in the assessment to gain vocational upskilling qualifications.
Source: German Statistical Office and BIBB (2020[3]), *Datenreport zum Berufsbildungsbericht, BIBB*, https://www.bibb.de/dokumente/pdf/bibb_datenreport_2020.pdf.

CET in Higher Education *(wissenschaftliche Weiterbildung)* takes place at higher education and research institutions. This includes Bachelor's and Master's degree studies, formal courses for adults at Bachelor and Master level, as well as specialised non-formal CET offers such as certificate courses. CET in Higher Education was specified as one of the four core responsibilities of higher education institutions in the 1998 Higher Education Framework Act (*Hochschulrahmengesetz)* and the Higher Education Acts of the federal states regulate this issue further. Data on current provision and participants in CET in Higher Education are scarce. Estimates suggest that several thousand study programmes can be used for CET purposes

(Konegen-Grenier, 2019[23]). Around 5% of adults aged 18-65 take part in CET in Higher Education in any given year, according to German AES data (BMBF, 2019[24]).

Nonetheless, CET in Higher Education in Germany lags behind many other OECD countries (Hanft and Knust, 2009[25]; Faulstich and Oswald, 2010[26]), with higher education institutions only slowly developing business models to cater for the needs of adults and businesses. To stimulate the development of CET in higher education, the BMBF funded the development of innovative, demand-driven and sustainable CET offers at higher education institutions between 2011 and 2020 through the Bund-Länder Competition Advancement Through Education: Open Universities (*Bund-Länder Wettbewerb Aufstieg durch Bildung: offene Hochschulen).*

Table 3.5. Types of CET in Higher Education in Germany

Types of provision	Providers	Duration	DQR level	Number of CET learners (2018)
Bachelor's degree studies *(Bachelor Studiengang)*	Universities of Co-operative Education *(Berufsakademie)* Universities for Public Administration *(Verwaltungsfachhochschule)* Universities of Applied Sciences *(Fachhochschulen)* Universities *(Universitäten)*	3-4.5 years	Level 6	Not available
Master's degree studies *(Master Studiengang)*		1-2 years	Level 7	Not available
Non-formal CET in Higher Education *(non-formale wissenschaftliche Weiterbildung)*	Universities of Co-operative Education *(Berufsakademie)* Universities for Public Administration *(Verwaltungsfachhochschule)* Universities of Applied Sciences *(Fachhochschulen)* Universities *(Universitäten)* Research Institutes *(wissenschaftliche Einrichtungen)*	Various	Not assigned	Not available

Adult Liberal Education (*Erwachsenenbildung*) includes a wide variety of learning opportunities offered by Adult Education Centres *(VHS),* church groups, political foundations, trade unions, and commercial and non-profit private providers. Provision is traditionally oriented towards leisure, culture and democracy education, but also includes literacy and basic skills courses as well as vocational CET.

The provider structure is complex and providers are only loosely regulated

There are an estimated 18 000 CET providers in Germany, most of which provide a mix of job-related and general CET (BIBB, 2020[3]). Among these providers, there are a wide variety of private institutions, whether commercial or non-profit; public institutions, such as vocational schools or higher education institutions;[8] CET institutions run by enterprises or groups of enterprises (through Chambers of Commerce and Trade, professional associations); CET institutions run by churches, parties, trade unions, foundations or other associations; and Adult Education Centres.

According to data from the WB-Monitor, private institutions make up the largest share of providers (40%) comprising both commercial (23%) and non-profit (17%) (Figure 3.2). This is followed by CET institutions run by social groupings, such as churches, trade unions, foundations or other associations (18%); Adult Education Centres (16%)[9]; and business-oriented institutions run by run by Chambers, professional organisations or individual businesses (13%). Public VET or higher education institutions make up a small share of providers overall (11%) (BIBB, 2020[3]).

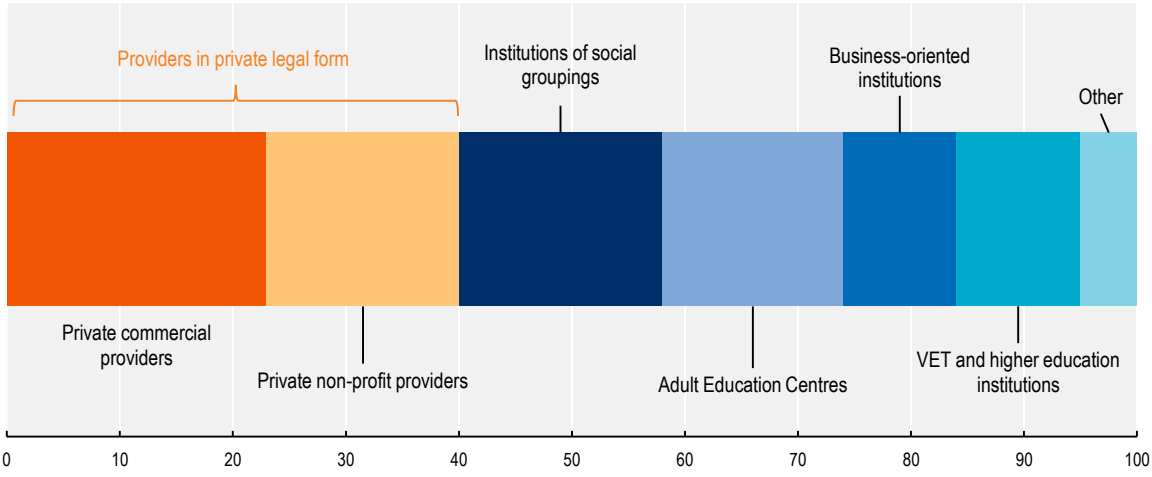
As such, the provider structure for CET is complex and difficult to oversee. Its complexity is the result of a supply-driven historical bottom-up process, shaped by the competition between different providers with comparatively limited intervention of the state. While formal and distance-learning provision is governed and quality-assured through laws and regulations, non-formal learning provision and providers are subject

to minimal public supervision or quality control. Providers that want to offer publicly funded training are an exception, requiring proof of quality-assurance mechanisms to receive accreditation and certification of their offer. This is the case for CET funded by the BA, for which providers must meet the criteria specified in the accreditation and licensing regulations for employment promotion (*AZAV*). Many non-formal providers, however, are free to decide if and how they ensure the quality of their provision. There are a number of industry initiatives, e.g. the certification agency CERTQUA initiated by the provider organisation Wuppertaler Kreis that aim to increase transparency with regards to the quality of providers and provision. (BIBB, 2019[27]). Eighty percent of CET providers use at least one of several quality assurance systems (BIBB, 2019[27]).

This diverse structure suits the needs and interests of different regions and target groups, i.e. individuals, companies and public sponsors such as the public employment services. However, the sheer number of largely unregulated providers makes the landscape difficult to navigate for individuals and companies seeking to access and judge the quality of CET provision, increasing the need for advice and guidance services (see Chapter 4).

Figure 3.2. A diversity of providers share the German training market

Types of CET providers, 2019, percentage



Note: Includes providers offering job-related and General CET; providers in private legal form = *Anbietertypen in privater Rechtsform*.
Source: Based on BIBB (2020[3]), Datenreport zum Berufsbildungsbericht 2020, https://www.bibb.de/dokumente/pdf/bibb_datenreport_2020.pdf; WB-Monitor data.

Assessment and policy directions

Germany has one of the most complex governance structures of CET across the OECD. Decentralisation competition and federalism pose strong challenges for collaboration and coherence. The regulatory landscape of CET is fragmented, with various laws regulating specific sub-aspects of the CET system, but without an overall framework. This is both a great strength, as provision can cater to the diverse needs of individuals, organisations and (regional) labour markets, and a weakness, as it comes with increased challenges for co-ordination, co-operation and transparency from a user perspective. The National Skills Strategy (*Nationale Weiterbildungsstrategie, NWS*) is an important step towards greater collaboration in this policy area and the development of a more coherent and strategic approach to policy-making in CET.

Many OECD countries have CET laws that define rights and responsibilities of different actors in the CET landscape and ensure that CET policy is developed in a coherent manner. In Germany, a multitude of laws and other frameworks at federal and federal state level regulate the German CET landscape. Laws relate to specific sub-aspects of CET, lacking an overall framework. The absence of such a framework constitutes a challenge to the coherent and structural development of the German CET landscape, in particular in the context of digitalisation. It is also confusing for individuals and enterprises seeking to navigate CET and financial support opportunities.

There is no lack of CET provision in Germany, where an estimated 18 000 providers offer education and training opportunities at all levels from basic skill courses to Bachelor's and Master's programmes. This complexity is the result of a supply-driven historical development process, shaped by market mechanisms and limited state intervention. While formal and distance-learning provision is governed and quality-assured through laws and regulations, non-formal learning provision and providers are subject to minimal public supervision or quality control. Providers that offer publicly funded training are an exception, requiring proof of quality-assurance mechanisms to receive accreditation and certification of their offer. While this supply-driven approach accommodates diverse needs and can be considered a great strength of the German system, its complexity and lack of regulation makes it difficult to navigate for individuals and companies.

Recommendations deriving from this assessment are described in the remainder of this chapter.

Recommendations

Germany should consider:

1. **Deepening co-operation between stakeholders in the context of the NWS.** Participating stakeholders should commit to a continuation of the strategy beyond mid-2021, building on the results achieved so far, while further advancing the ambition of the strategy. The structures established in the context of the NWS should be institutionalised permanently; objectives and indicators to aid the monitoring of the strategy should be developed; and education and training providers should be involved more systematically.
2. **Developing a German CET law that ensures a common framework throughout the German territory.** Such law would establish and institutionalise CET as an independent sub-sector of Germany's education and training system. It should define the responsibilities of different actors in the CET system; uniformly regulate education leave across the German territory; set minimum standards for the quality of providers and provision; and define a common framework for the validation of prior learning.
3. **Developing and introducing minimum quality standards for providers,** to increase transparency for individuals and companies in the heterogeneous German CET landscape. Standards should relate to organisational and management practices, teaching staff and CET programmes. Structures and processes for the certification and evaluation of providers should accompany these standards.

Deepen co-operation between stakeholders in the context of the NWS

The CET landscape in Germany is extremely diverse, heterogeneous and traditionally shaped by competition between the key players involved – CET providers, federal states, social partners and even government ministries. While this approach has led to appropriate learning opportunities for many individuals, organisations and labour markets, it lacks coherence and usability from the perspective of individuals and leads to a multitude of inefficiencies.

The 2019 National Skills Strategy (*Nationale Weiterbildungsstrategie, NWS)* was an ambitious step towards raising the profile of CET policy and greater co-ordination of activities between different stakeholders in Germany. The close collaboration of the participating stakeholders (federal ministries, federal states, social and economic partners and the Public Employment Service) was widely regarded as a success by those involved. That said, the final strategy document clearly signifies a political compromise with scope for more ambition and coherence.

To develop the NWS further, all participating stakeholders should commit to a continuation of the strategy after mid-2021 and thus beyond the current legislative period. The co-operation established in the context of the NWS should be permanently institutionalised and the strategy itself should be developed further. In this context, Germany should consider:

- **Introducing overarching objectives and quantitative indicators to aid the monitoring of the strategy**: The NWS is currently a series of commitments from different strategy partners. While commitments are structured into 10 areas for action, they are largely standalone and disjointed. Each area for action lacks SMART (specific, measurable, attainable, relevant and time-bound) objectives for monitoring and evaluation. The absence of overarching objectives and quantitative indicators makes the monitoring of the NWS difficult and lacks transparency from the perspective of citizens and non-involved organisations. This is also due to a lack of sufficient quantitative data on the CET landscape.

  Germany should consider developing i) a number of overarching objectives for the NWS; ii) clear objectives for each area of action in the NWS; and iii) a theory of change about how individual commitments can contribute to the desired objectives. Where possible, quantitative indicators should be introduced to monitor progress on these objectives, although not all areas will lend themselves to a quantitative approach. Qualitative indicators should be used alongside the quantitative measures. Examples of good practice setting indicators for CET strategies include the Lifelong Learning Strategies of Austria, launched in 2011, and Estonia, launched in 2015 (Box 3.6).

Box 3.6. Quantitative indicators in education and training strategies in Austria and Estonia

Several OECD countries have developed some type of strategy to support CET. These include standalone CET strategies, strategies focused on specific sub-sectors of CET (e.g. upskilling of low skilled adults) or wider strategies, such as overall skills or lifelong learning strategies (OECD, 2019[28]). Some of these include quantitative objectives.

The 2015 **Estonian Lifelong Learning Strategy**, for example, includes quantitative targets to measure progress across the education and training system. CET related targets include:

- Participation in lifelong learning in the previous four weeks amongst adults aged 25-64: 20%
- Share of adults aged 25-64 with only general upper secondary education: <25%
- Stakeholder's satisfaction with lifelong learning, information collected through a regular survey, must have increased.

Similarly, **Austria** set itself quantitative objectives related to CET policy in its **2011 Lifelong Learning Strategy:**

- Participation in non-formal CET in rural areas: min. 45%
- Participation of low-skilled adults in CET during working hours: 15%
- Participation in CET according to LFS data: 20%

Source: OECD (2019[28]), *Getting Skills Right: Future-Ready Adult Learning Systems*, https://dx.doi.org/10.1787/9789264311756-en; Estonian Ministry of Education and Research et al. (2014[29]), Estonian Lifelong Learning Strategy 2020, https://www.hm.ee/sites/default/files/estonian_lifelong_strategy.pdf; BMUKK et al. (2011[30]), Strategie zum lebensbegleitenden Lernen in Österreich, Vienna, https://www.qualifikationsregister.at/wp-content/uploads/2018/11/Strategie1.pdf.

- **Systematically involving education and training providers in the further development of the NWS**: The NWS brings together a wide and diverse range of stakeholders in the area of CET. Some of these stakeholders are formal partners in the strategy, namely government actors, social and economic partners. Others, such as academics and education providers, provided inputs in the development process in the form of workshops or written contributions. While a smaller number of partners might make the development process more efficient, it is desirable to involve education and training providers more systematically in the NWS process, as they will ultimately need to deliver many of its commitments. This should include representatives from providers of all CET subsectors from Basic CET to CET in Higher Education.

  This systematic involvement of education and training providers could take place in different ways, for example by i) formally including a number of their representative bodies as partners in the NWS; ii) ensuring that representatives of education and training providers are present in all workshops and working groups of the NWS, or by iii) establishing a consultative body to the NWS that is comprised of education and training providers. Many other OECD countries that have CET or lifelong learning strategies have involved education and training providers structurally in their governance. In Austria, for example, education and training providers (including higher education institutions) are included in a National Platform that oversees the implementation of the Austrian Lifelong Learning Strategy (BMUKK et al., 2011[30]).
- **Refining the distinction between general and job-related CET**: Currently, the scope of the NWS includes job-related CET and some forms of Basic and General CET, such as second-chance education, basic skills and literacy courses. In practice however, the distinction between general and job-related CET is not easy to make: skills acquired in general CET may be put to use both in a private and work context; federal state laws on CET span both general and job-related CET; and many providers, notably Adult Education Centres deliver both general and job-related courses with little distinction for learners. It is understandable that the scope of the NWS must be focused in the face of the already considerable complexity of the German CET landscape. However, the next iteration of the NWS should clearly acknowledge the significant overlaps between both types of CET. This will provide an opening to increase the scope of the NWS at a later point, if deemed appropriate by the NWS partners.

Develop a German CET law that ensures a common framework across the territory

In 2018, the authors of the biannual German Education Report raised the question 'How long can Germany afford to maintain the fragile institutionalisation of CET?' (Autorengruppe Bildungsberichterstattung, 2018[31]). Many OECD countries have CET laws that define the rights and responsibilities of different actors in the CET landscape and ensure that CET policy is developed in a coherent manner. As described earlier in this report, the German CET landscape currently lacks clear systematisation and common legal frameworks. The sector is governed by a wide range of specialised laws, regulations and collective agreements, making it challenging for users to navigate the system and for policy-makers to implement structural solutions. For example, each Länder law regulates CET providers differently, however digital training offers now facilitate access to such provision across Germany.

- **Germany should consider developing a CET law** that ensures a common framework across the territory and sets minimum standards for provision and CET access across Germany. As a minimum, the law should i) define the responsibilities of different actors in the CET system; ii) uniformly regulate education leave across the German territory; iii) set minimum standards for the quality of providers and provision; iv) define a common framework for the validation and recognition of prior learning. Such a law would not only provide a framework for the existing legislation and close regulatory gaps, it would also establish and institutionalise CET as an independent sub-sector of Germany's education and training system. It is essential that the law

sets a strong framework for CET in Germany, but allows for flexibility to adapt CET provision to circumstances at federal state and municipal level.

Austria and Switzerland are among the many OECD countries that regulate CET in a single law that sets out definitions, responsibilities, organisation and funding of CET. Their approaches are distinct and could both serve as an example for Germany (Box 3.7).

Box 3.7. CET laws in Austria and Switzerland

Switzerland's framework law: Switzerland's first nationwide law on adult learning came into effect in January 2017 *(WeBiG, Weiterbildungsgesetz*), providing a framework for the governance and financing of CET at the federal and cantonal level. It mandates intervention only when market mechanisms are not working. The law regulates responsibilities for quality, recognition of educational achievements and comparability of formal education certificates, as well as improvement of equal opportunities and competition. It does so without providing details about the content of the training courses or even differentiating between general and job-related CET. Quality assurance, for example, remains in the responsibility of the CET providers for the majority of offers. The law provides a legal framework within which different sectors can co-operate, including health, labour, culture and migration. Specialised laws complement the framework law and continue to regulate parts of the CET system, for example vocational training through the vocational training law *(Berufsbildungsgesetz)*.

Austria's general CET law: Austria has had a federal law on CET, encompassing both job-related and General CET, since 1973 (*BGBl. Nr.171/1973 über die Förderung der Erwachsenenbildung und des Volksbüchereiwesens aus Bundesmitteln).* It regulates the financing of CET including the financial support for training associations and institutions, as well as the financing of state institutions. The law provides details about the content that courses eligible for funding can have, the financial support instruments available (e.g. loans, grants), eligibility criteria for providers and the responsibilities of the federal ministries that are involved in CET (i.e. the Ministry for Education, Science and Culture, Ministry of Finance and the Ministry for Education, Science and Culture). It provides more detail and binding responsibilities than Switzerland's CET law, which constitutes a framework while maintaining other existing regulations.

Source: Kozyra, Motschilnig and Ebner (2016[32]), *The status of adult learning and education in Europe and North America; regional report*, https://unesdoc.unesco.org/ark:/48223/pf0000259721_eng (accessed on 1 September 2020).

Introduce minimum quality standards for providers

In Germany, there is currently a strong reliance on supply-driven CET provision with limited intervention of the state in key areas of the CET landscape, notably in many non-formal CET opportunities. The existence of a multitude of different quality assurance mechanisms, which are not evenly applied across types of provision, may require adjustments. Disadvantaged groups in particular find it difficult to find orientation in this system. More generally, there is a risk that adults spend time, money and motivation on uncertified and un-recognised learning opportunities that hold limited returns for them.

- **Germany should consider developing and introducing minimum quality standards for providers** to increase transparency for individuals and companies in the German CET landscape. Standards should relate to i) organisational and management practices; ii) teaching staff; and iii) CET programmes. The introduction of standards must be accompanied by the development of structures and processes for certifying and evaluating providers. In doing so, Germany can draw on experiences from other OECD countries with similar education and training systems (Box 3.8).

Box 3.8. Quality assurance systems in Austria and Switzerland

Faced with a similarly heterogeneous landscape of providers as Germany and various pre-existing quality assurance instruments, **Austria** introduced the umbrella certification Ö-Cert in 2012, with the aim to set minimum quality standards for providers.

The quality framework was developed jointly by the federal states, representatives of CET providers and the Federal Ministry of Education, Science and Research (*BMBWF*), in co-operation with researchers from universities and research institutes. A detailed description of the five dimensions in which providers must fulfil requirements has been published. Ö-Cert is governed by representatives of the Austrian federation and federal states and has a co-ordinating head office. Accreditation of providers takes place through a group of five experts.

Providers can apply for a quality certificate recognised by Ö-Cert as soon as they have been operating for three years and have regularly conducted CET programmes in Austria. To obtain Ö-Cert, providers must fulfil basic requirements in five dimensions, relating to the central education paradigm of the provider, its organisation, its provision, ethical and democratic principles, as well as quality. The quality criterion can be fulfilled by holding an existing quality certification.

The certification is attractive for providers for several reasons: It is recognised nationwide, it includes the provider in the listing of Ö-Cert quality providers and it serves as a proof of quality and transparency for customers. It also simplifies administration and funding procedures for providers, prospective learners and public authorities when trying to identify quality training.

The introduction of a single quality label prevented the spread of different quality labels, systems and seals by private companies or provinces, which were difficult to manage by the government when processing applications for public funding.

Switzerland introduced its well-known and long-standing certification framework eduQua in 2000. EduQua is run by the Swiss Federation for Adult Learning (SVEB), an umbrella non-governmental organisation representing public and private CET providers, associations, in-house training institutions and individuals. Providers that want to obtain the certification must fulfil standards related to the training offer, transparency, CET trainers, quality assurance mechanisms and organisational aspects.

Source: OECD (2021[33]), Improving the Quality of Non-formal Adult Learning, https://doi.org/10.1787/f1b450e1-en; Ö-Cert (n.d.[34]), *Qualitätsrahmen für die Erwachsenenbildung in Österreich*, https://oe-cert.at/index.php.

References

Allianz für Aus- und Weiterbildung (n.d.), *Partner*, https://www.aus-und-weiterbildungsallianz.de/AAW/Navigation/DE/Partner/partner.html (accessed on 15 December 2020). [13]

AlphaDekade (n.d.), *Die Nationale Dekade für Alphabetisierung und Grundbildung: Ziele und Maßnahmen*, https://www.alphadekade.de/de/ziele-1698.html (accessed on 17 December 2020). [12]

Autorengruppe Bildungsberichterstattung (2018), *Bildung in Deutschland 2018*, http://dx.doi.org/10.3278/6001820fw. [31]

BA (n.d.), *Jobcenter*, https://www.arbeitsagentur.de/lexikon/jobcenter (accessed on 22 July 2020). [7]

BIBB (2020), *Datenreport zum Berufsbildungsbericht 2020: Ratgeber zur beruflichen Weiterbildung*, Bundesinstitut für Berufsbildung, Bonn, https://www.bibb.de/dokumente/pdf/bibb_datenreport_2020.pdf. [3]

BIBB (2019), *Qualitätssicherung in der Weiterbildung*, https://www.bibb.de/dokumente/pdf/2019-10-28_Qualitaetssicherung_in_der_Weiterbildung_final_Lit.pdf. [27]

BMAS et al. (2019), *Nationale Weiterbildungsstrategie*, http://doku.iab.de/kurzber/2019/kb0819.pdf. [9]

BMBF (2019), *Die Novellierung des Berufsbildungsgesetzes (BBiG)*, https://www.bmbf.de/de/die-novellierung-des-berufsbildungsgesetzes-bbig-10024.html (accessed on 15 December 2020). [21]

BMBF (2019), *Weiterbildungsverhalten in Deutschland 2018. Ergebnisse des Adult Education Survey-AES-Trendbericht*, Bundesministerium für Bildung und Forschung, Berlin. [24]

BMBF/KMK (2020), *Liste der zugeordneten Qualifikationen*, Bund-Länder-Koordinierungsstelle für den Deutschen Qualifikationsrahmen für lebenslanges Lernen (DQR), https://www.dqr.de/media/content/2020_DQR_Liste_der_zugeordneten_Qualifikationen_01082020.pdf. [19]

BMUKK et al. (2011), *Strategie zum lebensbegleitenden Lernen in Österreich*, https://www.qualifikationsregister.at/wp-content/uploads/2018/11/Strategie1.pdf. [30]

Bundesregierung (1988), *Antwort der Bundesregierung auf die Kleine Anfrage der Abgeordneten Odendahl, Dr. Penner, Dr. Böhme (Unna), Kastning, Kuhlwein, Dr. Niehuis, Rixe, Weisskirchen (Wiesloch), Dr. Vogel under Fraktion der SPD. Drucksache 11/2187*, http://dipbt.bundestag.de/doc/btd/11/022/1102267.pdf. [11]

Christ, J., H. Horn and I. Ambos (2019), *Angebotsstrukturen in der Alphabetisierung und Grundbildung für Erwachsene in Volkshochschulen 2018. Ergebnisse der alphamonitor-Anbieterbefragung des DIE*, https://www.die-bonn.de/doks/2019-alphabetisierung-01.pdf. [16]

Christ, J. et al. (2020), *Digitalisierung – Ergebnisse der wbmonitor Umfrage 2019*, https://www.bibb.de/veroeffentlichungen/de/publication/show/16685. [5]

Christ, J. et al. (2019), *Wissenstransfer – Wie kommt die Wissenschaft in die Praxis? Ergebnisse der wbmonitor Umfrage 2018*, DIE, Bonn, https://wbmonitor.bibb.de/downloads/Ergebnisse_20190513.pdf. [4]

Dobischat, R., M. Fischell and A. Rosendahl (2015), *Einführung in das Recht der Weiterbildung*, Springer Fachmedien Wiesbaden. [14]

EAEA (2011), *Country report Germany*, https://eaea.org/wp-content/uploads/2018/01/germany_country-report-on-adult-education-in-germany.pdf. [15]

Fachkräftebüro (n.d.), *Kooperation in der "Arbeitskräfteallianz"*, https://www.fachkraeftebuero.de/ueber-uns/arbeitskraefteallianz/ (accessed on 26 August 2020). [10]

Faulstich, P. and L. Oswald (2010), "Wissenschaftliche Weiterbildung", No. Arbeitspapier 200, Hans-Böckler-Stiftung, https://www.boeckler.de/pdf/p_arbp_200.pdf. [26]

Hanft, A. and M. Knust (eds.) (2009), *Weiterbildung und lebenslanges Lernen in Hochschulen. Eine internationale Vergleichsstudie zu Strukturen, Organisation und Angebotsformen*, Waxmann, Oldenburg. [25]

Horn, H. et al. (2019), *Arbeitskreis Bildungsberichterstattung am DIE Weiterbildungsstatistik im Verbund Ergebnisse für das Berichtsjahr 2017*, Deutsches Institut fuer Erwachsenenbildung, Bonn, https://doi.org/10.3278/85/0023w. [17]

IG Metall (2016), *Tariflichen Anspruch auf Bildungsteilzeit nutzen*, https://www.igmetall.de/tarif/tarifrunden/metall-und-elektro/tariflichen-anspruch-auf-bildungsteilzeit-nutzen (accessed on 17 December 2020). [8]

IWWB (2020), *Lohnt sich höherqualifizierende Berufsbildung?*, https://www.iwwb.de/Lohnt-sich-hoeherqualifizierende-Berufsbildung-meldungen-1975.html (accessed on 17 December 2020). [22]

KMK (2019), *Schüler, Klassen, Lehrer und Absolventen der Schulen 2009-2018*, https://www.kmk.org/dokumentation-statistik/statistik/schulstatistik/schueler-klassen-lehrer-und-absolventen.html (accessed on 19 June 2020). [20]

Konegen-Grenier, C. (2019), *Wissenschaftliche Weiterbildung: Bestandsaufnahme und Handlungserfordernisse*, https://www.econstor.eu/bitstream/10419/191734/1/1048216950.pdf. [23]

Kozyra, Motschilnig and Ebner (2016), *The status of adult learning and education in Europe and North America; regional report*, https://unesdoc.unesco.org/ark:/48223/pf0000259721 (accessed on 1 September 2020). [32]

Krug, P. and E. Nuissl (2017), *Praxishandbuch WeiterbildungsRecht*, Luchterhand. [6]

Ministry of Education and Research (2014), *The Estonian Lifelong Learning Strategy 2020*, https://www.hm.ee/sites/default/files/estonian_lifelong_strategy.pdf (accessed on 7 December 2018). [29]

Ö-Cert (n.d.), *Qualitätsrahmen für die Erwachsenenbildung in Österreich*, https://oe-cert.at/index.php (accessed on 17 December "2020). [34]

OECD (2021), *Improving the Quality of Non-Formal Adult Learning: Learning from European Best Practices on Quality Assurance*, OECD Publishing, Paris, https://dx.doi.org/10.1787/f1b450e1-en. [33]

OECD (2020), *Getting Skills Right: Continuous Learning in Working Life in Finland*, OECD Publishing, Paris, https://dx.doi.org/10.1787/2ffcffe6-en. [2]

OECD (2019), *Getting Skills Right: Future-Ready Adult Learning Systems*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264311756-en. [28]

Reichart, E., H. Huntemann and T. Lux (2019), *Volkshochschul-Statistik. 57. Folge, Berichtsjahr 2018*, WBV Verlag, Bielefeld, https://doi.org/10.3278/85/0022aw. [18]

Richard Desjardins (ed.) (2017), *Political Economy of Adult Learning Systems*, Bloomsbury Academic, London, New York. [1]

Notes

[1] In the area of competing legislation, the Länder have the legislative responsibility as long as and to the extent that the Federation has not exercised its legislative competence by law.

[2] In accordance with the regulations, 22% of the funding is provided the federal states.

[3] Most formal qualifications that can be obtained through CET are assigned a competence level within the German Qualification Framework (DQR). For some formal qualifications, the assignment process to DQR levels is still ongoing.

[4] The 2020 revision of the Vocational Training Act has opened the opportunity to also design Master professional qualifications at DQR level 7.

[5] It should be noted that in the national context, IVET is understood as initial vocational education and training for young people. It does not include the acquisition of first vocational degrees for adults who have not acquired an IVET degree earlier in life. For the purpose of this report and international comparison, IVET is used to describe initial vocational degrees for young people and adults alike.

[6] Additionally, individuals have the opportunity to gain initial vocational degrees through the External Students Examination (see also Chapter 4).

[7] Exceptions are some health and care professions.

[8] It should be noted that private and confessional higher education institutions also exist.

[9] The institutional and financial setup of Adult Education Centres varies across federal states.

4 Guidance, validation and partial qualifications

Future-ready CET systems provide comprehensive support for individuals to help them adapt to changes in the labour market and manage their transitions. Guidance services help individuals to identify their skill development needs and to navigate the complex landscape of CET opportunities. Validation processes increase the visibility of individuals' full skill-sets. Partial qualifications provide flexible learning paths to manage transitions. In ideal CET systems there is close integration of guidance, validation and opportunities for education and training. This chapter reviews i) the guidance landscape for individuals and enterprises; ii) existing validation opportunities; and iii) the state of partial qualifications in Germany. It identifies key challenges of the current set-up and develops recommendations.

Introduction

Ideal CET systems provide broad support for individuals to help them adapt to changes in the labour market and manage their transitions through the provision of guidance and validation services, as well as the availability of partial qualifications.

Guidance services help individuals to make informed educational, training and occupational choices (OECD, 2004[1]; OECD, 2021[2]). They intend to support individuals in their personal and professional development, by informing about opportunities for continuing education and training, assessing and documenting existing skills and counselling on career opportunities in line with individual and labour market needs. High-quality services offer individuals more than one-off encounters; they recommend further skill development processes, and assist individuals before, during and after participating in them. In an ideal CET system (Figure 4.1), guidance on career development is closely co-ordinated with services for the validation of existing skills.

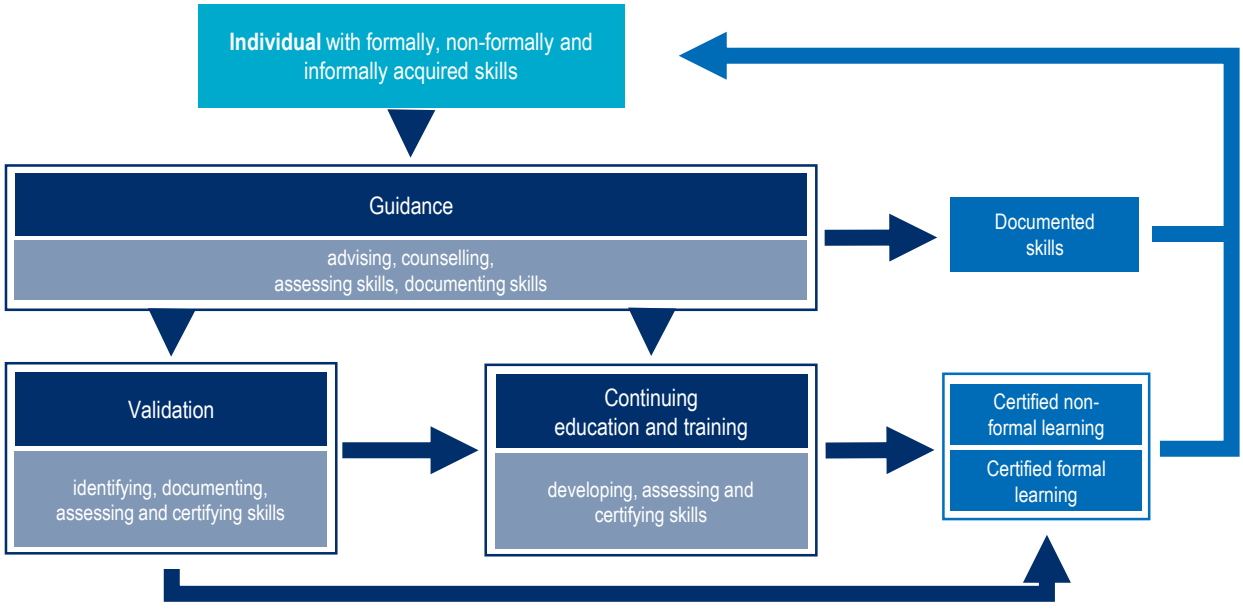
Validation involves the identification, documentation, assessment and certification of the skills held by an individual. In contrast to simple skills assessment, validation typically involves comparing an individual's existing skills with a standard, for example the vocational training requirements of a specific occupation. It can enable individuals to acquire formal qualifications, in full or in part.

The results of guidance and validation can then link people with **continuing education and training opportunities.** These enable individuals to develop skills in line with their personal development needs, as well as the needs of the labour market. They typically end with an assessment of the skills gained and the certification of such skills.

As illustrated in Figure 4.1, the process of guidance, validation and continuing education and training is circular, as an individual's skills and career development needs evolve over time.

Figure 4.1. Guidance, validation and CET should form a coherent system

Visual representation of an ideal CET system



As in many other countries, the German CET landscape diverges from this ideal configuration in several ways. Policy developments on guidance, validation of skills and CET not always occur in a joined-up manner, sometimes lacking routine and institutionalised exchange between stakeholders. Exceptions exist for specific target groups, notably migrants, where the IQ-Network (*IQ-Netzwerk*) takes a linked-up approach to guidance, validation and partial qualifications. This chapter analyses the existing setup of guidance, validation, and partial qualifications in Germany. It analyses each instrument and highlights the lack of sufficient co-ordination between them. Based on this analysis, it presents recommendations for future action.

Status-quo and key challenges

CET Guidance

Across OECD countries, guidance services are key to helping individuals navigate CET. Given the complexity of the German CET landscape (Chapter 3), the multitude of financial support mechanisms available (Chapter 5) and the comparatively low learning participation of adults with low skills (Chapter 6), the need for guidance on continuing education and training in Germany is pronounced.

Guidance services provide private and public benefits; they can improve outcomes, effectiveness and equity of CET systems (OECD, 2004[3]; OECD, 2021[4]). Making these services available to all individuals regardless of their employment situation, socio-economic status, ethnicity or gender can mitigate pre-existing inequalities of access to CET and labour market opportunities. If sufficiently user-oriented, guidance has the potential to reduce asymmetries of information and resources adults have at their disposal when taking decisions about education and training (OECD, 2021[2]). Guidance also delivers wider social and economic benefits through developing workers' skills in accordance with the needs of the labour market. This is especially important in a context of fast-changing labour markets and learning offers, driven by digitalisation and technological change.

For individuals, international evidence suggests that guidance has a positive impact on learning and training outcomes. It can improve adult's decision-making, self-awareness, as well as their confidence and motivation to learn (Bimrose, Barnes and Hughes, 2009[5]; European Commission, 2015[6]; Kidd, Jackson and Hirsh, 2003[7]; Maguire, 2004[8]). Impact evaluations of publicly funded guidance services for adults in the United Kingdom have found a significantly positive effect on participation in CET (Lane et al., 2017[9]; Killeen and White, 2000[10]). Evidence on long-term employment effects of guidance remains scarce.

Box 4.1. Defining guidance in continuing education and training

Guidance services for continuing education and training assist individuals in making educational, training and occupational choices. As well as providing information, they can include counselling, mentoring and skills assessments. Services are mostly provided by guidance advisors, who communicate with users through different channels (e.g. face-to-face, telephone, instant messaging). Guidance can also be provided through online services, which sometimes include elements of skills assessments. It can be targeted at specific groups, such as young people or migrants, or open to individuals of all ages and at all career stages (i.e. lifelong guidance). It supports individuals in planning their career with a long-term perspective, typically balancing professional and personal goals.

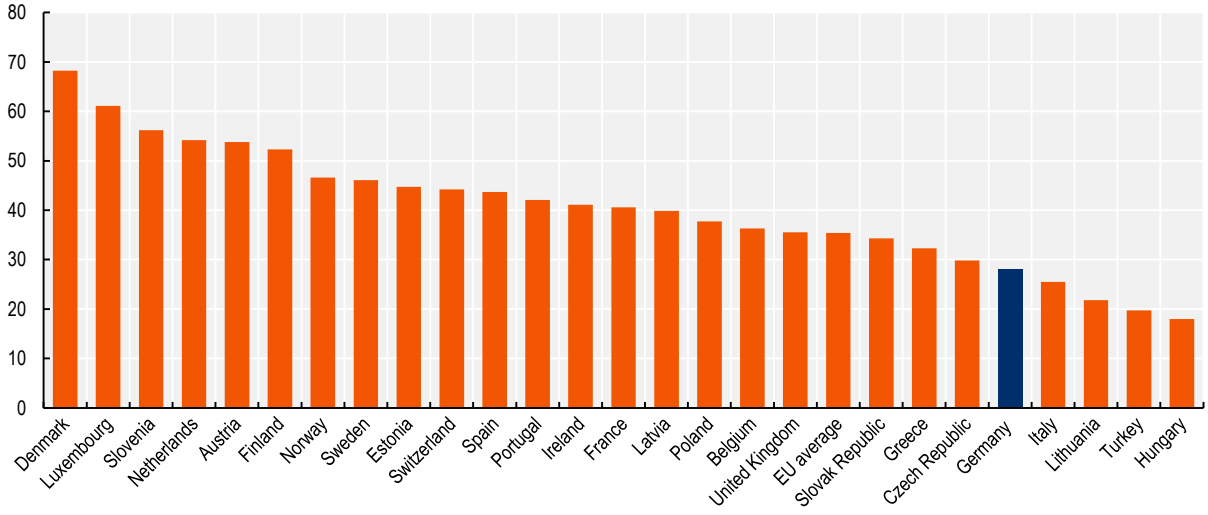
Source: OECD (2021[2]), Getting Skills Right: Career Guidance for Adults in a Changing World of Work, https://doi.org/10.1787/9a94bfad-en; Cedefop (2019[11]), Co-ordinating guidance and validation, http://data.europa.eu/doi/10.2801/801290.

Comparatively few individuals seek information on CET in Germany

Comparatively few adults search for information on learning opportunities in Germany, be this through print and online media, or personal networks. According to the 2016 Adult Education Survey (AES), 28% of adults looked for information about formal and non-formal education and training in the 12-month period preceding the survey. This is below the EU average of 34% and also lower than in Austria (54%), Denmark (68%), the Netherlands (54%) and Switzerland (44%), all countries with comparable education and training systems (Figure 4.2).

Figure 4.2. Relatively few adults in Germany search for information on learning opportunities

Adults having searched for information on formal and non-formal education and training in the previous 12 months, 2016, percentage



Note: Data for Belgium is from 2011.
Source: Adult Education Survey, 2016.

The share of adults looking for information has been quite stable since the first AES in 2007, in Germany and in other countries participating in the survey. There is little difference between men and women in the likelihood of searching for information. Younger individuals and those with higher qualification levels are more likely to look for information, although data for the latter have low reliability due to small sample sizes. There are currently no other national statistics on the use of guidance services (BMBF, 2019[12]).

There are different hypotheses why a comparatively small share of adults looks for information on CET in Germany, including:

- Adults may think they are already well-informed about CET opportunities. According to 2018 data from the German AES, two in three adults aged 18-64 state that they have a good overview of their own opportunities to engage in continuing education and training (BMBF, 2019[12]).
- Adults may not be aware of information and guidance opportunities and/or their benefits and may therefore not actively seek out information (OECD, 2021[2]). According to a 2017 survey conducted by the German Institute for Employment Research (IAB), less than two in five adults know of existing guidance offers (Osiander and Stephan, 2018[13]). Those with lower qualifications were less likely to know offers than higher qualified adults.
- There may be issues with the quality of the available information, which might reduce the perceived usefulness of guidance (Box 4.2). Only half of all adults who take-up guidance finds the advice

helpful, according to the above-mentioned IAB survey (Osiander and Stephan, 2018[13]). However, other data sources show higher satisfaction levels up to 80% (Behringer, Kuper and Schrader, 2017[14]).

Box 4.2. Quality of guidance services

There is no national binding quality framework for guidance in Germany. Instead, providers may choose to apply regional quality frameworks, use the national guidance forum's standards (see below) or implement their own in-house quality frameworks. The Federal Employment Agency (*Bundesagentur für Arbeit, BA*), which is the main provider of counselling and guidance at the federal level, has its own internal quality standards for guidance and for the certification of providers it mandates, complying with the Social Security Code.

Some attempts have been made to promote a single nationwide quality framework. The BeQu (*Beratungsqualität*) standards by the National Guidance Forum of Education and Employment (*Nationales Forum Beratung in Bildung, Beruf und Beschäftigung, nfb*) are an example. BMBF funded the development of these detailed standards between 2011 and 2014, which are based on the following dimensions of quality: i) overarching principles, e.g. client orientation, transparency, ethical framework, processes for quality improvement; ii) professionalism and counselling competences; iii) standards relating to the guidance process; iv) organisational standards; and v) societal objectives and goals. The standards are accompanied by a quality development framework and a competence profile for guidance advisors.

The association for educational and career guidance (*Verband für Bildungs- und Berufsberatung*) also developed a quality assurance concept. Every guidance provider who complies with the concept can register on their website, Vocational Guidance Registry (*BerufsBeratungsRegister*), and appear in the integrated search engine.

Source: BerufsBeratungsRegister (2020[15]), www.bbregister.de; Nationales Forum Beratung in Bildung, Beruf und Beschäftigung (2014[16]), Professionell beraten: Qualitätsstandards fürdie Beratung in Bildung, Beruf und Beschäftigung, https://dx.doi.org/10.3278/6004444w; Cedefop (2020[17]), Inventory of lifelong guidance systems and practices – Germany, CareerNet national records, www.cedefop.europa.eu/en/publications-and-resources/country-reports/inventory-lifelong-guidance-systems-and-practices-germany.

The large number of actors involved in guidance requires co-ordination

Individuals that make use of guidance offers and services do so through different channels. Face-to-face guidance services are still the most common form, however, taken together about one-fifth of guidance is delivered digitally, according to 2018 data from the German AES (Figure 4.3).

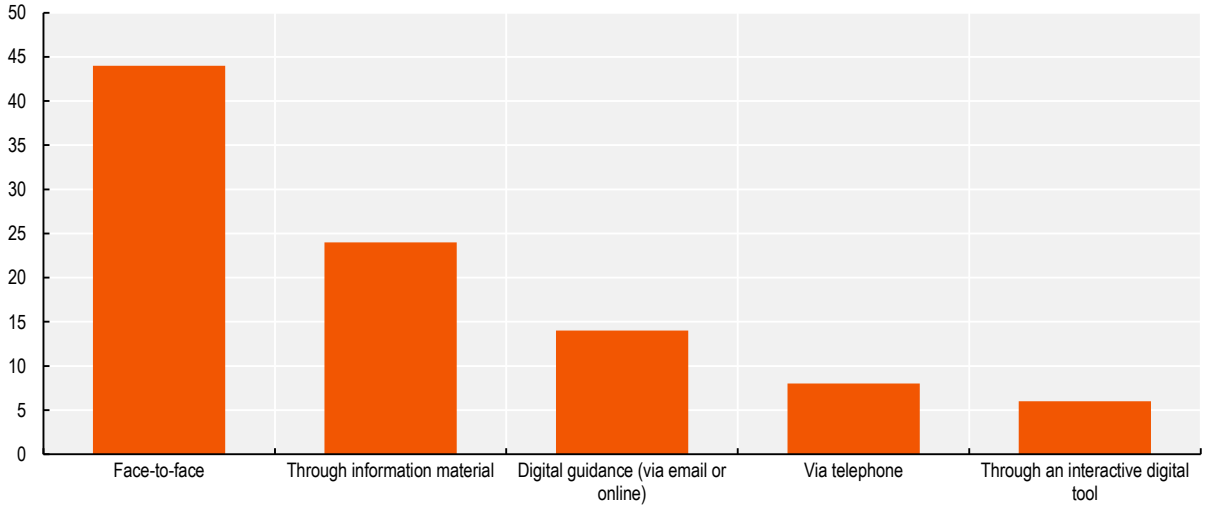
The provision of CET guidance in Germany reflects the constitutional set-up of the CET system and the distribution of responsibilities between the federation, federal states, municipalities, social partners and employers (Chapter 3) (Cedefop, 2020[17]). The guidance landscape has grown organically over time and differs substantively across federal states, as local and regional actors play an important role. In recent years, the federal level has taken increasing responsibility for guidance across the German territory, most notably through the BA. Germany introduced a legal right to guidance through the BA with the Skills Development Opportunities Act (*Qualifizierungschancengesetz)* in 2018.

According to data from the 2018 Adult Education Survey in Germany, one in three adults who received guidance did so through the Federal Employment Agency (*Bundesagentur and Job Centre*) (32%), followed by education institutions (26%), CET providers (21%) and individual employers or employer organisations (18%). Only 16% accessed guidance at specialised guidance providers (BMBF, 2019[12]). Specialised guidance providers include non-profit and commercial private providers, such as coaches,

consultants and career guidance practitioners, for which there is a growing market. However, data on the private guidance market remain scarce (Jenschke, Schober and Fruebig, 2011[18]).

Figure 4.3. A large share of guidance services is provided in person in Germany

Delivery channels of used guidance offers, 2018, percentage



Note: Information material includes books, magazines, brochures, flyer, websites, or televised information. Interactive digital tools comprise IT applications such as online self-assessment tools or smartphone applications.
Source: BMBF (2019[12]), Weiterbildungsverhalten in Deutschland 2018. Ergebnisse des Adult Education Survey – AES-Trendbericht, www.bmbf.de/upload_filestore/pub/Weiterbildungsverhalten_in_Deutschland_2018.pdf.

The NWS acknowledges the need for greater co-ordination between the services available to adults and aims to expand and network the existing guidance services, including through online platforms (BMAS et al., 2019[19]). There is an ambition that the new guidance offer of the BA (*LBB – Lebensbegleitende Berufsberatung*) will be integrated with existing local solutions offered by other actors, but it remains to be seen how this will be fulfilled.

Federal states have taken different approaches to co-ordinating guidance offers...

As the majority of guidance services is delivered in person, local actors necessarily play a crucial role. These actors include education and training providers, notably Adult Education Centres (*Volkshochschule – VHS*), local Chambers of Industry and Trade, local Chambers of Skilled Crafts, local branches of social partner organisations, as well as commercial and non-profit private providers. Many federal states have put in place solutions to co-ordinate local guidance offers, but approaches differ between federal states (Table 4.1). The following describes the main approaches towards co-ordination taken in federal states, although in reality different approaches exist in parallel:

- **Network of providers:** These networks bring together different providers offering independent guidance services for individuals and/or companies in a federal state. Networks set quality standards for guidance that apply to participating providers and typically have an online platform that gives an overview of the available guidance services (including easy-to-use search engines). Such an approach is taken in Baden-Württemberg, Berlin, Hesse, Lower Saxony and Schleswig-Holstein.
- **Single guidance offer:** Some federal states deliver guidance services through one specialised agency, not a network of independent organisations as above. These single agencies often operate

in city-states. They may have one or several offices across the federal state, with varying numbers of guidance staff at each office. This approach is implemented in Brandenburg, Bremen, Hamburg and Mecklenburg-Vorpommern.

- **Information platform:** Other federal states provide online services that collect, structure and sign-post information about existing guidance offers, without bringing existing provision under the umbrella of a network of providers. This approach is followed in Bavaria, Rhineland-Palatinate, Saxony and Saxony-Anhalt.

Generally, the extent of online information and guidance provision differs between federal states. Some websites merely redirect users to face-to-face guidance services, as is often the case in federal states where a network of organisations dominates the provision of guidance. Other digital offers provide comprehensive information on CET opportunities and financial incentives.

Several guidance offers are supported by ESF funds, namely the ones in Brandenburg, Bremen, Hesse, Mecklenburg-Vorpommern and North Rhine-Westphalia. Schleswig-Holstein's programme is co-funded by the European Regional Development Fund (ERDF). Others are financed by different ministries in the federal states, e.g. the Ministry of Culture (BW), the Ministry for Family, Employment and Social Affairs (BY), or the Ministry of Science, Further Training and Culture (RP). Guidance services are typically free of charge for individuals.

While regionally and locally driven guidance provision has strong advantages, such as providing tailored services adapted to local conditions, it also translates into fragmented services and varying coverage across the territory. Especially in regions where infrastructure is sparse and limited resources are dedicated to guidance, many individuals might not have access to these services (BIBB, 2019[20]).

Table 4.1. Länder guidance offers, general adult population

Federal State	Original name	English name	Actors involved (incl. funders)	Target group	Guidance channel	Guidance offices
BW	Landesnetzwerk Weiterbildungs-beratung	Federal state network on CET guidance	VHS federation Baden-Württemberg, Ministry of Culture, Youth and Sport	Individuals	Face-to-face, chat, telephone, video call	74*
BY	Komm weiter in B@yern	Get ahead in Bavaria	Bavarian State Ministry for Family, Labour and Social Affairs	Individuals, companies	Online	-
BE	Berliner Beratung zu Bildung und Beruf	Berlin guidance on education and profession	Berlin Senate Administration for Integration, Employment and Social Affairs, k.o.s GmbH	Individuals, SMEs	Face-to-face, telephone, video call, chat, e-mail	10
BB	Weiterbildung Brandenburg	CET Brandenburg	ESF, Wirtschaftsförderung Brandenburg GmbH (WFBB), Land Brandenburg	Individuals, companies, providers	Face-to-face, telephone, e-mail, chat	1
HB	Weiter mit Bildung und Beratung Bremen	Ahead with education and guidance	ESF, Chamber of employees Bremen, city of Bremen, IQ Network	Individuals, companies	Face-to-face, telephone, e-mail, video call	2
HH	Weiterbildung Hamburg	CET Hamburg	Authority for school and vocational training Hamburg	Individuals	Face-to-face, telephone, e-mail, fairs	15
HE	Bildungsberatun g Hessen	Education guidance Hessen	ESF, Weiterbildung Hessen e.V., Land Hessen	Individuals	Face-to-face	124*
HE	Hessencampus (HC)	Hessencampus (HC)	Hessian Ministry of Education and Cultural Affairs	Individuals	Face-to-face	17

Federal State	Original name	English name	Actors involved (incl. funders)	Target group	Guidance channel	Guidance offices
MV	Weiterbildung MV	CET in MV	ESF, Verein zur Förderung der Weiterbildungs-Information und Beratung e.V.	Individuals, companies	Face-to-face, telephone, chat	1
NI	Bildungsberatung in Niedersachsen	Education guidance in Lower Saxony	Lower Saxony Agency for Adult and Further Education, Association for Free Adult Education, Ministry for Science and Culture	Individuals	Face-to-face, video call, chat, e-mail	12
NRW	Weiterbildungs-beratung in Nordrhein-Westfalen	CET guidance in North Rhine-Westphalia	ESF, NRW Ministry of Labour, Health and Social Affairs, Gesellschaft für innovative Beschäftigungsförderung mbH (G.I.B.)	Individuals, SMEs	Face-to-face, telephone, webmail, events	250+
RP	Weiterbildungsportal Rheinland-Pfalz	CET portal Rhineland-Palatinate	Rhineland-Palatinate Mnistry of Science, Continuing Education and, and Culture and Ministry of Economics, Transport, Agriculture and Viticulture	Individuals, companies	Online resources	-
SH	Beratungsnetz Weiterbildung Schleswig-Holstein	Guidance net CET Schleswig-Holstein	ERDF, Schleswig-Holstein Ministry of Economy, Transport, Labour, Technology and Tourism, ver.di-Forum Nord, oncampus GmbH, Arbeit und Leben Schleswig-Holstein e.V., FuE-Zentrum FH Kiel GmbH and others	Individuals	Face-to-face, phone, e-mail, WhatsApp	7
SN	Bildungsmarkt Sachsen	Education market Saxony	Saxon State Ministry for Economic Affairs, Labour and Transport, Sandstein Neue Medien GmbH	Individuals, providers	Online resources	-
ST	Fachkraft im Fokus	Skilled worker in focus	ESF, Saxony-Anhalt Ministry of Labour, Social Affairs and Integration	Individuals, companies	Online resources	-

Note: * number of member organisations.

Additionally, many federal states have (networked) guidance offers that support specific target groups (Table 4.2). Target groups include women, refugees, parents, individuals re-entering the labour market and skilled workers. The advantage of these programmes is that they target groups that may most benefit from additional guidance and can focus on their particular needs. They can also tailor services to take into account regional factors such as the structure of the economy, skill shortages and demographic composition.

Table 4.2. Länder guidance offers, specific target groups

Federal State	Original name	English name	Actors involved (incl. funders)	Target group	Guidance channel	Guidance offices
BW	Landesprogramm Kontaktstellen Frau und Beruf	Land programme contact points woman and job	Baden-Württemberg Ministry of Economy, Labour and Housing	Women	Face-to-face	19
BE	Berufsperspektiven für Frauen	Job perspectives for women	Berlin Senate Department for Health, Care and Equality	Women	Face-to-face	8
BE	Mobile Beratung zu Bildung und Beruf für geflüchtete Menschen (MoBiBe)	Mobile guidance on education and job for refugees	Berlin Senate Department for Integration, Labour and Social Affairs, Counselling	Refugees	Face-to-face	12*
HB	Frauen in Arbeit und Wirtschaft	Women in work and economy	ESF, Bremen Senate Administration for Economy, Employment and Europe	Women	Face-to-face	1
HH	Worklife	Worklife	ESF, Hamburg Authority for Labour, Health, Social Affairs, Family and Integration	Parents, re-entrants on job market	Face-to-face, phone, online	1
ST	Fachkraft im Fokus	Skilled worker in focus	ESF, Sachsen-Anhalt Ministry for Employment, Social Affairs and Integration	Companies, skilled workers and new residents	Face-to-face, online resources	5
SH	Beratungsstelle FRAU & BERUF	Guidance point WOMAN & JOB	ESF, Schleswig-Holstein (Land)	Women	Face-to-face, phone	14

Note: * also offer mobile services.

…and provision at national level is expanding

In addition to guidance offers in the federal states, a broad range of face-to-face (Table 4.3) and online (Table 4.4) guidance opportunities are available at the national level. They fall under the responsibility of many different actors, both public (such as the BA, different ministries, trade unions) and private (e.g. employers, private training institutions, independent coaches). Guidance services vary in content, in the population groups they serve and the delivery channels they use. Different services also tend to advertise their offer independently. From a user perspective, it is challenging to find the most appropriate guidance services which match individual needs.

The **Federal Employment Agency** *(BA)* is the main provider of guidance across the German territory. Its responsibilities for guidance are defined in the Third Book of the Social Security Code (§ 29 SGB III following) and include vocational guidance, including guidance on CET, for young people and adults who participate or would like to participate in the labour market. The 2019 Skills Development Opportunities Act (*Qualifizierungschancengesetz*) clarified the BA's mandate for guidance to improve individual employability and the development of individual career prospects (§ 30 SGB III), which now also includes guidance for employees (see Chapter 3). In 2019, the BA introduced lifelong vocational guidance for individuals (*LBB – Lebensbegleitende Berufsberatung*), which implements the relevant changes of the Skills Development Opportunities Act (Box 4.3).

Box 4.3. Lifelong vocational guidance in Germany

Lifelong vocational guidance (*Lebensbegleitende Berufsberatung, LBB*) aims to shift the BA's approach, previously oriented towards ensuring employability in the short term, to a more proactive approach of supporting individuals in career planning and decision-making over the life-course. This new guidance framework is divided into two parts:

- **Guidance before entry into the labour market for all students** (*Lebensbegleitende Berufsberatung vor dem Erwerbsleben, LBBvE*), and
- **Guidance for those who are already in employment**, in particular adults during periods of career changes (*Lebensbegleitende Berufsberatung im Erwerbsleben, LBBiE*).

At the time of writing of this report, information on the exact details of the guidance for adults (*LBBiE*) was sparse. The nationwide rollout of the LBB approach in co-ordination with the relevant ministries of the Länder was in progress. It included the hiring or retraining of staff to create 450 new LBB advisors in the first three years of the project (2020-22). LBB will not be set up in all local offices of the BA. Instead, each labour market region will have a team of 10-20 LBB staff, who can be placed in local offices within the labour market region. These numbers may be too low to provide quality guidance to all employees and students nationwide.

LBB is the direct successor of the CET guidance project (*WBB – Weiterbildungsberatung*), which was evaluated by IAB (Institute for Employment Research) and ISG (Institute for Social Research and Social Policy) in 2017 (Fuchs et al., 2017[21]). The report finds a heterogeneity of guidance practices across the local offices of the BA, resulting from organisational, regional and individual factors. These differences are considered to be both inevitable and crucial for a successful regional implementation of guidance services (Fuchs et al., 2017[21]).

It is worth noting that, according to 2018 AES data, individuals who receive CET guidance by the BA have traditionally been less satisfied with the guidance than those who receive guidance from other providers, such as employers or employer-organisations (BMBF, 2019[12]). The LBB aims to address this issue and increase the quality of guidance.

Source: BA (2019[22]), Weisung 201912 024 vom 29.12.2019 – Lebensbegleitende Berufsberatung – Fachliche Umsetzung der Berufsberatung im Erwerbsleben, https://www.arbeitsagentur.de/datei/ba146210.pdf; Dauth et al. (2018[23]), Qualifizierungschancen und Schutz in der Arbeitsversicherung, IAB-Stellungnahme 15/2018, http://doku.iab.de/stellungnahme/2018/sn1518.pdf.

In-person guidance by the **BA**, including the LBB, is provided in Occupational Information Centres (*Berufsinformationszentrum, BIZ*) located in the BA's local agencies. Guidance counsellors at the BIZ can tap into additional expertise from the Vocational Psychological Service (*Berufspsychologischer Service*) as well as an in-house Medical Service (*Ärztlicher Dienst*) when working with individuals with health or other challenges.

In addition, the BA has a wide range of tools and approaches to CET guidance targeted at specific groups. Online information and guidance platforms hosted by BA include the website Career and CET (*Karriere und Weiterbildung*), Exploratory Tool Check-U (*Erkundungstool Check-U*), Course Net (*KURSNET*), Career Development Navigator (*Berufsentwicklungsnavigator, BEN*), *berufe.tv*, Occupational Field Info (*berufsfeld-info.de*), Typically Me (*Typisch ich*) and Learning Bourse (*Lernbörse*). Some of these offers are centrally available through the main website of the public employment services,[1] while others can be found on separate websites. They target a range of different groups, such as young people, young people interested in vocational occupations, employed individuals that want to develop professionally, or the general public.

Social and economic partners offer in-person and online guidance across the German territory. Some offers are limited to specific sectors, others support individuals more broadly. Chambers of Commerce and Industry (*IHK*), for example, provide guidance services in local offices throughout Germany, including for companies (see further below). The Chambers have a legal responsibility to support and monitor vocational education and training in companies according to the Vocational Training Act and the Crafts Code (*BBiG § 76 / HwO §41a)* and do so by providing specialised guidance in this area. Many of their offices operate own online guidance websites.[2] Other actors, such as local Chambers of Skilled Crafts or professional organisations provide guidance particularly focusing on occupation-specific career development, in-person and online. Trade unions also offer guidance on job-related CET, both to employed and unemployed individuals. The trade union in the metal industry (*IG Metall*), for example, trains CET mentors (*Weiterbildungsmentoren*) who provide guidance on CET offers, financial and other support measures to employees. These social partners operate nation-wide, however, the implementation and type of guidance offer often shows considerable heterogeneity across federal states.

Education and training providers, including the local Adult Education Centres (*VHS*)**,** offer guidance to aspiring learners, and also give more general advice on career orientation. This kind of guidance is in part regulated through Länder legislation. For instance, the university laws of the 16 Länder regulate career guidance in universities (Cedefop, 2020[17]). Many universities offer support for individuals in the initial orientation, organisation and financing of higher education. These services are usually open to (future) students of all ages but can be targeted to particular groups such as students with children.

Despite their nation-wide presence, it is important to acknowledge that guidance offers by Chambers of Commerce and Industry, Trade Unions and Adult Education Centres are often governed in a decentralised way. It is difficult to speak of national provision, since differences are considerable across local branches and federal states.

In addition to these offers, **employers** in Germany are obliged to provide guidance to their employees via the staff association according to §96 and §97 *BetrVG* on CET measures, financing and providers. Many companies do so via CET mentoring schemes. Other companies run training schemes that provide guidance for their employees. Guidance in companies is also regulated in many collective bargaining agreements that regulate aspects of CET.

Table 4.3. Selected face-to-face guidance offers for individuals, nationwide availability

Actors	Original name	English name	Target groups	Content scope
BA	LBB und Weiterbildungsberatung in den Arbeitsagenturen und Job Centers	Offline LLG and CET guidance in the BA's agencies and Job Centres	All individuals	Information on CET and financial support; guidance and orientation; competence testing and skills profiling; database on CET offers; labour market information
IHK	IHK Weiterbildungsberatung	IHK CET Guidance	All individuals	CET offers, skills profiling (depending on provider)
DGB and VHS	Arbeit und Leben – Beratungsstellen	Work and Life – Guidance Centres	All individuals	CET offers
VHS	Bildungsberatung der VHS	Guidance in Adult Education Centres	All individuals	CET offers, skills profiling (depending on provider)

Beyond the guidance services described above, there are also a number of websites that focus on providing information about nationwide CET offers. While access to information is a key part of guidance services, these websites are not substitutes for more holistic guidance that includes counselling, mentoring and skill assessment. Some websites have integrated search engines that collect and display information from various other databases, such as the InfoWeb CET (*InfoWeb Weiterbildung, IWWB*). Currently, there is no single user-friendly database that combines all the information on nationwide CET offers.

Table 4.4. Selected information offers on CET, nationwide availability

Actors	Original name	English name	Target groups	Content scope	Link
BA	KURSNET	Course net	Individuals, companies, providers	Search engine for CET courses, management training, CET for employees	www.kursnet-finden.arbeitsagentur.de/kurs
BMBF	Weiterbildungsratgeber / Weiterbildungstelefon	The CET Guide and CET Telephone	All individuals	CET offers and other face-to-face guidance opportunities	www.der-weiterbildungsratgeber.de Telephone: 0800/2017909
BMFSFJ and BA	Perspektive Wiedereinstieg	Prospect career re-entry	Re-entrants, women	Financial support, CET opportunities, questionnaires, checklists	www.perspektive-wiedereinstieg.de
IQ Netzwerk (BMAS, ESF, EU, BAMF, BMBF, BA)	IQ Netzwerk Suchmaschine	IQ Network search engine	Individuals with migration background, municipalities	Search engine for CET courses, workshops, guidance, networking possibilities, coaching, validation, assessments, financing	www.netzwerk-iq.de
Leibniz Institute for Educational Research and Information	InfoWeb Weiterbildung, IWWB	InfoWeb CET	All individuals	Search engine with compilation from regional and supra-regional offer of CET courses	www.iwwb.de
VHS	Kursdatenbank der VHS	Course database VHS	All individuals	Search engine for VHS courses	www.volkshochschule.de
ZDH	Karriereportal Handwerk	Career portal Skilled Crafts	Craftspeople	Information about career opportunities, CET opportunities	www.karriereportal-handwerk.de

What particularly stands out about the German guidance landscape is the plethora of online platforms with information about CET available to users. According to the Federal Institute for Vocational Education and Training there are around 200 digital platforms in Germany (BIBB, 2019[20]). Many of them focus on the needs of specific target groups. There is no common entry-point or one-stop-shop that directs users towards the most appropriate guidance offer or CET opportunity. The National Skills Strategy (*NWS*) acknowledges the need to improve transparency in this area (BMAS et al., 2019[19]). While the BA and the economic partners are committed to further developing their own platforms with information on CET and guidance offers, federal ministries pledged to increase transparency of digital platforms in at least three ways:

- BMAS would prototype a central guidance platform that aggregates information on financial support for CET across the country. At the time of writing, the prototyping was completed and a new phase to prepare the implementation of the project was in progress in co-operation with the Federal Employment Agency.
- BMBF would implement a call for the development of solutions that enable and support interoperability of online CET platforms, increase the user orientation of these platforms and allow for adaptive learning processes (*INVITE)*. These solutions would also ensure the compatibility of the supported projects with national and international initiatives (e.g. *Europass*).
- BMBF would establish an information portal for CET in higher education in co-ordination with the federal states. This information portal is to provide a nationwide overview of CET programmes offered by higher education institutions.

Federal ministries expressly aim for close co-ordination and exchange between these projects.

Advice on CET for companies encourages the skill development of employees

Companies are key actors in facilitating continuing education and training for workers. Typically, they put in place skill development strategies in line with their needs, that is, to stay competitive, to increase innovation or to be an attractive employer. However, some companies find it difficult to develop such strategies, in particular when it comes to judging the impact of the megatrends of digitalisation, demographic change and a shortage of skilled labour on the skill development needs of their company. Small and medium-sized companies especially may not have the knowledge or capacity to develop and implement strategies for their staff, especially if they are not a member of an employers' association (Jenschke, Schober and Fruebig, 2011[18]).

Support for companies in this area can help increase the efficiency of the CET system, as well as to reach labour market policy objectives. While governments should avoid subsidising low-productivity firms, advice on CET especially for small and medium-sized businesses with limited resources can reduce information asymmetries and help overcome low-skill equilibria. Well-designed policies can assist companies with the adoption of future-ready skill development strategies, and provide incentives for technological adoption, which might increase productivity while also benefitting employees.

Box 4.4. Defining advice for companies on CET

Some forms of guidance on CET can also be aimed at **companies**, in Germany referred to as company-related guidance (*betriebsbezogene Beratung*) or qualifications counselling (*Qualifizierungsberatung*). To differentiate from guidance targeted at individuals, it is referred to as advice for companies on CET in this report. These services include direct support for companies, for example assistance in the development of HR strategies or on adapting to digital change. Further, support may include analysis of the current personnel structure, identification of employees' development potential and determination of concrete training needs. It can also include the planning of qualification measures, their implementation, and support in applying for subsidies. Offers are often targeted at SMEs, as they have more limited capacity to provide training to their employees.

Source: Jenschke, Schober and Frübig (2011[18]), Career Guidance in the Life Course. Structures and Services in Germany, http://www.forum-beratung.de/cms/upload/Veroeffentlichungen/Eigene_Veroeffentlichungen/NFB_MASTER_Broschre_englisch_V02.pdf; Loebe and Severing (2013[24]), Qualifizierungsberatung in KMU. Förderung systematischer Personalentwicklung, National Guidance Forum in Education, Career and Employment, www.f-bb.de/informationen/publikationen/qualifizierungsberatung-in-kmu-foerderung-systematischer-personalentwicklung.

Several initiatives to provide advice on CET to companies exist in Germany (Table 4.5). Some of these are part of broader strategies to support enterprises, focussing for example on the quality of work (*INQA*[3] by BMAS) or artificial intelligence (*KI Strategie* by BMBF, BMAS and BMWi). Social and economic partners also play an important role in the provision of advice on CET to companies. In addition to the offers listed in the table below, trade unions and employer organisations provide advice to companies about CET via their staff associations in the form of information material, conferences or seminars on-site.

The NWS includes a commitment to assessing if the advice on CET to companies by the BA and the offer of the federal states could be better linked, although no further commitment is made to establish these linkages in practice (BMAS et al., 2019[19]).

Table 4.5. Advice on CET for companies, selected nationwide offers

Actors	Original name	English name	Delivery channel	Target groups	Content scope
BA	Qualifizierungsberatung, Arbeitsmarktberatung	Qualification guidance, Labour market guidance	Face-to-face, telephone, e-mail	Companies, focus on SMEs	Advice, personnel analysis, CET planning, CET controlling, labour market information provision
BMWi, BA, BAMF	Make it in Germany	Make it in Germany	Website	Companies wanting to hire foreign workers	Webinars, events, search engine, information material
BMAS, ESF	Zukunftszentren	Future Centres	Face-to-face	SMEs and self-employed	Advice and support
BMAS, ESF	unternehmensWert: Mensch	Company value: human	Face-to-face	SMEs	Up to 10 days of guidance, personnel analysis, elaboration of HR development strategy
BMWi	Beratungsstellen im Handwerk	Guidance centres in craftsmanship	Face-to-face	SMEs in craftsmanship	Consulting, training
BMWi	Mittelstand 4.0-Kompetenzzentren	Medium-sized businesses 4.0 competence centres	Face-to-face	SMEs	Practice examples, demonstrations, information events, networking
IHK	Weiterbildungsberatung für Unternehmen	CET Guidance for Companies	Website(s) and personal guidance	Companies	Advice for CET of employees

Some services are free of charge, while others come with a fee. The programme *unternehmensWert: Mensch*, for example, offers a free introductory session and has a progressive model of charging for follow-up advice. Companies with less than ten employees receive up to 80% subsidy for the costs of the service, companies with 10 to 249 employees up to 50%. The remaining costs are borne by the companies themselves.

Box 4.5. Advice for companies on CET by the BA

The counselling for Upskilling Programme for Companies (*Qualifizierungsberatung für Unternehmen*) is one of the most comprehensive advice programmes for companies. Following a pilot with small and medium enterprises in 2010, it launched in 2013. There is a focus on small and medium enterprises, but larger enterprises can also access the services.

This is a new in-house service delivered by specially trained BA consultants for employers. During the pilot phase, training modules for regional BA managers, team managers and counsellors were developed and implemented. The programme supports employers with a tool for demographic staff analysis, assessment and recruitment of training needs, selection of training providers and appropriate learning forms, and tracking the effects of qualifications measures. In some cases, the training needs of several companies are bundled in the form of upskilling associations (*Qualifizierungsverbände*). The programme is modularised, i.e. companies can run through some or all of the assessments available.

In addition, all companies can access advice on different labour market topics provided by the BA (*Arbeitsmarktberatung*) free of charge, such as on the development of the labour market and professions or on alternative ways of filling training and work placements, e.g. through initial training, retraining or recruiting foreign workers. The BA also offers support with designing workplaces, working conditions and working hours, e.g. for the establishment of part-time jobs, age-appropriate workplace design or health promotion. It also supports enterprises with working time models, part-time vocational training and other topics relating to a family-oriented working world and with in-company initial and continuing training and on financial support.

Advice on CET for companies is part of the wider qualification strategy (*WEITER.BILDUNG! – die Qualifizierungsoffensive*), initiated by BMAS. The new portfolio of services for companies includes comprehensive advice, extended access to CET funding, support for course costs and wage subsidies. Preferential conditions apply for SMEs (see Chapter 5).

Source: BA (2015[25]), Chancen erkennen, Vorteile nutzen, www.arbeitsagentur.de/datei/dok_ba013269.pdf; OECD (2021[2]), Career Guidance for Adults, https://doi.org/10.1787/9a94bfad-en.

Validation

People learn in a variety of contexts, whether at work, in education and training institutions, during social activities or individually at home. While some of this learning is formally recognised, much learning takes place non-formally or informally and remains undocumented.

Advanced skill development systems therefore give individuals the opportunity to have their prior learning recognised (i.e. validated). Such validation increases the visibility and value of the entire set of knowledge, skills and competences of an individual. It can open doors to further learning opportunities, taking up new employment opportunities or progressing in an existing career. For enterprises, having greater skill visibility can lead to more efficient hiring, training and promotion decisions. At the macro-level, validation improves labour market functioning by facilitating better matching between skills supply and demand.

In Europe, policy development on the validation of prior learning has gained momentum since the 2012 recommendation on the validation of non-formal and informal learning of the Council of the European Union, which encouraged EU Member States to put in place national arrangements for validating non-formal and informal learning by 2018 (Council of the European Union, 2012[26]). Several OECD countries now have mature systems to validate non-formal and informal learning that are closely linked to their CET systems, for example Denmark, Finland, France and Portugal.

By contrast, Germany's approach to validation has been described as "a colourful mosaic of local, regional, sectoral and national approaches and initiatives" (Ball, 2019[27]). It continues to lack the key elements of a well-developed validation system, despite the introduction of numerous new initiatives and measures since 2012 (Münchhausen and Seidel, 2015[28]). The National Skills Strategy (*NWS*) itself states that "at present, there are no uniform, comprehensive and standardised opportunities in Germany for informally and non-formally acquired job-related skills to be reliably verified" (BMAS et al., 2019[19]). It also highlights broad consensus amongst NWS partners about the need for a standardised process for the documentation, assessment and certification of skills, which have been acquired through non-formal or informal learning.

This sub-chapter reviews the system of validation in Germany and its links to guidance and the CET landscape (or lack thereof).

Box 4.6. Definitions of validation and the recognition of prior learning

Validation is a process of confirming that an individual has acquired skills measured against a relevant standard. This process is conducted by an authorised body. Validation takes place in four phases:

- Identification of relevant skills of an individual;
- Documentation of these skills to make them visible;
- Formal assessment of these experiences against a relevant standard;
- Certification of the results of the assessment.

The **recognition of prior learning** is used interchangeably with the validation of learning outcomes. It alludes to the fact that the skills, which are subject to the validation process, are acquired through different types of learning experiences.

Source: Council of the European Union (2012[26]), Council Recommendations of 20 December 2012 on the validation of non-formal and informal learning, (2012/C 398/01), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32012H1222%2801%29.

Germany has no comprehensive system for the recognition of prior learning…

Formal qualifications and certifications are highly valued in the German labour market. They are often the key to labour market entry, career progression and even wages when considering collective bargaining agreements. By contrast, non-formally and informally acquired skills often remain invisible and so have limited value for career progression and employability of individuals. A system of validation, as intended by the 2012 EU Council recommendation, has not yet fully materialised in Germany (Ball, 2019[27]).

To date, there is no comprehensive or coherent system for the validation of non-formally and informally acquired skills in Germany (BMAS et al., 2019[19]). In fact, existing validation procedures are limited to i) the recognition of foreign qualifications for migrants (*Qualifikationsfeststellung im Rahmen der Anerkennung*); ii) recognition procedures in the context of accessing university courses; iii) the external students examination for VET qualifications (*Externenprüfung*); and iv) the project *ValiKom*, which encompasses validation procedures for 32 vocational degrees (Table 4.6). The first three procedures are laid down in law. Beyond that, Germany has no universal legal basis regulating the recognition of prior learning across the territory and across CET sub-systems. On the upside, many collective agreements refer to performed tasks instead of formal qualifications.

In 2012, the Professional Qualifications Assessment Act (*BQFG*) laid the foundation for a nationwide, standardised procedure for the **recognition of foreign qualifications** (*Anerkennung*). The act enables recognition of more than 600 vocational and professional qualifications regulated by federal law, while complementary Länder Professional Qualifications Assessment Acts govern qualifications regulated at the federal state level (e.g. those for teachers, engineers, medical doctors, pharmacists). The recognition procedure itself establishes the equivalence of formal foreign qualifications and those attainable in Germany, based on documentary evidence. Non-formally and informally acquired skills also have to be considered in the process, in particular where there are differences between foreign and the equivalent national qualification. If necessary documents are missing or incomplete, individuals can undergo an assessment (*Qualifikationsanalyse*) involving work trials, work samples or expert discussions as part of the recognition process (Pielorz and Werquin, 2019[29]). According to data collected by the German Statistical Office, 50% of individuals undergoing the recognition procedure gain a certification of full equivalence, while the remainder obtains partial recognition with the option of further training to gain full equivalence (BIBB, 2020[30]). The certification of equivalence is not identical to the certificate of the relevant German qualification, but does give the same rights, including access to regulated professions (Ball, 2019[27]).

Table 4.6. Validation procedures in Germany

Name	English name	Target group	Scope	Number of participants	Outcome
Anerkennung / Qualifikationsanalyse	Recognition / Qualification Assessment	Migrants with foreign qualifications	More than 600 vocational and professional qualifications (federal level)	43 000 new requests for recognition (2019) 264 qualification assessments (2018)	Certificate of equivalence
Anrechnung außerhochschulischer Vorleistungen auf Hochschulstudiengänge	Crediting non-university previous achievements	Adults without higher education entry qualifications	All higher education degrees	15 000 new students without entry qualification (*Abitur*) (2018)*	Admission to courses/ reduction of course duration
Externenprüfung	External students examination	Adults with relevant work experience (1.5 times the duration of training time for the qualification)	Vocational qualifications regulated by the Vocational Training Act or Crafts Code	21 000 participations (2018)	Full qualification
ValiKom/ ValiKom Transfer	ValiKom / ValiKom Transfer	Adults >25 years with relevant work experience and without vocational qualification; occupational switchers	32 vocational qualifications in industry, trade, crafts and agriculture	595 individuals (2015-20)**	Certificate of (part-) equivalence

Note: *of these, 1 200 new students based on aptitude testing, the remainder based on other formal (typically vocational) qualifications **595 validation procedures were finalised by 30.09.2020.
Source: Based on BIBB (2020[31]), Datenreport zum Berufsbildungsbericht 2020. Ratgeber zur beruflichen Weiterbildung, https://www.bibb.de/datenreport/de/datenreport_2020.php; Nickel, Thiele and Leonowitsch (2020[32]), Update 2020: Studieren ohne Abitur in Deutschland, www.che.de/download/studieren-ohne-abitur-in-deutschland-update-2020/?wpdmdl=14552&ind=1585603866648; Statistisches Bundesamt (2020[33]), Anerkennungsstatistik, Wiesbaden, https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Bildung-Forschung-Kultur/Berufliche-Bildung/Tabellen/bqfg-Entscheidung-B.html; BMBF (2019[34]), Report on the Recognition Act, www.bmbf.de/upload_filestore/pub/Bericht_zum_Anerkennungsgesetz_2019_eng.pdf.

The approach to **recognition in higher education** is governed by decisions of the Standing Conference of Education Ministers (*KMK*) on the recognition of skills and knowledge acquired outside higher education (KMK, 2002[35]; KMK, 2008[36]) and on access to higher education for adults without entry qualifications (KMK, 2009[37]), as well as the higher education laws of the Länder. Individual higher education institutions implement the recognition procedures and there is great variation in the use and approaches of recognition procedures across the territory (Nickel, Thiele and Leonowitsch, 2020[32]). In principle, individuals may gain access to higher education programmes or obtain a reduction of study time (up to 50%) upon presentation of evidence of vocational qualification and/or relevant work experience. In some cases, agreements between vocational and higher education institutions exist that lead to a blanket recognition for individuals (Pielorz and Werquin, 2019[29]). Between 2005 and 2014, the BMBF supported the development and testing of tools for the recognition of prior learning in order to enable access to higher education courses through the project ANKOM. Among other things, ANKOM included the development of andragogic approaches that integrate work experience and the development of linkages between HR and CET in higher education (ANKOM, n.d.[38]).

Finally, both the External Students Examination (*Externenprüfung*) and the project *ValiKom* concern themselves with **recognition in the area of vocational education and training**. The **External Students Examination** is a long-standing instrument that gives individuals the right to participate in the final assessment of vocational degrees based on previous work experience. It is regulated by law in the Vocational Training Act (*§ 45, Abs. 2 BBiG)* and the Crafts Code *(§ 37, Abs. 2 HwO*). To be eligible, individuals need to prove that they have relevant work experience that is at least 1.5 times the duration of the regular training time for the attempted occupation. The provision of this minimum evidence may be waived if participants convincingly demonstrate that they have acquired the occupational competence

required to be admitted to the External Students Examination, whereby foreign qualifications and occupational activity abroad is considered. If successful in the final assessment, participants can achieve a full vocational qualification without having participated in formal training. As such, the External Students Examination does not include a validation of non-formal or informal learning, but solely constitutes a right to participate in the final examination of a formal training (Pielorz and Werquin, 2019[29]). More than 80% of individuals with work experience who attempt the assessment are successful (BIBB, 2020[31]).

By contrast, the project **ValiKom** is the closest approach to a validation procedure in the sense of the 2012 EU Council recommendation. It targets individuals without vocational qualifications, individuals who work in a profession they are not formally qualified for, individuals with migrant background and refugees. Initiated as a pilot project in 2015, *ValiKom* developed and tested procedures to document and assess the non-formally and informally acquired skills of individuals against the standards of selected vocational occupations. The process ends with a certificate that states the equivalence or partial equivalence of skills compared to formal regulated professions, but it does not lead to the qualification itself. Since 2018, the *ValiKom* project has been in a transfer phase supported by the BIBB, during which it aims to expand the developed procedures to 32 vocational qualifications in collaboration with chambers of industry, crafts and agriculture and make the procedures available to a larger number of individuals. *ValiKom* will continue to be funded on a project basis by the BMBF until 2021 and currently does not have a legal basis. Since its inception in 2015 until September 2020, it has covered a negligible number of individuals (595) (Deutscher Bundestag, 2020[39]).

…but there are various instruments for the documentation of skills

In addition to the four validation procedures described above, there exist a wide range of tools that allow individuals to identify and document their skills in Germany (*Kompetenzpass, Weiterbildungspass, Kompetenzportfolio*). According to some experts there are more than 50 such tools, developed by different stakeholders (European Commission, federation, federal states, foundations) and for different target groups (e.g. migrants, workers in specific sectors), many of which are only promoted and in use for a limited amount of time, while project funding lasts (Pielorz and Werquin, 2019[29]). In contrast to validation procedures, these tools do not typically include an assessment against a given standard or the certification of skills. They primarily serve the purpose of structuring and documenting formally, non-formally and informally acquired skills, with the objective to empower and support individuals in recognising the skills they hold. Some of them include an assessment or test. In doing so, they can be used as the basis for further training decisions or in the context of job applications. Table 4.7 describes the most important of these tools.

ProfilPASS is a comprehensive, biographical and systematic tool to document the skills that individuals have acquired over the life-course. It is the best known of the existing skills portfolios in Germany (Velten and Herdin, 2016[40]). The lengthy process of completing the ProfilPASS involves analysing the life history of an individual, their areas of activity, competences and goals. Individuals can undergo the process with or without the guidance of a qualified coach. Dialogue Centres (*Dialogzentren*) across the country train guidance counsellors in the ProfilPASS methodology. While the electronic version of the ProfilPASS is free of charge, fees for qualified coaches range from EUR 60-120 per hour (Schöpf, 2015[41]).

In addition to this instrument, there is a range of regional and sectoral approaches for the documentation of skills, such as the **Qualipass** in Baden-Wuerttemberg or the **AiKomPass** for employees in the metal and electro sector.

Table 4.7. Selected instruments for the assessment and/or documentation of skills

Name	English name	Target group	Scope	Implemented by	Process	Outcome
Individuelle Kompetenz-feststellung	Services for competence assessment	Job seekers	Transversal skills and general job-related skills	Occupational psychology service of the BA	Computer-based tests (20-150 minutes)	Report or expert opinion
Kompetenz-karten	Competence Cards	Migrants	Transversal skills and general job-related skills	Advice and guidance counsellors for migrants	Visually based approach, led by counsellors	Input to guidance process
Meine Berufserfahrung	My professional skills	Migrants, refugees, low-qualified adults	30 vocational qualifications	By individuals alone or together with guidance counsellor	Computer-based test (5 minutes)	Standardised test result
MySkills	MySkills	Job seekers with work-experience but no vocational qualification; refugees and migrants	30 vocational qualifications	Individuals in Job-centres/ Office of the PES	Computer-based test (4 hours)	Standardised test results for different skill areas
Profilpass	Profile passport	Education and guidance staff, teachers, trainers and coaches, HR personnel	All forms of learning	By individuals alone or together with qualified coaches	Biographical approach	Qualitative skills portfolio

The computer-based test **MySkills** assesses the actual skills of individuals in 30 selected vocational areas. It aims to make existing skills in specific occupational areas visible and so guide further professional development decisions. It also provides potential employers with information about individual skills. The target group are job seekers, typically with work experience but without formal qualifications, who take the multilingual 4-hour long test at a Job-Centre or Local Employment Office under the supervision of advisors. The test results consist of a standardised overview of how individuals perform in different skill domains. This overview does not constitute a formal recognition or validation. Individuals who perform well in the test may be advised to undergo validation procedures such as *ValiKom* or the External Students Assessment (Ball, 2019[27]; Bertelsmann Stiftung, 2020[42]). The test itself is free of charge for individuals.

In addition, the Occupational Psychology Service (*Berufspsychologischer Service*) of the Federal Employment Agency offers a range of **services for competence assessment** for job seekers. Job seekers are typically referred to this service by their advisor. In contrast to *MySkills*, these assessments aim to identify soft or transversal skills, as well as attitudes towards employment and training. They involve a multi-stage process of four computer-based questionnaires and tests: i) K1 – self-assessment on behaviour in working life (20 minutes), ii) K2 – test to assess perception (90 minutes), iii) K3 – assessment of performance orientation (80 minutes), and iv) K4 – assessment of social and communication competences for specific occupations (150 minutes). The outcome of the assessment is a report or expert opinion produced by a psychologist, which is discussed with the individual and forwarded to their career advisor in the public employment services (Ball, 2019[27]; Sander, 2015[43]).

Competence cards (*KompetenzKarten*) constitute a specific tool to identify and document the competences of newly arrived migrants and take a visual approach to discuss and assess key transversal skills of individuals. Developed by the Bertelsmann Foundation, the cards are a low-threshold practical tool rather than a fully developed skills assessment (Döring, Müller and Neumann, 2015[44]). They cover different skill domains (i.e. social, personal, occupation-specific and method skills) visually and offer a simple explanation for each of the domains. The cards are designed to be used by guidance counsellors for migrants, at job centres and public employment services.

An easy-to-use tool for migrants, refugees and low-qualified adults is **My Professional Skills** (*Meine Berufserfahrung*). The five-minute online test, which is available in six languages, allows individuals to assess their prior learning in 30 vocational qualifications. Developed and funded by the Bertelsmann

Foundation, it is free of charge for the individual and can be used in consultation with guidance counsellors for migrants or advisors at jobcentres and public employment services.

While the multitude of approaches for documenting skills provide differential approaches to specific target groups, they introduce yet another layer of complexity in the German CET landscape. Project-based funding and the absence of widespread recognition of the developed tools typically mean that they have an expiry date, with only few tools having stood the test of time.

Partial qualifications

Partial qualifications are standardised, modular components of full qualifications, which can be acquired through formal training or the recognition of non-formally or informally acquired skills. Many countries have introduced partial qualifications to improve the flexibility and permeability of their skill development system, and to improve pathways towards qualifications for, including but not limited to, adults with low skills.

Box 4.7. Definitions of partial qualifications and modules

A **qualification** is the formal outcome of an assessment and validation process which is obtained when a competent authority or body determines that an individual has achieved learning outcomes according to given standards. The outcome can be a degree, diploma or other certificate. A qualification can also be a legal entitlement to practice a trade.

Partial qualifications are building blocks of full qualifications. They may be acquired by individuals to build a full qualification over time, but can also be acquired for the purposes of specialisation or skills updating. Partial qualifications require assessment and validation to certify the learning outcomes an individual has achieved, and usually include a form of official recognition. In Germany, the concept of partial qualifications is primarily used in the context of continuing vocational education and training (CVET).

Modules are components of education and training programmes. Modules can be part of a credit system, which attaches cumulative points (credits) to each component of the education and training programme. A module is not the same as a partial qualification, although the terms are often used interchangeably in the German CVET context. Partial qualifications can consist of a defined set of modules and include a certification mechanism.

Source: Cedefop (2014[45]), Terminology of European education and training policy, https://doi.org/10.2801/15877; Cedefop (2012[46]), International Qualifications, https://doi.org/10.2801/8721; Council of the European Union (2018[47]), Council recommendation of 26 November 2018 on promoting automatic mutual recognition of higher education and upper secondary education and training qualifications and the outcomes of learning periods abroad (2018/C 444/01), https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H1210(01)&from=EN.

The German skill development system is largely based on a traditional, holistic training model, with a strong focus on full formal qualifications. Partial qualifications do exist, but they are used only narrowly in the area of continuing vocational education and training, and for the target group of low-qualified individuals. In Germany, partial qualifications are understood to be modular up- or reskilling opportunities targeted at people without formal professional qualifications and those with outdated qualifications with high risk of unemployment. They are one of several measures summarised under the umbrella term post-qualification (*Nachqualifizierung*).

In Germany, partial qualifications are understood to be delimited learning units that form part of a vocational qualification. After every partial qualification, the skills of individuals are tested and, if sufficient, certified. After completing all the necessary components, learners can take the external examination

(*Externenprüfung*) in order to receive the full vocational qualification. The completion of partial qualifications does therefore not automatically add up to a full qualification. Across different programmes, the names and concepts for partial qualifications have changed, and have included the terms training modules (*Ausbildungsbausteine*), partial qualifications (*Teilqualifikationen*) or qualification modules (*Qualifizierungsbausteine*).

The NWS includes the objective of developing standardised, high-quality partial qualifications for in-demand occupations. This goal is pursued by the BMBF in co-operation with the Association of German Chambers of Industry and Commerce (*Industrie- und Handelskammertag*), the Confederation of German Employers' Associations (*Bundesvereinigung Deutscher Arbeitgeberverbände*), their affiliated educational institutions and the Federal Institute for Vocational Education and Training (*BIBB*). At the same time, the Federal Ministry of Labour and Social Affairs (BMAS) and the Federal Employment Agency also pledge to continue expanding their activities on partial qualifications in the NWS (BMAS et al., 2019[19]).

Partial qualifications can improve the permeability and flexibility of CET

The main policy rationale for the development of partial qualifications is that they improve the flexibility of the CET system. In the context of the digital transformation and changing skill needs, the introduction of partial qualifications or modules gives individuals the opportunity to reskill in less time than a full qualification would typically take, leveraging skills they already possess. If qualifications are structured in modules, it is easier to update professional qualifications and adapt them to changing labour market needs, for instance by replacing or refreshing individual modules where required (Cedefop, 2015[48]). In Germany, the shortage of skilled labour (*Fachkräftemangel*) is often used as an argument to support the development of partial qualifications. A 2019 representative survey showed that more than 80% of German companies were willing to hire a person with a partial qualification relevant in their field of activity. Two thirds of the companies surveyed saw modular upskilling measures (*Nachqualifizierung*) of adults in Germany as an appropriate measure to counter skill shortages, irrespective of whether these measures lead to a full qualification or not (Fischer, Hecker and Wittig, 2020[49]).

As a part of broader upskilling and reskilling measures, partial qualifications potentially encourage access and mobility in CET, particularly for disadvantaged groups. Pursuing full education and training programs can pose financial and time challenges for adults (see Chapter 6), but these barriers may be lowered with modular organisation of education and training. Partial qualifications are often designed as a series of shorter modules that are directly job-related. They have the potential to facilitate the progression in training for adults with low skills by allowing them to start with single modules, and to experience continuous, step-by-step progress that eventually leads to the acquisition of a qualification. In this way, partial qualifications can increase the permeability of CET.

In Germany, distinct sets of partial qualifications have been developed in parallel by different institutions

Partial qualifications are limited to the context of CVET in Germany and are only available for certain occupations. Currently, different sets of partial qualifications are used in parallel by different institutions and CET providers. Several initiatives exist in Germany, run by the BMBF and BIBB, the BA and the Employers' Associations (*Arbeitgeberverbände*) with the educational institutions of the German economy (ADBW e. V.) that each develop conceptual variants of partial qualifications. One pilot project called **Seize the Opportunities** (*Chancen Nutzen!)* run by the German Chambers of Industry and Commerce (*DIHK*) with support of the BMBF drew on existing variants of partial qualifications and developed basic guiding principles for the development of partial qualifications. Additionally, there are regional and sector-specific programmes, for example the **partial qualifications in the construction industry** (*Teilqualifikationen in der Bauwirtschaft*, *TQBW*) offered by a provider in Hesse and Thuringia (BAU, n.d.[50]).

The recent initiative **ETAPP** aims to establish nationwide and standardised partial qualifications. The project is financed by the BMBF, and run in co-operation with the BIBB and the project **Seize the Opportunities** mentioned above. It does not develop new concepts, but builds on previous efforts in order to structure existing approaches in the area of partial qualifications. Table 4.8 gives an overview of the most important initiatives on partial qualifications in Germany.

Table 4.8 Nationwide initiatives to develop partial qualifications in Germany

Institution	Original name	English name	Target groups	Content scope
BMBF, BIBB	Jobstarter-Connect	Jobstarter-Connect	Unskilled and semi-skilled young people	Initially developed for 14 vocational occupations, tested in 40 regional pilot projects; eight further vocational occupations added in 2015
BA	Berufsanschlussfähige Teilqualifikationen	Partial qualifications that can be connected to an occupation	Unemployed people or those with low qualifications	Developed for four vocational occupations, based on a set of common criteria, uniform certification across Germany
Employers' Associations (BDA), Educational institutions of the German economy (ADBW e. V.)	Arbeitgeberinitiative Teilqualifizierung	Employers' Initiative Partial Qualification	Low-qualified adults above age 25	Developed and provides partial qualifications for 30 different vocational occupations, uniform nationwide approach, developed quality label 'Eine TQ besser!' for partial qualifications
DIHK, BMBF	Chancen Nutzen!	Seize the opportunities!	Low-qualified adults above age 25	Since 12/2020 in co-operation with ETAPP and BIBBTQ Nationwide partial qualifications building on all of the above initiatives, provision differs according to local IHK offices; support for the development of standardised partial qualifications by co-operating with ETAPP and BIBB
BMBF	ETAPP	ETAPP	Low-qualified adults above age 25	Since 12/2020 in co-operation with Seize the opportunities! and BIBBTQ Aims to develop standardised and nationwide partial qualifications, building on previous initiatives in co-operation with Seize the opportunities!. Currently developing partial qualifications for 10 selected occupations.

Source: Based on BA (2020[51]), Berufsanschlussfähige Teilqualifikationen, www.arbeitsagentur.de/bildungstraeger/berufsanschlussfaehige-teilqualifikationen Arbeitgeberinitiative Teilqualifizierung (2020[52]), Nachqualifizierung, www.nachqualifizierung.de/; BMBF (2018[53]), Chancen Nutzen mit Teilqualifikationen, www.bmbf.de/de/chancen-nutzen-mit-teilqualifikationen-richtung-berufsabschluss-6153.html; ETAPP (2020[54]), ETAPP Teilqualifikationen, www.etapp-teilqualifizierung.de/fileadmin/user_upload/downloads/ETAPP_Factsheet_10-2019.pdf; Wolf et al. (2018[55]), Konzepte modularer Nachqualifizierung: Hintergrund, aktuelle Entwicklungen und praktische Anwendung, www.f-bb.de/fileadmin/Projekte/BTQ/191217_TQ_working_paper_final.pdf.

Existing initiatives on partial qualifications mainly target low-qualified adults older than 25, particularly those who are unemployed. The *Jobstarter-Connect* initiative is an outlier, targeting young school leavers and aiming to ease their entry into IVET. Among low-qualified adults, migrants are a target group of increasing importance.

In addition to the initiatives above, a project called BIBBTQ focusing on partial qualifications and run by the BIBB was initiated at the end of 2020 on behalf of the BMBF. It aims to develop an empirical database in order to systematically analyse and evaluate the impact of partial qualifications in Germany. The project is implemented in co-operation with the ETAPP and the 'Seize the opportunities!' initiative. Its goal is to

consolidate the results of the two partner projects, to analyse the effectiveness of partial qualifications for the achievement of labour market and education policy goals as well as to stimulate discourse on the topic.

The BA has defined eligibility criteria for partial qualifications within the framework of its promotion of CVET (BA, 2020[56]). Under certain circumstances, the BA provides education vouchers for partial qualifications. The eligibility criteria have influenced the subsequent development of partial qualifications and provide orientation for CET providers:

- Partial qualifications need to be conceptually oriented towards a regulated training occupation and must cover all the elements of an occupational profile.
- The number of partial qualifications available for one occupation is limited to eight modules that must last between two and six months.
- Partial qualifications must be job-related and include obligatory in-company training periods.
- The individual competences acquired through partial qualifications need to be assessed against the quality standards that apply to the respective profession.
- Participants are to be given structured and meaningful certification that provides orientation for the participant and potential employers.

Even if most partial qualifications correspond to these criteria, there are considerable differences between the available approaches. While the initiatives on partial qualifications mentioned above operate nationwide, the availability of provision varies according to federal states and regions. In some cases, the same vocational qualification or training regulation is modularised in different ways, depending on the implementing institution and its specific target group. This makes the system complex to navigate for participants, employers and institutional actors and it is therefore difficult to combine partial qualifications with validation and recognition instruments.

Two of the projects mentioned above (ETAPP, Seize the Opportunities!) aim to address these complexities in the system of partial qualifications through the development of standardised and nationwide partial qualifications across Germany. In line with the commitments made in the NWS, the projects are funded by the BMBF for a period of four years between 2019 and 2022. In co-operation with BIBBTQ, the goal of the three projects is to create structures for transparent, directly applicable, comparable and consistent partial qualifications across the country that can also be linked to other processes of validation and recognition so that a full vocational qualification becomes possible. Results of the projects remain to be seen.

Assessment and policy directions

In an ideal CET system, guidance, validation and partial qualifications are conceived together from a user perspective. In such a system, individuals interested in developing personally or professionally through CET are able to access advice and guidance services in person or online. These services help individuals define their career or personal goals, assess existing skills through different tools and conduct a gap analysis. To close this gap, individuals are offered appropriate CET opportunities. Where individuals want to acquire formal qualifications, they have the opportunity to have prior learning recognised and can access modular CET opportunities to gain the remaining skills required for a full qualification. The reality of the German CET landscape is far from this ideal configuration. The policy areas of career guidance, validation and partial qualifications are often considered separate from each other, with developments in the respective areas largely happening in a disjointed manner. Moreover, within these policy areas there is a lack of a coherence and continuous exchange among relevant stakeholders.

Career guidance structures and approaches across the country are as heterogeneous as the CET landscape itself. On the one hand, this plurality allows for career guidance specific to different target groups and sectors. On the other hand, the system is difficult to navigate for individuals and impedes equal

opportunities across regions. Given the variety of guidance structures, the multitude of actors and the large number of online information and guidance resources, co-operation is key. The NWS includes a commitment to streamline available online career guidance, yet results remain to be seen.

The system for the validation of skills in Germany is underdeveloped in comparison to other OECD countries. There is no common legal framework and the landscape lacks coherence and co-ordination. Existing approaches typically relate only to some educational sub-sectors, occupations or economic sectors and affect a negligible number of individuals in a given year. Only one of the existing approaches – the external student examination (*Externenprüfung*) – leads to a full qualification, while others solely lead to certificates of equivalence.

Finally, career guidance, skills assessment and validation of prior learning have to be considered together with the topic of modular CET and partial qualifications. Currently, the development of partial qualifications has primarily taken place on a project basis. A consistent approach is lacking across the territory, and there is strong resistance to partial qualifications by some key players in the system.

Recommendations

Germany should consider:

1. **Setting up a national initiative on career guidance**. Such an initiative would network and streamline current provision, close any regional supply gaps and offer career guidance under a single brand also online. It would require the strong involvement of social and economic partners, as well as other local stakeholders, given their key role in the provision of guidance.
2. **Developing a nationwide legal framework for the validation of prior learning.** Ideally, this framework would be included in the new German CET law (see Chapter 3) and establish an individual right to validation, as well as set standards for validation procedures, including their outcomes.
3. **Establishing partial qualifications as a structural feature of the German CET landscape**, by making them available nationwide and speeding up standardisation. Germany should intensify its ambition in this area, rather than continue to develop partial qualifications as project-funded initiatives with limited scope.
4. **Establishing a stakeholder working group** that systematises the connections between guidance, validation and partial qualifications. This working-group would explore links between the different policy areas, develop a systematic approach and issue recommendations to the German Government on further actions to be taken.

Set-up a national initiative on guidance

The NWS contains a number of commitments to strengthen career guidance in the German CET landscape, including the development of online platforms and the rollout of the LBB. However, commitments in this area seem disjointed and overlaps remain, in particular when it comes to online guidance platforms: both BMBF and BMAS are currently developing general online guidance platforms for different purposes; the BMBF supports the development of a separate information portal for higher CET together with the federal states; BA and the economic partners are encouraged to further develop their own offers. In addition to these online offers, but not specifically mentioned in the National Skills Strategy (NWS), the many face-to-face and online offers by the federal states, trade unions and private providers add complexity. While the NWS commitments aim for increased transparency for the end-users, this seems difficult to achieve in practice.

Data show that many adults, in particular those with low skills face a range of complex barriers to CET participation. Germany should consider taking a one-stop-shop approach to guidance that helps adults identify their development needs and appropriate CET opportunities, as well as to address any other barriers they might face (financing, health issues, care responsibilities, time-related issues etc.) (see Chapter 6). These services should continue to support individuals while in training, through counselling, coaching and other support to limit dropouts.

Germany should consider approaching the issue of guidance more systematically and set up a national initiative on the topic. This should include all relevant actors on different levels of government, including the local level, as well as social and economic partners, which play a key role in guidance. Such an initiative should:

- network and streamline current provision (including existing regional networks and the LBB);
- take a one-stop-shop approach to guidance, providing comprehensive services that address the variety of barriers to participation that especially low-skilled adults face (see Chapter 6);
- set quality standards for CET guidance;
- close any regional supply gaps (e.g. in structurally weaker regions); and
- offer guidance under a single brand, including online.

The initiative could be co-funded by the federation, federal states and ESF and be implemented through administrative agreements between the federation, the BA and individual federal states (see Chapter 3). It is crucial that the initiative builds on, rather than replaces, existing well-functioning local and networked approaches in some federal states and regions (see also Fuchs et al. (2017[21])).

Operating under a single brand would increase the visibility of existing offers, improve transparency for individuals looking for career guidance, streamline provision and ensure that individuals receive the most appropriate guidance for their needs. The joint initiative would work towards a single entry point for all online offers, to give the user full transparency and full information to choose the best suited offer for his/her specific situation. The initiative would also ensure high-quality presentation of this online entry point to foster user interest and engagement during their search for guidance. One key objective should be to increase take-up amongst population groups who are least likely to seek guidance. Other OECD countries are following similar nationwide approaches:

- **Offer career guidance under a 'single brand': Austria** has subsumed its CET guidance under the brand **Educational Guidance Austria** (*Bildungsberatung Österreich*). The service offers free career guidance in 16 languages in all federal states, online (erwachsenenbildung.at, email and chat) and on the phone. The career guidance is delivered through networks of different organisations in each federal state. Local contact points (*Anlaufstellen*) offer the combined services of career guidance and validation counselling, including accompanying individuals throughout the validation process. In the **United Kingdom**, the **National Careers Service** provides information, advice and guidance across the country to help individuals make decisions on learning, training and work. Qualified careers advisers support adults 19 years and over (or age 18 and out of work or on benefits) via three delivery channels: local face-to-face service, telephone and a website. **Greece** provides career guidance to all through the statutory body EOPPEP, the National Organisation for the Certification of Qualifications and Vocational Guidance. Its objective is linking VET with labour market needs, upgrading people's occupational qualifications, reinforcing their employment perspectives and strengthening social cohesion.
- **Develop one single career guidance platform**: In **Portugal** the **Vi@s orientation portal** by the Institute for Employment and Vocaitonal Training (*Instituto do Emprego e Formação Profissional*) serves as the main career guidance platform. Individuals can access information on exploring their own abilities, on soft skills development, entrepreneurship, the exploration of different professions (including labour market information from a number of sources) and job and training search. The

guidance has a strong focus on lifelong learning. Integrating innovative approaches, Vi@s offers a variety of interactive tools through its Multimedia Centre, such as online guidance programmes, vocational games, electronic publications and videos. In addition, the "My Portfolio" section allows users to store their CVs and other certificates. A plan exists to integrate Vi@s into the IEFP interactive services portal (https://iefponline.iefp.pt) to increase its visibility. The **Irish** approach to one-stop-shop online guidance is outlined below (Box 4.8).

Box 4.8. Single career guidance portal in Ireland

Ireland developed the publicly funded national one-stop career information portal CareersPortal.ie. It was set up as a direct response to a report generated by the national Expert Group on Future Skills Needs in 2007. Today, it offers career, education and labour market information, tools and resources. Guidance is available to all population groups including students, adult learners, job seekers, parents and career guidance professionals. Exemplary for a well networked approach, CareersPortal also partners with key stakeholders including employers, state bodies and education providers.

The portal includes a personal career file to assist in planning and managing the individual's career development, analyses of 33 employment sectors highlighting skills shortages and associated educational courses, sector-specific news and links to job vacancies, as well as an occupational database, employer profiles and interviews with jobholders on their experiences working in various sectors.

Source: CareersPortal.ie, https://careersportal.ie/, OECD (2019[57]), *Getting Skills Right: Engaging Low-Skilled Adults in Learning*, http://www.oecd.org/employment/emp/engaging-low-skilled-adults-2019.pdf; OECD (2020[58]), *Continuous Learning in Working Life in Finland*, https://dx.doi.org/10.1787/2ffcffe6-en.

- **Design one-stop-shops that provide comprehensive advice and guidance to adults**: Many OECD countries are experimenting with such approaches for different target groups: **Finland**, for example, has developed one-stop-shops for young people (*Ohjaamo*), migrants and the long-term unemployed. Different support services, including relating to health, education and employment, are co-located in a variety of one-stop-shops through the country. **Iceland** runs a network of regional **Lifelong Learning Centres**, which provide free services to the low qualified. Highly trained staff provide advice and guidance around CET, but also address financial, health and other barriers (OECD, 2019[57]). In practice, a one-stop-shop does not need to be provided by one single institution but can be implemented through the co-ordination and co-location of different local service providers in the same place. In this way, one-stop-shops put the information and guidance needs of individuals at the centre. In **Portugal**, for example, one-stop-shops that combine guidance, validation and partial qualifications exist (Box 4.9).

Box 4.9. One-stop-shops for guidance in Portugal and Iceland

Portugal runs more than 300 *Qualifica* centres for guidance, validation and partial qualifications across the territory. These one-stop-shops primarily target adults with low qualifications, the unemployed and young people not in employment, education or training, but are open to everyone in principle. The recognition of prior learning is one of the core tasks of the centres. Adults undergo a four-step process including i) information and enrolment with Qualifica; ii) skills analysis and development of a personalised profile; iii) definition of a personalised qualification plan; iv) referral to recognition procedures or appropriate education and training provision. The individualised personal qualification plan highlights skill gaps and learning modules that must be completed towards achieving full qualifications.

Iceland runs a network of Lifelong Learning Centres that provide comprehensive services to support the skill development of adults. Highly qualified educational and vocational counsellors offer orientation, support the validation of prior learning, provide training courses as well as general assistance. In addition to knowledge about labour market needs and education opportunities, counselling services also include comprehensive guidance, for example on financial and health issues. As part of the Public Employment Service, Lifelong Learning Centres are available to everyone, and for low-qualified adults services are completely free. Lifelong Learning Centres are spread around the country even in sparsely populated areas, and conduct around 10 000 guidance-counselling sessions with people with low qualification levels per year (Ministry of Education Science and Culture Iceland, 2018).

Source: OECD (2019[57]), Engaging Low-Skilled Adults in Learning, www.oecd.org/employment/emp/engaging-low-skilled-adults-2019.pdf; OECD (2018[59]), *Skills Strategy Implementation Guidance for Portugal*, http://dx.doi.org/10.1787/9789264298705-en; Metcalfe (2019[60]), The ECVET Users' Group visits Portugal, ECVET Magazine 34, https://www.ecvet-secretariat.eu/en/system/files/magazines/en/ECVET%20Mag%2034%20May%202019%20Final.pdf.

Develop a nationwide legal framework for the validation of prior learning

Germany's approach to validating non-formal and informal learning lags behind the mature validation systems in other OECD countries. While the 2012 recommendation of the Council of the European Union has brought some momentum to the topic, the formal approaches developed to date have limited scope and reach (e.g. *ValiKom*). Instruments for the assessment and documentation of skills (e.g. *MySkills*) aim to address some of the gaps left by the absence of validation measures. However, many of these tools have a short life span, limited by project-based funding, narrow area of application and lack of de facto recognition in the labour market. The NWS itself gives a strong judgement of the present system, stating "there are no uniform, comprehensive and standardised opportunities in Germany for informally and non-formally acquired job-related skills to be reliably verified" (BMAS et al., 2019[19]).

While the NWS is clear in its analysis of the situation, it is less explicit about the scale of the required response. It states that the NWS partners welcome a nationwide, uniform procedure for the validation of non-formal and informal job-related skills. But its proposals are limited to the further development of *ValiKom*, which is currently applicable to only 30 vocational occupations and has been used by less than 600 people to date, and *MySkills*, which is not meant to be a tool for the validation of skills. These proposals seem insufficient to allow a significant number of individuals to increase the visibility and value of their skill-sets.

Further analysis is needed to develop detailed recommendations for a German approach to validation. As a first step, Germany should consider developing a nationwide legal framework. Relevant laws exist in some specific areas, such as the Vocational Training Act (*BBiG*), which regulates access to an External

Students' Examination (*Externenprüfung*) without prior formal training, and the Professional Qualifications Assessment Act (*Berufsqualifikationsfestellungsgesetz*, BQFG), which regulates the recognition of foreign qualifications. Germany should now consider developing a full legal framework for the nationwide recognition of non-formal and informally acquired skills. Ideally, this framework would be included in the new German CET law (see Chapter 3) setting out an individual right to validation, as well as set standards for validation procedures, including their outcomes.

It is worth noting that countries with similarly strong dual vocational training systems, such as Austria and Switzerland, also lack comprehensive legal frameworks on validation (Box 4.1).

Box 4.10. Legal approaches to validation in Austria and Switzerland

Austria does not have a legal basis for the validation of non-formal and informal learning, although it is currently being discussed in the context of the working groups of the Austrian Validation Strategy. A potential law could include an individual right to validation, as well as access to a validation procedure. It could also define processes and financial support measures.

Switzerland has included a reference to validation in its CET law (*Art. 7, Abs. 1 WeBiG*). Yet, this reference merely notes that federation and cantons, together with other relevant stakeholders, are responsible for transparent procedures for the crediting of non-formal and informal learning towards formal education. It also states that the federation and cantons should promote the permeability of the system and modalities for validation (*Art. 7, Abs. 2 WeBiG*) and names institutions that are responsible for developing validation standards and improving transparency (*Art. 7, Abs. 3 WeBiG*).

Source: Luomi-Messerer (2019[61]), European inventory on validation of non-formal and informal learning 2018 update: Austria, http://libserver.cedefop.europa.eu/vetelib/2019/european_inventory_validation_2018_Austria.pdf; (Eichbauer, 2017[62]), Berufserfahrung anerkennen! Die österreichische Validierungsstrategie zur Kompetenzanerkennung, WISO 3/2017.

Scepticism towards validation in countries with strong dual vocational training systems is the result of a strong attachment to formal qualifications, a specific concept of professions (*Berufskonzept*), an expressed desire to uphold the quality standards of these vocational systems, and vested stakeholder interest in the formal award of qualifications. Other OECD countries with more developed approaches to the validation of prior learning typically regulate these in law (see Box 4.11).

Box 4.11. Countries with well-developed legal frameworks for validation

In **Denmark**, a national law (law no. 556, Act on Change of Different Laws within the area of the Ministry of Education) establishes an individual right to the validation of prior learning in the context of adult education and CET programmes. The validation procedure must be implemented by the education institutions, which offer the corresponding study programmes.

France's system is rooted in the legal frameworks for vocational training and labour market policies (mainly book IV of the 6th part of the Labour code). The current validation system (*Validation des acquis de l'expérience – VAE*) was created in 2002 and identifies validation individual right. The process may lead to a full qualification or parts of qualifications based on existing skills acquired in different contexts.

The Netherlands introduced their system for the validation of non-formal and informal learning in 1998 (*Erkenning van Verworven Competenties, EVC*). The Education and Vocational Education Act from 1996 (*Wet educatie en beroepsonderwijs, WEB*) laid the ground for the EVC system by establishing the equality between formal, non-formal and informal learning.

Establish partial qualifications as a structural feature of the German CET landscape, by making them available nationwide and speeding up standardisation

Partial qualifications and the modularisation of the VET systems have been important policy trends in many European countries over recent years (Cedefop, 2015[48]). Germany, with its strong tradition of lengthy and comprehensive formal training – whether to achieve initial or continuing vocational degrees – lags behind other countries when it comes to modularised CET provision and partial qualifications. The fragmented landscape of partial-qualifications is confusing for individuals, employers and institutional actors. Opponents are worried that modularisation will reduce quality and enable people to gain very limited skills, rather than well-rounded qualifications.

Some of these concerns are valid and warrant further discussion, but it is clear that adults with low skills are less willing to participate in lengthy training than high-skilled workers (Fouarge, Schils and de Grip, 2013[63]). There is consensus in the NWS that partial qualifications should be strengthened as an alternative, more accessible pathway towards a professional qualification for semi- and unskilled workers over 25 years of age. Rather than achieving a full qualification in two or three years of training, partial qualifications could be completed step-by-step according to individual need.

While existing efforts are heading in the right direction, Germany should raise its ambition for partial qualifications. In the medium term, partial qualifications should be consolidated as a structural feature of the German CET landscape rather than continuing their development as project-funded initiatives with limited scope. This will require speeding up the efforts to increase standardisation and making partial qualifications available nationwide. In the long term, Germany should establish partial qualifications as a pathway for all target groups and towards different qualifications in the education and training system, not only limited to vocational education and training and adults with low qualifications.

In combination with good guidance and validation processes, partial qualification can facilitate entry into the labour market for people with non-formally and informally acquired skills and work experience. For low-qualified workers, partial qualifications have the potential to be a stepping stone towards a full vocational qualification and the improved employment opportunities that come with it.

Examples from other countries show that modularisation and partial qualifications can make CET systems more inclusive by providing flexible pathways for adult learners (see Box 4.12).

Box 4.12. VET systems with established partial qualifications

In **Denmark** adult learners have an exceptional amount of flexibility, as they can combine modules from different kinds of CET provision (basic, higher, vocational, ALMPs, adult liberal education) into essentially tailor-made formal qualifications. In the field of VET, partial qualifications are available in 70 training professions as an alternative pathway to a full qualification, which was made possible by an amendment to the Act on Vocational Education and Training in December 2003 (Act no. 1 228)

The **Finnish** IVET and CVET system is fully modularised. Professional training courses are separated into independent and assessable components, called vocational qualification units. These cover the core functions, operating processes and occupational practices of each profession. VET providers operate according to vocational qualification requirements defined by key stakeholders to ensure a close link to the labour market.

Scottish IVET programs are structured into individually certified units, which define the standards of competence, performance criteria and evidence requirements to be attained for each professional area of work. These modularised qualifications are either national certificates (NC) or Scottish vocational qualifications (SVQ), and the main awarding bodies are City and Guilds and the Scottish Qualifications Authority (SQA).

Source: OECD (2019[57]), "Engaging Low-Skilled Adults in Learning", www.oecd.org/employment/emp/engaging-low-skilled-adults-2019.pdf; Cedefop (2019[64]), Vocational Education and Training in Finland. A short description, www.cedefop.europa.eu/files/4176_en.pdf; Cedefop (2015[48]), The role of modularisation and unitisation in vocational education and training, www.cedefop.europa.eu/files/6126_en.pdf.

Establish a stakeholder working group that systematises the connections between guidance, validation and partial qualifications

Each of the policy areas of guidance, validation and partial qualifications should be developed further as outlined above. At the same time, stakeholders must establish connections between them. Considering these policy areas together is not an entirely new concept in the German context, but it has yet to be implemented for the population as a whole. For individuals with a migrant background, the initiative Integration through Qualification (*Integration durch Qualifizierung, IQ)* has linked guidance, validation and (bridging) qualification measures since 2005. Other OECD countries have developed joined-up solutions for all adults (see *Qualifica* in Portugal above).

Germany should now consider establishing a time-bound working group of key stakeholders involved in shaping policy on career guidance, validation and partial qualifications. Partial qualifications, in this context, should be considered more ambitiously beyond their current use as up- and reskilling measures as modular ways to achieve a qualification. The working group would explore linkages between the different policy areas, develop a systematic approach and issue recommendations to the German Government on further actions to be taken. This group could include relevant public administrators from BMAS, BMBF and BA, representatives of the Länder and municipalities, social partners, chambers, professional organisations, education providers, relevant associations, research institutions and academics.

References

ANKOM (n.d.), *BMBF-Initiative*, http://ankom.dzhw.eu/bmbf (accessed on 26 November 2020). [38]

Arbeitgeberinitiative Teilqualifizierung (2020), *nachqualifizierung.de*, https://www.nachqualifizierung.de/ (accessed on 27 November 2020). [52]

BA (2020), *Berufsanschlussfähige Teilqualifikationen*, https://www.arbeitsagentur.de/bildungstraeger/berufsanschlussfaehige-teilqualifikationen (accessed on 27 November 2020). [51]

BA (2020), *Konstruktionsprinzipien der Bundesagentur für Arbeit zu berufsanschlussfähigen Teilqualifikationen*, https://www.arbeitsagentur.de/datei/konstruktionsprinzipien_ba017222.pdf. [56]

BA (2019), *Weisung 201912024 vom 29.12.2019 - Lebensbegleitende Berufsberatung - Fachliche Umsetzung der Berufsberatung im Erwerbsleben*, https://www.arbeitsagentur.de/datei/ba146210.pdf. [22]

BA (2015), *Chancen erkennen. Vorteile nutzen.*, https://www.arbeitsagentur.de/datei/dok_ba013269.pdf. [25]

Ball, C. (2019), *European inventory on validation of non-formal and informal learning 2018 update: Germany.*, Cedefop, http://libserver.cedefop.europa.eu/vetelib/2019/european_inventory_validation_2018_Germany.pdf. [27]

BAU, B. (n.d.), *Teilqualifikationen in der Bauwirtschaft (TQBW)*, https://www.biw-bau.de/arbeits-und-erwerbssuchende/teilqualifikationen-in-der-bauwirtschaft-tqbw/ (accessed on 27 November 2020). [50]

Behringer, F., H. Kuper and J. Schrader (2017), *Weiterbildungsverhalten in Deutschland 2016. Ergebnisse des Adult Education Survey (AES)*, Deutsches Institut fuer Erwachsenenbildung, http://dx.doi.org/10.3278/85/0016w. [14]

Bertelsmann Stiftung (2020), *Myskills - Berufliche Kompetenzen erkennen*, https://www.bertelsmann-stiftung.de/de/unsere-projekte/berufliche-kompetenzen-erkennen/projektbeschreibung (accessed on 27 November 2020). [42]

BerufsBeratungsRegister (2020), *www.bbregister.de*, http://www.bbregister.de (accessed on 27 November 2020). [15]

BIBB (2020), *Anerkennungsmonitoring veröffentlicht erste Ergebnisse zur amtlichen Statistik für das Jahr 2019*, BIBB webpage, https://www.bibb.de/de/128854.php (accessed on 13 October 2020). [30]

BIBB (2020), *Datenreport zum Berufsbildungsbericht 2020. Ratgeber zur beruflichen Weiterbildung.*, Bundesinstitut für Berufsbildung, Bonn, https://www.bibb.de/datenreport/de/datenreport_2020.php (accessed on 23 June 2020). [31]

BIBB (2019), *Weiterbildungsberatung in Deutschland – Angebote, Strukturen und Entwicklungsfelder*, https://www.bibb.de/dokumente/pdf/Weiterbildungsberatung_in_Deutschland.pdf. [20]

Bimrose, J., S. Barnes and D. Hughes (2009), *Adult career progression and advancement: a five year study of the effectiveness of guidance*, http://www2.warwick.ac.uk/fac/soc/ier/publications/2008/eg_report_4_years_on_final.pdf. [5]

BMAS et al. (2019), *Nationale Weiterbildungsstrategie*, http://doku.iab.de/kurzber/2019/kb0819.pdf. [19]

BMBF (2019), *Report on the Recognition Act*, https://www.bmbf.de/upload_filestore/pub/Bericht_zum_Anerkennungsgesetz_2019_eng.pdf. [34]

BMBF (2019), *Weiterbildungsverhalten in Deutschland 2018. Ergebnisse des Adult Education Survey-AES-Trendbericht*, Bundesministerium für Bildung und Forschung (BMBF), Berlin, https://www.bmbf.de/upload_filestore/pub/Weiterbildungsverhalten_in_Deutschland_2018.pdf . [12]

BMBF (2018), *Chancen nutzen mit Teilqualifikationen*, https://www.bmbf.de/de/chancen-nutzen-mit-teilqualifikationen-richtung-berufsabschluss-6153.html (accessed on 27 November 2020). [53]

Cedefop (2020), *Inventory of lifelong guidance systems and practices - Germany*, CareersNet national records, https://www.cedefop.europa.eu/en/publications-and-resources/country-reports/inventory-lifelong-guidance-systems-and-practices-germany (accessed on 5 March 2021). [17]

Cedefop (2019), *Coordinating Guidance and Validation. Cedefop research paper; No 75.*, Publication Office of the European Union, Luxembourg, https://www.cedefop.europa.eu/files/5575_en.pdf. [11]

Cedefop (2019), *Vocational education and training in Finland. Short description*, Publication Office of the European Union, Luxembourg, https://www.cedefop.europa.eu/files/4176_en.pdf. [64]

Cedefop (2015), *The role of modularisation and unitisation in vocational education and training*, Publications Office of the European Union, Luxembourg, https://www.cedefop.europa.eu/files/6126_en.pdf. [48]

Cedefop (2014), *Terminology of European education and training policy*, Publications Office of the European Union, Luxembourg, https://doi.org/10.2801/15877. [45]

Cedefop (2012), *International qualifications*, Publications Office of the European Union, Luxembourg, https://doi.org/10.2801/8721. [46]

Council of the European Union (2018), *Council recommendation of 26 November 2018 on promoting automation mutual recognition of higher education and upper secondary education and training qualifications and the outcomes of learning periods abroad (2018/C 444/01)*, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H1210(01)&from=EN. [47]

Council of the European Union (2012), *Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning*, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32012H1222%2801%29 (accessed on 27 November 2020). [26]

Dauth, C. et al. (2018), *Qualifizierungschancen und Schutz in der Arbeitslosenversicherung*, http://doku.iab.de/stellungnahme/2018/sn1518.pdf. [23]

Deutscher Bundestag (2020), *Enquete-Kommission Berufliche Bildung in der digitalen Arbeitswelt. Wortprotokoll der 16. Sitzung*, Deutscher Bundestag, Berlin, https://www.bundestag.de/resource/blob/697072/449ed7bcfa2fa47700b53e955ba29e35/Wortprotokoll-data.pdf (accessed on 13 October 2020). [39]

Döring, O., B. Müller and F. Neumann (2015), *Potenziale erkennen-Kompetenzen sichtbar machen. Chancen für Menschen mit Migrationshintergrund*, Bertelsmann Stiftung, https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/LL_WfA_GP_Potenziale_erkennen_2016.pdf. [44]

Eichbauer, C. (2017), "Berufserfahrung anerkennen! Die österreichische Validierungsstrategie zur Kompetenzanerkennung", *WISO*, Vol. 3/2017, pp. 87-98. [62]

ETAPP (2020), *ETAPP. Mit Teilqualifizierung zum Berufsabschluss*, https://www.etapp-teilqualifizierung.de/ (accessed on 27 November 2020). [54]

European Commission (2015), *An in-depth analysis of adult learning policies and their effectiveness in Europe*, Publication Office of the European Union, https://op.europa.eu/en/publication-detail/-/publication/c8c38dc9-89d0-11e5-b8b7-01aa75ed71a1/language-en. [6]

Eurostat (2021), *Adult Education Survey*, https://ec.europa.eu/eurostat/web/microdata/adult-education-survey (accessed on 1 April 2021). [66]

Expertenarbeitsgruppe (2014), *Empfehlungen der Expertenarbeitsgruppe zur Zu-ordnung von Ergebnissen nicht-formalen Lernens zum Deutschen Qualifikationsrahmen (DQR) an den Arbeitskreis "Deutscher Qualifikationsrahmen"*, https://www.dqr.de/media/content/DQR_Empfehlungen_AG_nicht-formales%20Lernen_Stand_2014_02_27.pdf. [65]

Fischer, A., K. Hecker and W. Wittig (2020), *Arbeitsmarktbedarfsanalyse zu beruflichen Kompetenzen und Teilqualifikationen*, https://www.f-bb.de/fileadmin/Projekte/BTQ/200731_Bericht_Arbeitgeberbefragung_final.pdf. [49]

Fouarge, D., T. Schils and A. de Grip (2013), "Why do low-educated workers invest less in further training?", *Journal of Applied Economics*, Vol. 45/18, pp. 2587-2601, https://doi.org/10.1080/00036846.2012.671926. [63]

Fuchs, P. et al. (2017), *IAB Forschungsbericht Pilotierung der Weiterbildungsberatung durch die Bundesagentur für Arbeit Implementationsstudie und quantitative Begleitforschung*, IAB Forschungsbericht, http://doku.iab.de/forschungsbericht/2017/fb0117.pdf (accessed on 5 March 2021). [21]

Jenschke, Schober and Fruebig (2011), *Career Guidance in the Life Course: Structures and Services in Germany*, National Guidance Forum in Educaiton, Career and Employment, http://www.forum-beratung.de/cms/upload/Veroeffentlichungen/Eigene_Veroeffentlichungen/NFB_MASTER_Broschre_englisch_V02.pdf. [18]

Kidd, J., C. Jackson and W. Hirsh (2003), "The outcomes of effective career discussion at work", *Journal of Vocational Behavior*, Vol. 62/1, pp. 119-133, http://dx.doi.org/10.1016/S0001-8791(02)00027-1. [7]

Killeen, J. and M. White (2000), *The Impact of Careers Guidance on Adult Employed People. Research Report RR226*, Department for Education and Employment, https://core.ac.uk/download/pdf/4154302.pdf. [10]

KMK (2009), *Hochschulzugang für beruflich qualifizierte Bewerber ohne schulische Hochschulzugangsberechtigung*, https://www.kmk.org/fileadmin/Dateien/veroeffentlichungen_beschluesse/2009/2009_03_06-Hochschulzugang-erful-qualifizierte-Bewerber.pdf (accessed on 13 October 2020). [37]

KMK (2008), *Anrechnung von außerhalb des Hochschulwesens erworbenen Kenntnissen und Fähigkeiten auf ein Hochschulstudium (II)*, https://www.kmk.org/fileadmin/veroeffentlichungen_beschluesse/2008/2008_09_18-Anrechnung-Faehigkeiten-Studium-2.pdf. [36]

KMK (2002), *Anrechnung von außerhalb des Hochschulwesens erworbenen Kenntnissen und Fähigkeiten auf ein Hochschulstudium (I)*, https://www.kmk.org/fileadmin/veroeffentlichungen_beschluesse/2002/2002_06_28-Anrechnung-Faehigkeiten-Studium-1.pdf. [35]

Lane, M. et al. (2017), *An economic evaluation of the National Careers Service*, Department for Education, https://dera.ioe.ac.uk/28677/1/National_Careers_Service_economic_evaluation.pdf. [9]

Loebe, H. and E. Severing (2013), *Qualifizierungsberatung in KMU. Förderung systematischer Personalentwicklung*, National Guidance Forum in Education, Career and Employment, https://www.f-bb.de/informationen/publikationen/qualifizierungsberatung-in-kmu-foerderung-systematischer-personalentwicklung (accessed on 1 April 2021). [24]

Luomi-Messerer, K. (2019), *European inventory on validation of non-formal and informal learning 2018 update: Austria*, http://libserver.cedefop.europa.eu/vetelib/2019/european_inventory_validation_2018_Austria.pdf. [61]

Maguire, M. (2004), "Measuring outcomes of Career Guidance", *International Journal for Educational and Vocational Guidance*, Vol. 4/2, pp. 179-192, http://dx.doi.org/10.1007/s10775-005-1022-1. [8]

Metcalfe, H. (2019), "The ECVET Users' Group visits Portugal", *ECVET Magazine*, Vol. 34, https://www.ecvet-secretariat.eu/en/system/files/magazines/en/ECVET%20Mag%2034%20May%202019%20Final.pdf. [60]

Münchhausen, G. and S. Seidel (2015), "Anerkennung und Validierung informellen und non-formalen Lernens", in *Handbuch Informelles Lernen*, Springer Fachmedien Wiesbaden, http://dx.doi.org/10.1007/978-3-658-06174-6_31-1. [28]

Nationales Forum Beratung in Bildung, B. (2014), *Professionell beraten: Qualitätsstandards für die Beratung in Bildung, Beruf und Beschäftigung*, https://dx.doi.org/10.3278/6004444w. [16]

Nickel, S., A. Thiele and I. Leonowitsch (2020), *Update 2020: Studieren ohne Abitur in Deutschland. Überblick über aktuelle Entwicklungen. Arbeitspapier Nr. 228*, https://www.che.de/download/studieren-ohne-abitur-in-deutschland-update-2020/?wpdmdl=14552&ind=1585603866648 (accessed on 17 July 2020). [32]

OECD (2021), *Getting Skills Right: Career Guidance for Adults in a Changing World of Work*, OECD Publishing, Paris, https://doi.org/10.1787/9a94bfad-en. [2]

OECD (2021), *Getting Skills Right: Career Guidance for Adults in a Changing World of Work.*, OECD Publishing, Paris, https://doi.org/10.1787/9a94bfad-en. [4]

OECD (2020), *Continuous Learning in Working Life in Finland*, OECD Publishing, Paris, https://dx.doi.org/10.1787/2ffcffe6-en. [58]

OECD (2019), *Getting Skills Right: Engaging Low-Skilled Adults in Learning*, OECD Publishing, Paris, http://www.oecd.org/employment/emp/engaging-low-skilled-adults-2019.pdf. [57]

OECD (2018), *Skills Strategy Implementation Guidance for Portugal*, OECD Publishing, Paris, https://doi.org/10.1787/23078731. [59]

OECD (2004), *Career Guidance and Public Policy: Bridging The Gap*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264105669-en. [1]

OECD (2004), *Career Guidance and Public Policy: Bridging the Gap*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264105669-en. [3]

Osiander, C. and G. Stephan (2018), *Gerade geringqualifizierte Beschäftigte sehen bei der beruflichen Weiterbildung viele Hürden*, https://www.iab-forum.de/gerade-geringqualifizierte-beschaeftigte-sehen-bei-der-beruflichen-weiterbildung-viele-huerden/?pdf=8601 (accessed on 27 November 2020). [13]

Pielorz, M. and P. Werquin (2019), "The French and German Validation Systems: Description", *Magazin Erwachsenenbildung.at Das Fachmedium für Forschung, Praxis und Diskurs.*, Vol. 37, https://erwachsenenbildung.at/magazin/19-37/meb19-37.pdf. [29]

Sander, N. (2015), *Die Dienstleistungen zur Kompetenzfeststellung des Berufspsychologischen Service der Bundesagentur für Arbeit*, https://www.agbfn.de/dokumente/pdf/AGBFN_Geringqualifizierte_T_II_Block_4_1_Praesentation_BA_Sander.pdf. [43]

Schöpf, N. (2015), *Die Situation in Deutschland: Die Anerkennung der Ergebnisse informellen und noformalen Lernen bei formal Geringsqualifizierten: Status Quo und Perspektiven*, Bertelsmann Stiftung, https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/imported/leseprobe/1_582_Leseprobe.pdf. [41]

Statistisches Bundesamt (2020), *Anerkennungsstatistik*, https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Bildung-Forschung-Kultur/Berufliche-Bildung/Tabellen/bqfg-Entscheidung-B.html (accessed on 22 June 2020). [33]

Velten, S. and G. Herdin (2016), *Anerkennung informellen und non-formalen Lernens in Deutschland*, https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/ST_LL_Expertenmonitor_Anerkennung_informellen_LernensApril2016.pdf. [40]

Wolf, M. et al. (2018), "Konzepte modularer Nachqualifizierung: Hintergrund, aktuelle Entwicklungen und praktische Anwendung", *f-bb-Working Paper*, https://www.f-bb.de/fileadmin/Projekte/BTQ/191217_TQ_working_paper_final.pdf. [55]

Notes

[1] www.arbeitsagentur.de.

[2] e.g. ihk-niederrhein.de or rostock.ihk24.de.

[3] INQA – Initiative Neue Qualität der Arbeit (Initiative New Quality of Work).

5 Funding of CET and financial incentives

When it comes to funding CET, two of the most frequently asked questions are: What is a sufficient level of investment and who should pay for it? Market logic suggests that those who benefit from participation should share in the cost. In practice, things are not so simple. This chapter analyses i) how CET is funded in Germany; ii) the level of investment in comparison to other OECD countries; iii) how investment is distributed across different actors; and iv) the landscape of financial incentives available to individuals and enterprises. It identifies key challenges of the existing system and develops actionable recommendations.

Introduction

Two of the questions most frequently asked by policy-makers in the area of CET are i) how much investment in CET is needed to address the labour market changes brought about by digitalisation and other megatrends; and ii) who should pay for it. Unfortunately, there is no international benchmark for what constitutes a sufficient level of investment and who should make it. Comparisons with other OECD countries, especially those with high-performing CET systems, can however give some indication of the level of investment required.

In Germany as elsewhere, individuals, employers and government share the cost of CET. While it is often argued that those who benefit from CET participation should bear the costs, nuanced evidence on the benefits of CET is scarce, making it difficult to determine a fair distribution of costs in practice between adults, firms and public authorities. Benefits will also vary across target groups and for different kinds of training.

Many OECD countries utilise financial incentives for individuals and enterprises to improve the efficiency and equity of the CET system. Also in Germany, there exists a plethora of incentives at different levels of government, for different target groups and purposes. Recent legislative changes have extended financial support to individuals and enterprises, for instance through the revision of the Upgrading Training Assistance Act (*Aufstiegsfortbildungsförderungsgesetz)*, the Skills Development Opportunities Act (*Qualifizierungschancengesetz)* and the Work of Tomorrow Act (*Arbeit-von-Morgen-Gesetz)*. The results of these changes remain to be seen and should be carefully evaluated.

This chapter analyses the existing system of financial incentives and the key challenges in funding CET in Germany. It first reviews how CET is funded and how the overall level of investment compares to other OECD countries. It then discusses the financial incentives in place to encourage individuals and enterprises to take part in CET. Based on this analysis it presents recommendations for future action in this area.

Status-quo and key challenges

Funding of CET

The National Skills Strategy *(Nationale Weiterbildungsstrategie, NWS)* does not discuss the overall funding levels and logic of the system, instead focussing on identifying gaps in financial support for individuals and enterprises (BMAS et al., 2019[1]). However, it is crucial to understand who invests how much in CET in order to further develop CET in Germany. This section compares German investment in CET to that of other OECD countries and identifies the financial contributions of different stakeholders.

Although data on investment in CET are scarce, it suggests that CET makes up only a small part of overall investment in education and training

CET may not require the same level of funding as initial education, but it is a cost-intensive endeavour requiring sufficient resources. A small number of studies estimates the yearly investment in CET in Germany. Yet the results are not consistent between studies due to diverging definitions of CET, focus on specific sub-sectors or target groups, different data sources and distinctive approaches to modelling costs (Table 5.1). One of the most comprehensive recent studies suggests that individuals, enterprises and public bodies may invest up to EUR 36 billion per year in CET (Dohmen and Cordes, 2019[2]). This includes direct and indirect costs of participation in formal and non-formal CET.

Across the different estimates, it is apparent that investment in CET falls behind investment in initial education and training. This is not unusual in OECD comparison. Data from 2009 shows that

OECD countries, for which data is available, spent around 0.9% of GDP on CET on average, while they spent 2.6% of GDP on primary education, 1.3% on upper secondary education and 1.6% on tertiary education (OECD, 2019[3]; FiBS/DIE, 2013[4]). According to data from the German statistical office referring to 2017, total investment[1] in early childhood education and care (ISCED 0) was EUR 32 billion; investment in general and vocational primary, secondary and post-secondary non-tertiary education was EUR 101 billion (ISCED 1-4) and investment in tertiary education (ISCED 5-8) was EUR 42 billion (Statistisches Bundesamt, 2020[5]). Some of the categories may include investments in continuing education and training as defined in this report, for example investment in higher education that is not considered initial education.

Table 5.1. Estimates of total investment in continuing education and training in Germany vary

Scope and results of existing studies

Source	Type of costs	Scope of CET	Reference year	Estimated investment
Dohmen and Cordes (2019[2]).	Direct and indirect costs to individuals, enterprises and public bodies*	Formal and non-formal CET**	2015	EUR 36.4 billion
Müller and Wenzelmann (2018[6])	Direct costs to individuals	Formal, non-formal and informal CET	2015	EUR 17.8 billion
Seyda and Placke (2017[7])	Direct and indirect costs to enterprises	In-company training	2016	EUR 33.5 billion
Statistisches Bundesamt (2020[5])	Direct costs to individuals, enterprises and public bodies	In-company training; general and job-related CET	2018	EUR 16.6 billion***
Thiele, Behringer and Schönfeld (2016[8])	Direct costs to individuals	Non-formal CET	2016	EUR 6.4 billion

Note: *without tax-effects, **for individual investments only non-formal continuing education and training is taken into account, ***includes costs for in-company training, Adult Education Centres, other education offers such as education institutions of chambers and financial incentives.

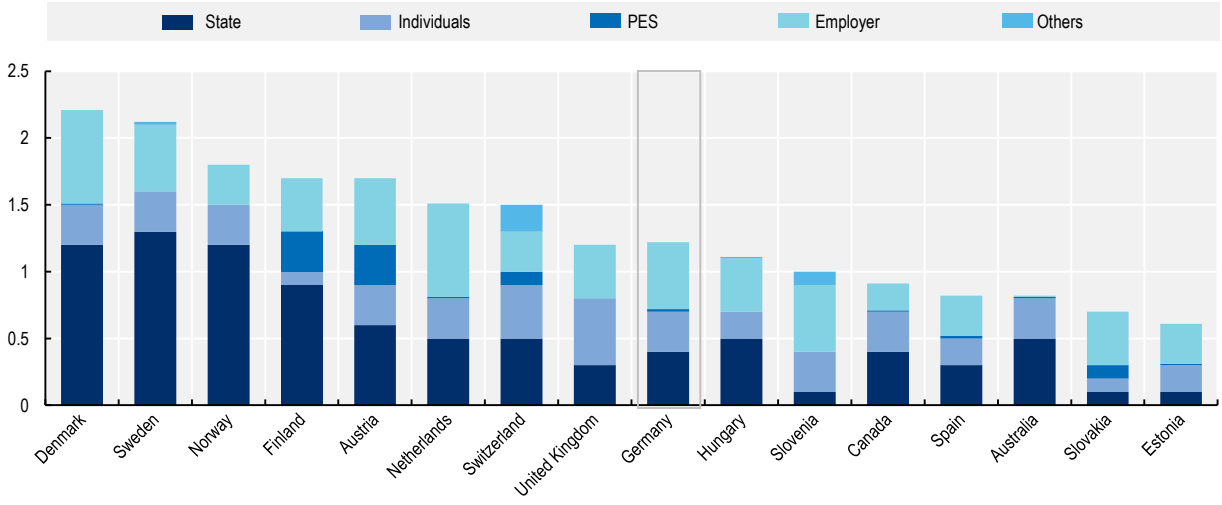
Internationally comparable data on the funding of CET are even more limited, making it difficult to benchmark investment in Germany against that of other countries. One of the first and only known attempts to generate cross-country comparable data on funding for CET to date, was made by FiBS/DIE (FiBS/DIE, 2013[4]). The study considers investment in CET by governments, public employment services, enterprises and individuals for adults aged 25 and above, including for higher education. Given the methodological challenges of producing cross-country comparable data and the fact that the data are more than a decade old, these research findings should be treated as rough estimates only.

The study finds that, in 2009, investment in CET in Germany was equivalent to about 1.2% of GDP (Figure 5.1). This is lower than in a number of countries with comparable skill development systems, namely Austria (1.7% of GDP), Denmark (2.2% of GDP), the Netherlands (1.5% of GDP) and Switzerland (1.5% of GDP).[2] The estimates suggest that highest levels of investment can be found in the Nordic countries, which are considered to have high performing CET systems (OECD, 2019[3]). For some OECD countries more recent data exist. Finland, for example, invests between EUR 5 and 6 billion per year in CET, which is equivalent to 2.2% to 2.7% of GDP and includes public and private investments (OECD, 2020[9]). There is no evidence that the gap between investment in Germany and other OECD countries has closed over the past decade.

Data on investment in specific sub-sectors of the CET system are easier to obtain. According to data from the OECD Labour Market Policy database, for example, German public investment stands at around 0.18% of GDP in training-related to Active Labour Market Policies (ALMPs). This is higher than the OECD average (0.11%), but less than half of the investment made by Austria (0.43%), Denmark, (0.39%) and Finland (0.38%) (Figure 5.2). It should be noted that these data include investments in initial education and training for jobseekers.

Figure 5.1. Compared to many high-performing CET systems, German investment in CET seems to be low

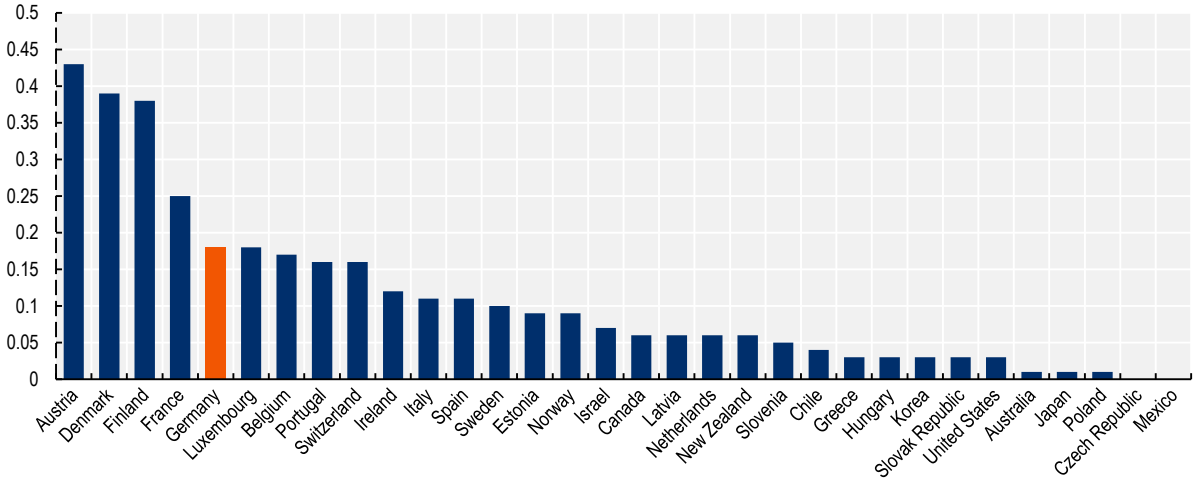
Expenditures for CET as share of GDP, persons ages 25 and over, 2009



Note: Data include spending on higher education for adults aged 25 years and older; without private spending on higher education; no data on higher education for SVN; different reference years for CAN (2008), CHE (2007), DEU (2008/2010), GBR (2008), NDL (2010), SVN (2011).
Source: FiBS/DIE (2013[4]), Developing the Adult Learning Sector. Annex to the final report, http://lll.mon.bg/uploaded_files/financingannex_en.pdf.

Figure 5.2. Investment in training-related ALMPs is relatively high in Germany

Share of GDP invested in training-related ALMPs, 2018



Note: Training-related ALMPs include institutional training, workplace training, alternative training, as well as special support for apprenticeships; it includes funding for initial education and training and continuing education and training; data for KOR refers to 2017, no data for GBR.
Source: OECD, Labour Market Policy database, https://stats.oecd.org/Index.aspx?DataSetCode=LMPEXP.

Costs are shared between individuals, enterprises and different levels of government

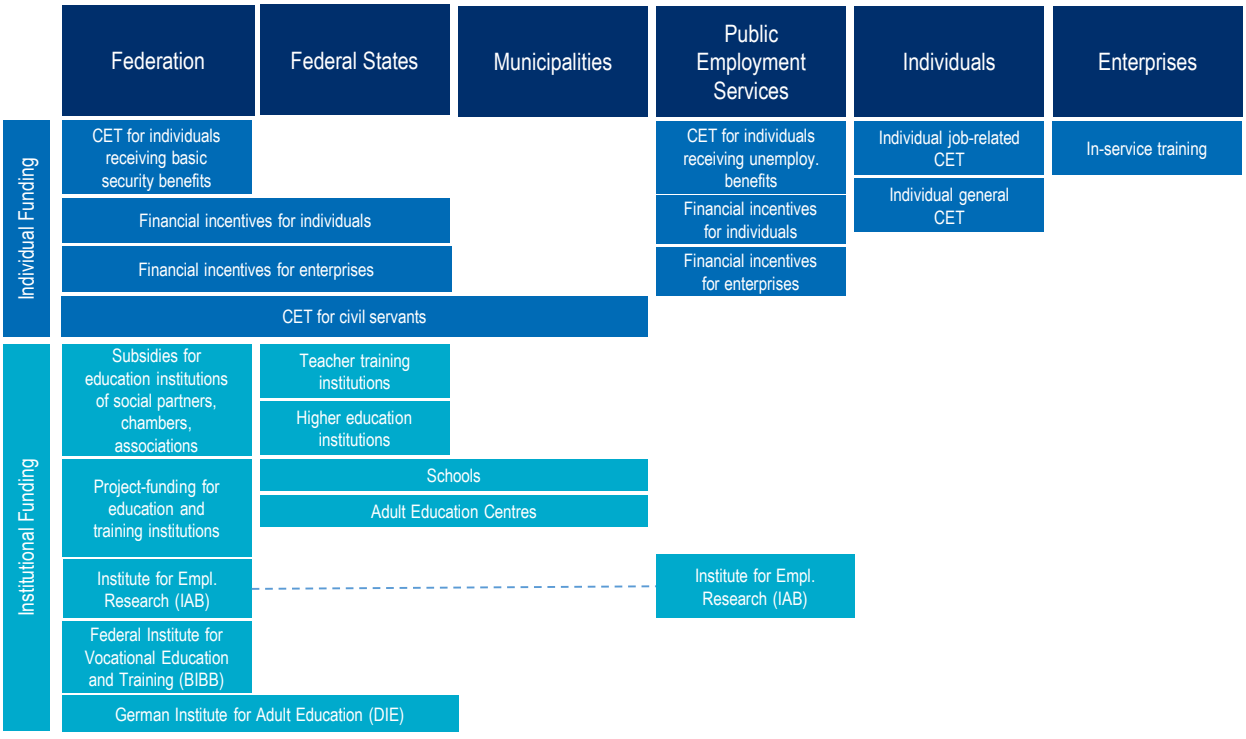
As in most other countries (Figure 5.1), the costs of CET are shared between individuals, enterprises and different levels of government in Germany (Figure 5.3). While enterprises are responsible for funding the in-service training of employees, individuals pay for other training, whether general or job-related in nature. Both may be eligible for financial incentives offered by the federation, federal states or the Federal Employment Agency, which cover at least part of the direct – and sometimes indirect – costs of training. Additionally, the Federal Employment Agency and the federation pay for CET for individuals receiving unemployment benefits and those receiving basic security benefits, respectively. The federation, federal states and municipalities finance CET for civil servants.

While federal states have the primary responsibility for funding CET provision, they hold significantly smaller budgets than the federation. The federation channels only some limited funding to education institutions through projects, often to support innovation and research. It also subsidises the education and training institutions of trade unions, chambers and associations. Federal states, jointly with municipalities, fund higher education and teacher training institutions, as well as schools and Adult Education Centres. Since 2019, a change in the constitution (Art. 104c GG) made it possible for the federation to financially support federal states and municipalities with providing education infrastructure.

The federation and Public Employment Services share the costs of the Institute for Employment Research (*IAB*). The federation funds the Federal Institute for Vocational Education and Training (*BIBB*), while costs for the German Institute for Adult Education (*DIE*) are shared between federation and federal states.

Figure 5.3. CET is financed through a multi-level system in Germany

Distribution of responsibilities for funding CET



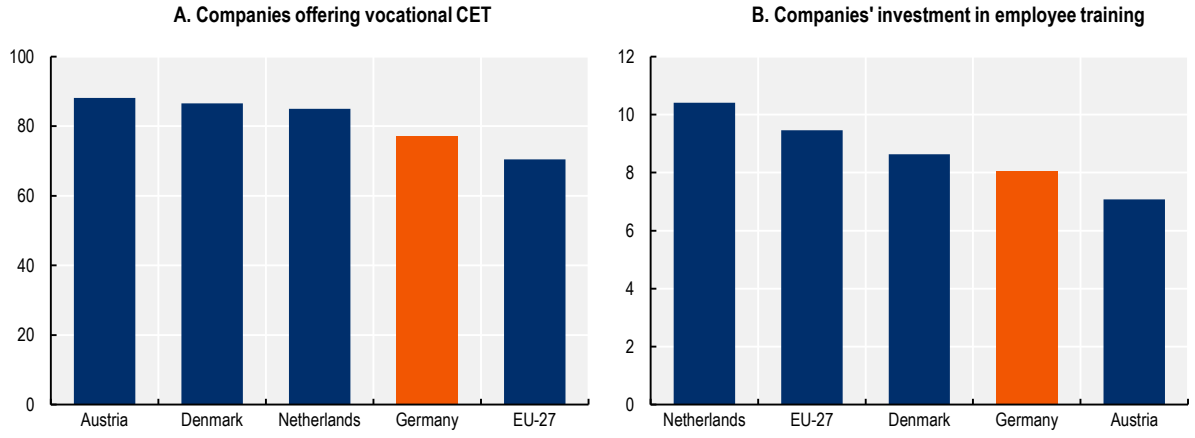
The majority of the cost of CET is borne by individuals and enterprises

Employers and individuals each contribute around one-third of the costs of CET (32% and 34% respectively), according to data compiled by Dohmen and Cordes (2019[2]). The remainder of the direct costs are borne by the federation, federal states, and municipalities (24%), and the Federal Employment Agency (9%). The distribution of costs between key stakeholders has been relatively stable over time, except during the Great Recession, where employer investment dropped to 26% and BA investment increased to 13% (Dohmen and Cordes, 2019[2]).

While employers bear a comparatively large share of the cost of CET in Germany, their investment lags behind some other countries (Figure 5.4). Data from the Continuing Vocational Training Survey (CVTS) show that more than three in four (77%) companies with more than 10 employees fully or partly finance job-related CET for their employees in Germany. This share is slightly higher than the EU average, but substantially lower than in many other countries, including Austria, where more than 88% of companies train their staff. Additionally, evidence from the EIB Investment Survey shows that German companies' investment in training is below average: around 8%, compared to higher shares in other large countries such as France (15%), the United Kingdom (12%) and the United States (9%) and almost 10% on average in the European Union.

Figure 5.4. German companies' investment in CET lags behind other OECD countries

Share of companies offering vocational CET, 2015, and training as a share of total business investment, 2018



Note: A. Companies with 10 or more employees fully or partly financing vocational CET courses and/or other forms of vocational CET; B. Company investment in training expressed as average share of total investment in trade.
Source: A. CVTS, 2015; B. EIB Investment Survey, 2018.

Financial incentives for individuals

Participation in CET can generate private returns for individuals depending on their individual characteristics and the type of training they engage in (Chapter 3). This prospect incentivises individuals to invest in their own CET, and such individual contributions make up a substantial share of overall investment in CET. Individuals finance 34% of direct costs of CET, which consist mainly of course and examination fees, but also include learning and working materials, travel to and from the location of learning, accommodation, meals away from home, childcare and other costs. In addition, individuals in training incur indirect costs, which include loss of various forms of income resulting from taking part in CET.

Looking at this investment on a per-capita basis, the average person spent EUR 610 on job-related CET in 2015, according to estimates by the German Federal Institute for Vocational Education and Training (BIBB). Of this amount EUR 447 (73%) were direct costs for CET and EUR 164 (27%) indirect costs in the form of foregone earnings. Thirty-eight percent of these costs were covered by employers or public funding sources, leaving the average participant with a net average investment of EUR 381 per capita (Müller and Wenzelmann, 2018[6]).

These averages hide big differences in the costs for different kinds of CET and the investments made by different groups of the population. As discussed in Chapter 2, participation in training is not equally distributed, and investment reflects this imbalance. Some groups in the workforce are significantly under-represented, notably individuals with lower skill levels and lower incomes. This reflects liquidity constraints, along with a lack of information, ill-appreciation of the benefits of training and uncertainty around the returns of participation in CET (Brunello and De Paola, 2004[10]; OECD, 2017[11])

Different levels of government in Germany employ a range of instruments to improve the efficiency and equity of CET access and provision. Incentives aim to broaden access, to reach individuals who are less likely to train on their own initiative or who could otherwise not afford the costs (BIBB, 2020[12]). They also aim to increase efficiency of CET provision in a rapidly changing labour market, for example by incentivising upskilling in the context of increasing demand for higher-level skills. The following sub-chapter reviews the specific types of financial incentives for CET available to individuals in Germany.

Germany has a plethora of financial incentives for individuals, which can be difficult to navigate

The financial incentives landscape in Germany is a mosaic of support schemes, which lacks a co-ordinated and systematic approach across the territory.[3] The federation, the federal states and the Federal Employment Agency (BA) run a large and growing number of schemes, which cover the direct and/ or indirect costs of CET participation for individuals. They use different instruments to deliver support, including allowances, loans, premiums, scholarships, tax incentives and vouchers (see Box 5.1). Rather than being based on a systematic approach, different incentives seem to have mostly developed along historical path-dependencies.

Incentives focus on specific target groups, often narrowly defined. Eligibility for support depends on an individual's employment situation, qualification, income, age, size of the company (if employed) and/ or migrant-background status. Only a small number of schemes, such as financial support in the context of training-related ALMPs or the advancement stipend (*Aufstiegs-Bafoeg*) benefit a sizeable number of individuals (see tables below). While this large and increasing variety of schemes enables a targeted approach for groups with different support needs, its complexity is challenging from a user perspective. Many individuals do not know that they are eligible for financial support.

The lack in universalism of the funding landscape also risks support gaps for some groups. For example, there is a funding gap for individuals with obsolete skills and/or qualifications who would like to take part in training on their own initiative independently of their workplace, as well as for those working in sectors undergoing structural change. These groups are primarily targeted through their employer in the context of the Skills Development Opportunities Act (*Qualifizierungschancengeset*z, i.e. *SGB III § 82,* see next sub-chapter).

Box 5.1. Financial incentives – types of instruments

In Germany, financial support is provided to individuals using a range of instruments. The following definitions are used in the context of this report:

- **Allowance:** regular payments to cover CET participants' indirect costs partially or in full.
- **Loan:** amount of money that can be borrowed at a preferential rate to (partially) pay for direct or indirect costs of participating in CET. Loans have to be paid back after graduation.
- **Premium**: one-time-payment transferred to CET participants upon graduation from a formal CET opportunity. Participants can use the premium to cover direct and/or indirect costs of training received. In the German context, this instrument is often named 'bonus'.
- **Scholarship**: regular payments for high performers in previous training to cover indirect costs of current training, also called stipends or excellence programmes.
- **Subsidy:** one-time-payment to cover all or part of the direct cost of CET. Individuals are typically reimbursed with a subsidy after having paid course costs.
- **Tax incentive**: tax deductions on training expenditures.
- **Voucher:** coupon provided to individuals and companies to cover direct training costs, such as course fees. Training providers accept vouchers instead of money to (partially) cover fees. In the German context, this instrument is frequently named 'cheque'.

Source: OECD (2017[11]), *Financial Incentives for Steering Education and Training*, https://dx.doi.org/10.1787/9789264272415-en.

At the **federal level** alone, there are 11 financial incentive schemes targeted at individuals: a tax incentive, vouchers, scholarships, a premium, allowances and loans. Most of these incentives have narrowly defined target groups, such as the unemployed and low-income workers (vouchers) or high-performers in initial vocational education (scholarships), exceptions being the tax incentive and the loan.

Most of the available incentives cover only the direct costs of participation. Support to cover the indirect costs of learning exists for unemployed individuals, individuals pursuing vocational upskilling (*Aufstiegs-BAföG*) and talented individuals with IVET degrees pursuing higher education or other courses (*Aufstiegsstipendium, Weiterbildungsstipendium*). Scholarships and premiums may also be used to cover indirect costs, as they are lump sum payments not tied to specific expenses.

The most used financial incentive to support CET participation in Germany is a **tax incentive,** which has 1.8 million beneficiaries per year (Dohmen and Cordes, 2019[13]).[4] Direct costs of job-related CET can be deducted as promotional expenses (*Werbungskosten, Aufwendungen für die Aus- und Fortbildung*), thereby lowering an individual's taxable income. Deductible costs generally include course costs, travel costs, materials and the workspace used for the CET activities. Individuals with higher incomes benefit most from the tax deductible, due to the progressive tax rate (BIBB, 2020[14]).

An **education loan** *(Bildungskredit)* at preferential rates is available for adults under 35 years of age. It is administered by the Kreditanstalt für Wiederaufbau (KfW), a state-owned development bank. The loan provides relatively modest support, i.e. EUR 300 per month for 24 months (Table 5.2). This incentive is not limited to fund CET, but can also be used for initial education and training. There is a range of other instruments that are aimed at young people in initial education or training, such as a Student Loan by the KfW or certain aspects of the needs-based BAföG (*Bundesausbildungsförderungsgesetz*) financial state support, which in certain cases are also available to adults at a later stage of their lives.

Table 5.2. Tax deduction for CET and CET loan for individuals, federation

Original Name	English name	Instrument	Target group	Costs covered	Scope CET	Amount	Number of yearly beneficiaries
Aufwendungen für die Aus- und Fortbildung	CET Expenses	Tax incentive	Tax payers participating in CET	Direct and/or indirect costs	Job-related CET courses	Variable, lowers the taxable income	1.9 million (2010)*
Bildungskredit	Education loan	Loan	18-35 year-olds	Direct and/or indirect costs	Vocational and higher CET, internships	EUR 1 000-7 200	n/a

Note: Direct costs relate to the costs of CET provision only; indirect costs relate to wage-replacement for workers in CET.
Source: BIBB (2020[12]), Datenreport zum Berufsbildungsbericht, Bonn, www.bibb.de/dokumente/pdf/bibb_datenreport_2020.pdf; Dohmen and Cordes (2019[13]), Verbreitung öffentlicher Förderinstrumente in Deutschland und der Blick in die Länder, FiBS-Forum Nr. 63, Berlin, www.fibs.eu/fileadmin/user_upload/Literatur/FiBS-Forum_063_Foerderinstrumente_Bund_final.pdf.

Vouchers are available for the unemployed, those threatened by unemployment and low-income workers (Table 5.3). Vouchers for unemployed individuals (*Aktivierungs- und Vermittlungsgutschein, Bildungsgutschein*) cover 100% of course costs and, depending on individual circumstance, other direct costs, such as travel or accommodation expenses. In 2019, 1.39 million individuals received such a voucher from the Federal Employment Agency (BA). Low-income workers can receive relatively modest financial support in the form of the Education Grant (*Bildungsprämie*), which is a EUR 500 voucher that they can use to support participation in non-formal job-related CET. The Education Grant is provided by the Federal Ministry of Education and Research (BMBF).

Table 5.3. CET vouchers for individuals, federation

Original Name	English name	Target group	Costs covered	Scope CET	Amount	Number of yearly beneficiaries
Aktivierungs- und Vermittlungs-gutschein*	Activation and Counselling Voucher	Unemployed	Direct costs	Courses of occupational inclusion and activation (6-8 weeks)	100% of actual costs	1.39 million (2019)
Bildungs-gutschein	Education Voucher	Unemployed, persons threatened by unemployment or without vocational qualifications	Direct costs	Job-related CET	100% of actual costs	330 000 (2019)
Bildungsprämie	Education Grant	Low-income workers	Direct costs	Job-related specialist courses, interdisciplinary trainings (non-formal)	50% of actual costs, max. EUR 500	12 600 used vouchers (2017)

Note: Direct costs relate to the costs of CET provision only; indirect costs relate to wage-replacement for workers in CET; *not exclusively used for training measures.
Source: Based on Dohmen and Cordes (2019[13]), Verbreitung öffentlicher Förderinstrumente in Deutschland und der Blick in die Länder, FiBS-Forum Nr. 63, Berlin, www.fibs.eu/fileadmin/user_upload/Literatur/FiBS-Forum_063_Foerderinstrumente_Bund_final.pdf; BA (2020[15]), Monatsbericht zum Arbeits- und Ausbildungsmarkt, Bundesagentur für Arbeit, Nürnber; Monitoring information provided by the programme office Bildungsprämie.

Two **allowances** provide regular payments towards the direct and in-direct costs of learning for adults pursuing vocational CET (*Aufstiegs-BAföG*) and young adults without initial vocational degree and/or in low-skilled jobs (*Zukunftsstarter*) (Table 5.4). In 2018, 167 000 individuals benefited from the *Aufstiegs-BAföG* allowance. It covers 50% of direct costs of CET via a subsidy, while the other 50% can be covered by a loan. Depending on financial need, indirect costs for participation in full-time CET are covered at a rate of up to EUR 892 per month for single individuals, with additional allowances for married or partnered individuals and those with children (Box 5.2).

Table 5.4. CET allowances for individuals, federation

Original Name	English name	Instrument	Target group	Costs covered	Scope CET	Amount	Number of yearly beneficiaries
Aufstiegs-BAföG	Upgrading Training Assistance	Allowance	Adults with IVET degree	Direct costs and indirect costs (for full-time CET)	Formal CET; duration > 200 or >400 hours	Direct costs 50% subsidy; 50% loan; max. EUR 15 000 Indirect costs: up to EUR 892/month; + EUR 235 for married/partnered individuals, + EUR 235 per child, + EUR 150 for single parents	167 000 (2018)
Zukunftsstarter	Future starter	Allowance	25-35 year-olds without IVET degree and/or in low-skilled jobs	Direct costs and/or indirect costs	Initial vocational training	100% of all costs not paid by an employer	27 000 new beneficiaries (2018)

Note: Direct costs relate to the costs of CET provision only; indirect costs relate to wage-replacement for workers in CET.
Source: BIBB (2020[12]), Datenreport zum Berufsbildungsbericht, Bonn, www.bibb.de/dokumente/pdf/bibb_datenreport_2020.pdf; Dohmen and Cordes (2019[13]), Verbreitung öffentlicher Förderinstrumente in Deutschland und der Blick in die Länder, FiBS-Forum Nr. 63, Berlin, www.fibs.eu/fileadmin/user_upload/Literatur/FiBS-Forum_063_Foerderinstrumente_Bund_final.pdf.

Box 5.2. Recent improvements to the Upgrading Training Assistance Act

Recent amendments to the Upgrading Training Assistance Act (*Aufstiegsfortbildungsförderungsgesetz, AFBG)* aim to reduce financial barriers for vocational graduates. From August 2020, funding has been available for the three steps of higher vocational education and training defined in the BBiG/HwO (or equivalent qualifications): professional specialist, bachelor professional and master professional. Individuals can access funding at each stage of the progression ladder. It is generally not possible, however, to get funding for subsequent training towards specialist degrees in different professions, although exceptions can be made on a case-by-case basis. It therefore works primarily as an incentive for individuals progressing in their chosen profession (from lower to higher levels), but not for individuals looking to change profession (across the same level).

Funding is available for full- or part-time training. There are minimum requirements for the duration of the CET programme, among other criteria. Eligible preparation courses for a professional specialist qualification must have a minimum of 200 teaching hours and are only supported if undertaken on a part-time basis. Preparation courses for a bachelor or master professional qualifications must

encompass a minimum of 400 teaching hours. Distance and hybrid learning courses can also be funded if they fulfil the necessary requirements.

Additionally, the generosity of financial support for individuals was increased. Indirect costs are now 100% subsidised (previously 50% subsidy and 50% loan), up to EUR 892 per month depending on the financial situation of the individual, with additional financial support for those with dependent spouses and children. Support for subsistence costs is means-tested, apart from a childcare premium of EUR 150 for single parents, which is granted independently of the financial situation. Direct costs of course participation, including course and examination costs are supported up to EUR 15 000 in the form of a part-subsidy (50%) and part loan (50%). Materials needed for the final examination are subsidised 50% and up to EUR 2000.

Source: BMBF (2020[16]), Was wird gefördert? – BMBF Aufstiegs-BAföG, www.aufstiegs-bafoeg.de/de/was-wird-gefoerdert-1698.html (accessed 18 February 2020); BMBF (2020[17]), Aufstiegs-BAföG Machen Sie Ihre Karriere zum Highlight!, https://www.bmbf.de/upload_filestore/pub/Aufstiegs_BAfoeG.pdf.

Two nationwide **scholarship programmes** support high-performing individuals in pursuing CET (Table 5.5). Both target individuals with initial vocational degrees to encourage them to take up academic studies (*Aufstiegsstipendium*) and formal/non-formal further vocational CET (*Weiterbildungsstipendium*). The latter scheme is one of the few that can be used to cover costs of non-formal trainings, such as language courses and shorter IT courses. However, access is limited to young adults below the age of 25. Both scholarship schemes reach a small number of individuals, with approximately 7 000 scholarships awarded each year.

Table 5.5. Scholarships for individuals, federation

Original Name	English name	Target group	Costs covered	Scope CET	Amount	Number of yearly beneficiaries
Aufstiegs-stipendium	Advancement stipend	Talented adults with initial vocational qualification and work experience	Indirect costs	First academic studies, full- or part-time	EUR 2 700/ year part-time; EUR 941/ month full-time; EUR 150 child benefit (<14 years of age)	1 000 new scholarships awarded (2019)
Weiterbildungs-stipendium	CET stipend	High-performing graduates of initial vocational training; <25 years old	Direct costs + IT premium*	Specialist courses, interdisciplinary trainings, part-time higher education courses	EUR 8 100 (over three years); private co-payment is 10% per course	6 000 new scholarships awarded (2019)

Note: Direct costs relate to the costs of CET provision only; indirect costs relate to wage-replacement for workers in CET, * IT premium covers EUR 250 of the costs of a computer or other IT purchases in the first year of the scholarship.
Source: SBB (2020[18]), Jahresbericht 2019, Stiftung Begabtenförderung, https://www.sbb-stipendien.de/fileadmin/user_upload/downloads/Downloads_SBB/SBB_JB_2019_web.pdf; SBB (2020[19]), Weiterbildungsstipendium, www.sbb-stipendien.de/weiterbildungsstipendium.html.

Finally, a CET **premium** (*Weiterbildungsprämie)* is available for unemployed individuals taking part in formal CET using the Education Premium (*Bildungsgutschein)*. Premiums are paid by the Federal Employment Agency (BA) to individuals who have successfully completed interim or final exams of formal CET courses. Evidence suggests that such lump-sum payments may be a less effective incentive than regular payments. A pilot to test the relative effectiveness of regular payments is ongoing in Bremen in the context of the ESF operational programme (see Chapter 6) (Table 5.6).

Table 5.6. CET premium for individuals, federation

Original Name	English name	Instrument	Target group	Costs covered	Scope CET	Amount	Number of yearly beneficiaries
Weiterbildungs-prämie	CET premium	Premium	Unemployed individuals	Direct and/or indirect costs	Formal CET course of >2 years	EUR 1 000 after interim exam; EUR 1 500 after final exam	n/a

Note: Direct costs relate to the costs of CET provision only; indirect costs relate to wage-replacement for workers in CET.
Source: BIBB (2020[12]), Datenreport zum Berufsbildungsbericht, Bonn, www.bibb.de/dokumente/pdf/bibb_datenreport_2020.pdf; Dohmen and Cordes (2019[13]), Verbreitung öffentlicher Förderinstrumente in Deutschland und der Blick in die Länder, FiBS-Forum Nr. 63, Berlin, www.fibs.eu/fileadmin/user_upload/Literatur/FiBS-Forum_063_Foerderinstrumente_Bund_final.pdf.

In addition to these incentives offered at national level, the majority of **federal states** runs their own financial incentive programmes for individuals according to specific regional needs. Those whose place of residence or workplace lies within the federal state are eligible. Differences in the scope and generosity of financial incentives offered by federal states may create inequalities of access to financial support across the German territory.

There are two kinds of financial incentives offered by the federal states: **voucher** programmes (Table 5.7) and **premium** programmes (Table 5.8), which are usually co-financed by the European Social Fund (ESF). Federal state incentives often target groups that are not covered by programmes funded by the federation. This is due to a co-ordination process between federal government and federal states to ensure the coherence of ESF funded support. While this mosaic of measures is not straightforward from a user perspective, the different programmes complement each other in principle.

Recipients of the **voucher** can either be individuals directly or education and training institutions. Depending on the Land and the individual's situation, these subsidies can cover between 50% and 90% of direct costs for training and examination. Most subsidies are limited to job-related CET, although the definition of job-related is broad for most programmes. Different federal states use different terminology to describe their offers, typically cheques, bonus or premiums, which may be confusing from a user perspective.

Table 5.7. CET vouchers for individuals, federal states

Federal State	Original name	English name	Target group	Costs covered	Scope CET	Amount
BY	Bayrischer Bildungsscheck	Bavarian Education cheque	Employees with income >EUR 20 000	Direct costs	Job-related CET on digitalisation; duration >8 hours	EUR 500 lump sum
HB	Bremer Weiterbildungs-scheck	CET cheque	Employees, unemployed individuals with no or obsolete qualifications	Direct costs	Job-related CET	50-100% of costs; depending on specific cheque max. EUR 1 000 to max. 4 500 Euro (*Nachqualifizierung zum Berufsabschluss*) per person and year
HE	Qualifizierungs-scheck ProAbschluss	Qualification cheque ProGraduation	Semi-skilled/unskilled workers >21 years old	Direct costs	Formal CET; partial qualifications	50% of costs; max. EUR 4 000
HH	Weiterbildungs-bonus 2020	CET Bonus	Employees in companies with <250 employees	Direct costs	Job-related CET; employer must certify necessity of participation for current professional activity	50-100% of costs; max. EUR 750-2 000
NW	Bildungsscheck	Education cheque	Individuals with income EUR 20 000 – 40 000	Direct costs	Job-related CET	50% of costs; max. EUR 500; once per year
RP	QualiScheck	QualiCheque	Employees with an income of > EUR 20 000; or of < EUR 20 000 if the cost is > EUR 1 000	Direct costs	Job-related CET	60% of costs; max. EUR 600
SH	Weiterbildungsbonus	CET Bonus	Employees with an income of > EUR 20 000, apprentices, owners of micro enterprises, self-employed	Direct costs	Job-related CET	Up to 50% of costs; max. EUR 3 000
SN	Weiterbildungs-scheck individuell	CET cheque	Employees, apprentices, VET students, marginally employed, unemployed without benefits	Direct costs	Job-related CET	50%- 80% of direct costs
ST	Weiterbildung Direkt	CET Direct	Employees with salary < EUR 4 575/ month, unemployed without benefits	Direct costs	Job-related CET of min. EUR 1 000	60-90% of direct costs; max. EUR 25 000
TH	Weiterbildungs-scheck	CET cheque	Employees	Direct costs	Job-related part-time CET	Max. EUR 1 000 per year

Source: Based on BIBB (2019[20]), *Überblick über öffentliche Förderprogramme berufsbezogener Weiterbildung (Bund/Länder)*, https://www.bibb.de/dokumente/pdf/Ueberblick_Foerderprogramme_berufsbezogene_Weiterbildung.pdf.

Premium programmes called *Prämie* or *Bonus* can be paid to graduates of vocational upskilling qualifications (see Chapter 3). They are paid as a recognition bonus for successful graduates and, as such, are not designed to subsidise the direct or indirect costs of training (although they might be used by individuals for this purpose). Payments vary between EUR 1 000 and EUR 4 000 (Table 5.8).

Table 5.8. CET premiums for individuals, federal states

Federal State	Original name	English name	Target group	Costs covered	Scope CET	Amount
BY	Meisterbonus	Master Craftperson Bonus	Graduates of formal vocational upskilling qualifications	Direct and/or indirect costs	Formal vocational upskilling qualifications	EUR 2000/ graduation
HB	Aufstiegsfort-bildungsprämie	Advancement Premium	Graduates of formal vocational upskilling qualifications	Direct and/or indirect costs	Formal vocational upskilling qualifications	EUR 4 000/graduation
HE	Hessische Aufstiegsprämie – Meisterbonus Hessen	Hesse Promotion bonus – Master Craftsperson Bonus Hesse	Graduates of formal vocational upskilling qualifications	Direct and/or indirect costs	Formal vocational upskilling qualifications	EUR 1 000/ graduation
HH	Meisterprämie	Master Craftsperson Premium	Graduates of formal vocational upskilling qualifications	Direct and/or indirect costs	Formal vocational upskilling qualifications	EUR 1 000/ graduation
MV	Meister-Extra	Master Craftsperson-Extra	Graduates of formal Master Craftsperson Qualifications	Direct and/or indirect costs	Formal master craftsperson qualifications	EUR 2000/ graduation; additional EUR 3 000 for the top 50 graduates in a given year
NI	Meisterprämie im Handwerk Niedersächsische Weiterbildungsprämie	Master Craftsperson Premium	Graduates of formal Master Craftsperson Qualifications	Direct and/or indirect costs	Formal master craftsperson qualifications	EUR 4 000 / graduation (for Meister in Crafts) EUR 1.000 / graduation (for any other Meister)
RP	Aufstiegsbonus I (Meisterbonus)	Advancement bonus	Graduates of formal vocational upskilling qualifications	Direct and/or indirect costs	Formal vocational upskilling qualifications	EUR 2000/ graduation
SA	Saarländischen Aufstiegsbonus (Meisterbonus)	Saarland Advancement bonus (Master Craftsperson Bonus)	Graduates of formal vocational upskilling qualifications (DQR 6 and 7)	Direct and/or indirect costs	Formal vocational upskilling qualifications (DQR 6 and 7)	EUR 1 000/ graduation

Source: Based on BIBB (2019[20]), *Überblick über öffentliche Förderprogramme berufsbezogener Weiterbildung (Bund/Länder)*, https://www.bibb.de/dokumente/pdf/Ueberblick_Foerderprogramme_berufsbezogene_Weiterbildung.pdf.

In addition to these publicly funded programmes, there is a range of collective agreements or agreements at company level that contain financial incentives for individuals.

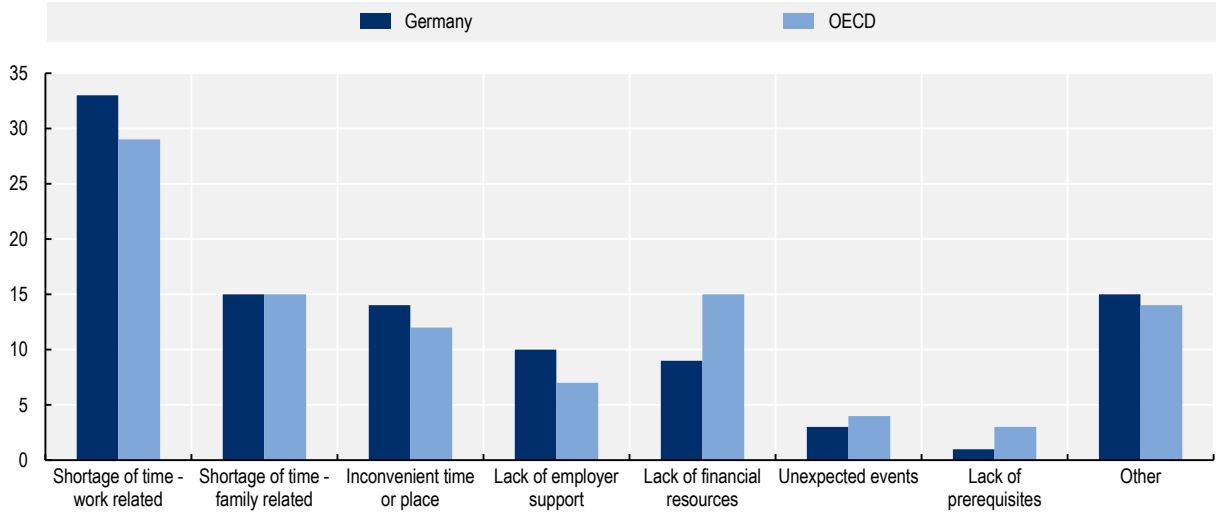
Education and training leave

Individual financial incentives are critical to incentivise participation in CET. However, a lack of financial incentives it is not the greatest obstacle to participation according to data from the Survey of Adult Skills (PIAAC) (Figure 5.5). Only 9% of adults in Germany consider cost the main obstacle to participation in CET, compared with 15% across OECD countries. Instead, the greatest obstacle to participation in

Germany is shortage of time due to work (33%) or family responsibilities (15%). Adults in Germany perceive shortage of time due to work-related reasons a larger obstacle than adults in other OECD countries (33% vs. 29%). In practice, money and time are two sides of the same coin. Hence, financial incentives will fail to achieve their objective of increasing participation if they are not complemented by making time available for participation in CET.

Figure 5.5. Shortage of time is the main obstacle to participation in CET in Germany

Reasons preventing participation in (more) formal and/or non-formal learning, 2012, 2015, percentage



Note: Share of adults who wanted to participate in (more) formal and/or non-formal learning, but did not.
Source: Survey of Adult Skills (PIAAC), 2012, 2015.

Education and training leave is regulated at the Länder level, and all but two federal states have regulations on education and training leave (*Bildungsurlaub*). Entitlements are similar across federal states, allowing for 5 days of CET leave per individual per year or 10 days in two years. In some federal states (e.g. Brandenburg) employees have the option to cumulate future leave entitlements to take part in longer CET courses, subject to written agreement of their employer. In all federal states that regulate education and training leave, employers are obliged to continue paying the individual's salary; in few of them, employers can request government support to cover part of these costs. Direct costs of CET participation are not covered by education and training leave regulation.

An average of 5 days of paid training leave per year is sufficient for shorter non-formal CET opportunities, but not enough for more time-intensive non-formal or formal learning opportunities. For these opportunities individuals have to make significant individual and time investments on their own account. As described above, opportunities to cover this shortfall through financial incentives that cover the indirect costs of training are limited. Further, there may be support gaps in those federal states that currently do not have paid education and training leave regulations. The NWS includes a commitment of the federal states to assess the possibility of introducing the right to publicly funded education and training leave, as well as to assess how take-up of the existing leave policies could be increased.

Table 5.9. Education and training leave across federal states

Educational leave laws in Germany

Federal State	Educational leave law	Paid leave	Reimbursement of wages for employers	Duration of leave	Leave since
BW	Yes	Yes	No	5 days per year, cannot be cumulated	2015
BY	No	–	–	–	–
BE	Yes	Yes	No	10 days per 2 years for >25 years old, 10 days per year for <25 years old	1990
BB	Yes	Yes	No	10 days per 2 years; accumulation of leave entitlements possible based on written agreement between employer and employee	1996
HB	Yes	Yes	No	10 days per 2 years	1974
HH	Yes	Yes	No	10 days per 2 years	1974
HE	Yes	Yes	Enterprises with <20 employees can request wage subsidy of 50% for job-related CET and civic education; all enterprises can request 100% wage subsidy for training courses for the purpose of voluntary work *(Ehrenamt)*	5 days per year, can be cumulated over two years	1998
MV	Yes	Yes	Enterprises can request EUR 55-110 wage subsidy per day	5 days per year, cannot be cumulated	2013
NI	Yes	Yes	No	5 days per year, can be cumulated over 4 years	1991
NW	Yes	Yes	No	5 days per year, can be cumulated over 2 years	1984
RP	Yes	Yes	Enterprises with <50 employees can request wage subsidy of 50% of average salary in the Federal State	10 days per 2 years	1993
SL	Yes	Yes		2 days + 4 half days per year	2010
SN	No	–	–	–	–
ST	Yes	Yes		5 days per year, can be cumulated over 2 years	1998
SH	Yes	Yes		5 days per year, can be cumulated over 2 years	2012
TH	Yes	Yes		5 days per year, can be cumulated over two years if rejected	2015

Source: Based on www.bildungsurlaub.de and various federal state laws.

In addition to the federal states' arrangements for education and training, a number of collective agreements regulate educational leave for different sectors. In Bavaria, for example, where there is no general right to education and training leave, employees in the metal and electrical industries have the right to unpaid educational leave of two weeks per year (DGB Bayern, n.d.[21]). Employers are encouraged to continue paying wages in this time. The trade union may reimburse course costs, costs for accommodation and travel, as well as any foregone earnings that are not covered by the employer. Another example is the agreement in the railroad and transport sector, which gives individuals access to time savings accounts *(Langzeitkonten)*. These can be used to take paid educational leave (EVG, 2018[22]). For longer training, such as university study programmes, education part-time (*Bildungsteilzeit*) is possible for employees that are covered by certain collective agreements (IG Metall, n.d.[23]).

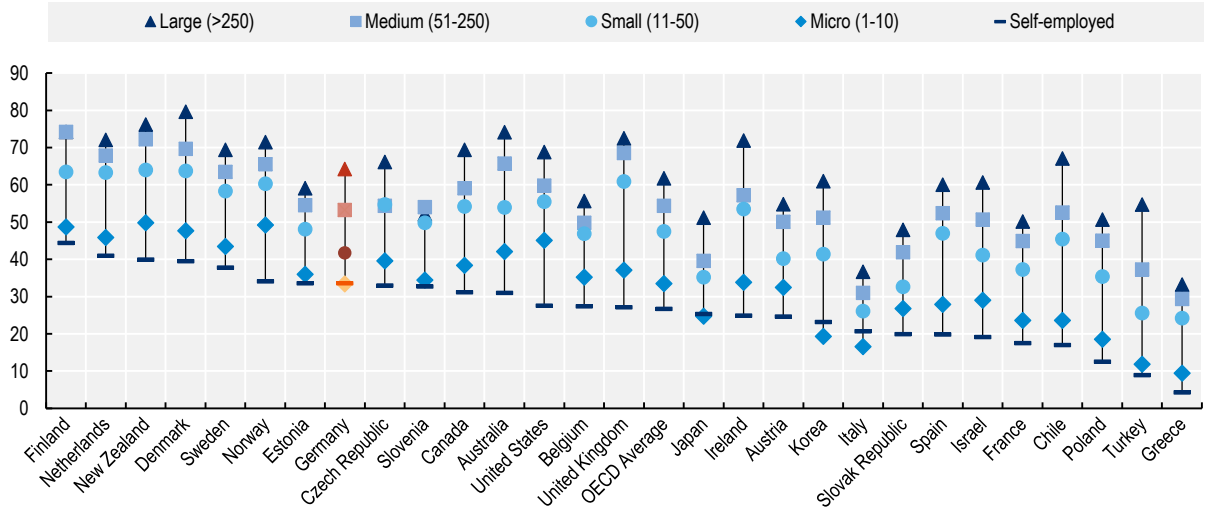
In sum, there is a large number of incentives in Germany, while at the same time there is a funding gap for individuals with obsolete skills and/or qualifications, as well as for those working in sectors undergoing structural change.

Financial incentives for companies

Companies invest significantly in the skills of their employees, with the goal of increasing productivity, maintaining competitiveness and fostering innovation. According to PIAAC data, between 36% and 89% of job-related CET is financially supported by employers in OECD countries (OECD, 2019[3]). There is a positive correlation between the extent of employer-supported training and overall participation rates (Desjardins, 2020[24]), as individual or government co-funding only partially makes up for employer resources when missing. However, there are large differences between enterprises of different sizes when it comes to the provision of training to their employees (Figure 5.6).

Figure 5.6 The smaller the firm, the less likely it provides training to its employees

Adults participating in job-related and employer-supported training by firm size, 2012, 2015, percentage



Note: Ordered by share of self-employed participation; Belgium refers to Flanders and the United Kingdom refers to England and Northern Ireland only. Employer-supported training refers to learning activities that fully or partially take place during working hours and/or for which employers fully or partially pay the direct costs.
Source: Desjardins (2020[24]), "PIAAC Thematic Report on Adult Learning", https://dx.doi.org/10.1787/864d2484-en; based on PIAAC data, 2012, 2015.

In Germany, 64% of employees in large enterprises take part in employer-supported training, whereas the figure for employees in micro-enterprises is only 33%. By international comparison, Germany has a particularly large participation gap between employees in large and medium-sized enterprises (64% and 53% respectively). By contrast, Finnish employees in large and medium-sized enterprises have the same probability of receiving training support from their employer (74%).

Underinvestment in training can occur in individual firms due to financial constraints, concerns about employee poaching and staff turn-over, as well as low expected marginal benefits, among other reasons (Brunello et al., 2020[25]). There is an argument for the state to support enterprises, where current training provision of training is inefficient or where it produces inequalities (Bassanini et al., 2005[26]). This section reviews the financial incentives for CET available to companies in Germany.

The federation provides generous financial incentives for longer CET courses…

In Germany, enterprises can benefit from federal subsidies to cover direct and indirect training costs under the Skills Development Opportunities Act (*Qualifizierungschancengesetz*), which came into effect on

1.1.2019. From October 2020, the Work of Tomorrow Act (*Arbeit-von-morgen-Gesetz*) increases these subsidies for enterprises specifically affected by structural change. Both laws subsume and expand the provisions on the long-standing *WeGebAU* programme which provided subsidies to small and medium enterprises (SMEs) and to train older adults and those with low skills from 2006-18. The federal subsidy is aimed at employees whose occupational activities are at risk of being replaced by technology or otherwise affected by structural change; the subsidy aims to help them adapt and develop their professional skills in order to better meet these challenges. Financial support can be granted for certified training lasting more than 120 hours.

In 2019, public spending on company subsidies under the Skills Development Opportunities Act was EUR 430 million. It is estimated that the expansion of the measure through the Work of Tomorrow Act will raise this figure by EUR 52 million per year (Bundesregierung, 2020[27]; Bundesregierung, 2020[28]). Overall, the changes brought by the acts, which are not limited to company subsidies, are estimated to amount to approximately EUR 1 billion per year (Bundesregierung, 2018[29]; Bundesregierung, 2020[28]). By way of comparison, it is worth noting that Federal Employment Agency and Job Centers spent more than EUR 3 billion on support for CET in 2019.

Table 5.10 Financial incentives for companies, federation

Original Name	English name	Instrument	Target group	Costs covered	Scope CET	Amount
Qualifizierungschancengesetz und Arbeit-von-morgen-Gesetz	Skills Development Opportunities Act and Work of Tomorrow Act	Subsidy	Enterprises	direct; indirect costs	CET with duration of >120 hours	up to 100% of costs depending on company size and target groups
Programm zur Förderung der Aus- und Weiterbildung, Qualifizierung und Beschäftigung in Unternehmen des Güterkraftverkehrs	Programme to promote training, qualification and employment in road haulage companies	Subsidy	Road haulage enterprises	direct costs	Courses, seminars and trainings	50-70% of costs; up to a ceiling depending on number of heavy commercial vehicles and company size

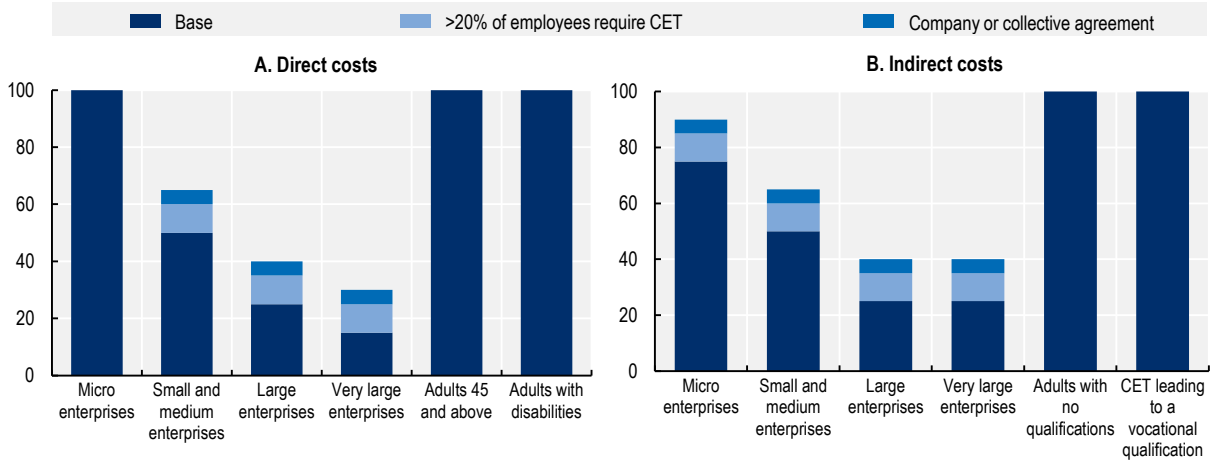
Note: Direct costs relate to the costs of CET provision only; indirect costs relate to wage-replacement for workers in CET.

Under the Skills Development Opportunities and Work of Tomorrow Acts, training costs are subsidised. Depending on firm size, type of training, worker characteristics, social dialogue and the share of employers in need of skills adjustment, companies can apply for financial support that cover 15-100% of the direct and indirect costs of CET for their employees. Micro-enterprises with less than ten employees have their share of the training costs fully covered, while large companies with more than 2 500 employees can receive subsidies up to 15% of training costs. Older workers (45+) and people with disabilities in SMEs have their training costs fully covered, as do low-qualified workers taking part in training leading to a qualification. Higher subsidies are granted when more than 20% of employees in an enterprise require re-training or when the enterprise has a collective agreement.

In addition to training costs, the subsidy can cover up to 100% of wage costs (indirect costs), with the subsidy rate depending on firm size, type of training and the workers' qualification levels. A graphical representation of this framework can be found in Figure 5.7 below. While it is understandable that smaller companies, companies particularly affected by structural change and those engaging in social dialogue should receive further support, the changes introduced by the Work of Tomorrow Act seem to have added complexity to the administration of financial incentives available to enterprises.

Figure 5.7 Federal financial incentives for companies are highly differentiated

Percentage of a firm's training cost funded under Skills Development Opportunities Act and Work of Tomorrow Acts



Note: Micro enterprises: <10 employees, Small and medium enterprises: 10-249 employees, Large enterprises: 250-2499 employees, Very large enterprises: 2 500 or more employees; top-up subsidies for companies specifically affected from structural change already available when 10% of employees require CET for small and medium enterprises.
Source: Based on BMAS (2020[30]), *Förderung der beruflichen Weiterbildung,* www.bmas.de/DE/Themen/Aus-und-Weiterbildung/Weiterbildungsfoerderung/weiterbildungsfoerderung-art.html.

Beyond this financial incentive, a specialised programme for the road haulage industry subsidises the direct costs of shorter courses, seminars and training for the sector (*Programm zur Förderung der Aus- und Weiterbildung, Qualifizierung und Beschäftigung in Unternehmen des Güterkraftverkehrs*). Public expenditure for this programme is relatively small, typically between EUR 25 and 30 million per year. This includes costs for initial education and training of road haulage staff (Bundesregierung, 2018[31]).

…, while federal states offer a range of complementary funding opportunities for companies

The vast majority of federal states – 13 out of 16 – has financial incentive schemes of varying generosity or companies operating in their territory (Table 5.11). Most of these incentives precede the Skills Development Opportunities Act. Incentives at federal state level close some funding gaps that exist at federal level. Federal states tend to support a broad range of CET opportunities, with no lower limit on their duration. In contrast, the Skills Development Opportunities Act only finances CET opportunities with a minimum duration of 120 hours, conveying skills that go beyond short-term job- or company-specific skills and are subject to a needs assessment of the employee.

The vast majority of federal state incentives comes in the form of subsidies or vouchers for companies. These instruments subsidise between 50% and 100% of direct and, more rarely, indirect costs, depending on company or individual characteristics. Some federal states incentivise structural investments, such as investments in organisational and HR development. Two federal states provide company support in the forms of loans, the instruments *Financing of CET 4.0* in Baden-Wuerttemberg and *Aus- und Weiterbildungskredit* in Rhineland-Palatinate.

All financial incentives for enterprises at the federal state level are co-funded by the European Social Fund (ESF) in the case of subsidies and vouchers, or the European Investment Bank (EIB) in the case of loans. This poses questions about the sustainability of funding beyond the 2014-20 funding period.

Table 5.11 Financial incentives for companies, federal states

Federal State	Original Name	English name	Instru-ment	Target group	Costs covered	CET covered	Amount
BW	Weiterbildungs-finanzierung 4.0	Financing of CET 4.0	Loan	Enterprises with max. 500 employees	direct; indirect	unspecified/ all CET	EUR 20 000/participant
BY	Qualifizierungen von Erwerbstätigen. Neustart aus Corona	Qualifying employees. New start after Corona.	Subsidy	Enterprises; groups of enterprises	direct; indirect; structural invest.	job-related CET; duration >30 hours; mi n. 9 participants	50-100%
BB	Richtlinie zur Förderung der beruflichen Weiterbildung	Guideline for the promotion of job-related CET	Subsidy	Enterprises, associations, institutions for child and youth welfare	direct	job-related CET; costs per grant application > EUR 1 000	50% for companies, for associations and for child and youth welfare institutions (max. EUR 3 000 per participant); For establishment, expansion, restructuring of companies: 50-70% depending on size of the company (max. EUR 3 000 per participant; EUR 10 000 per participant if particular significance for BB from an employment policy perspective)
HB	Weiterbildungs-scheck	CET cheque	Voucher	MSEs (<51 employees)	direct	CET; duration <6 hours	50% of costs; max. EUR 500/participant and EUR 2 000/enterprise; for training of low-skilled adults max. EUR 5 000/enterprise
MV	Bildungsschecks für Unternehmen, Projektförderung	Education cheques for companies and project subsidies for companies	Voucher, subsidy	Enterprises	direct	job-related CET	50-75% of costs; max. EUR 500 for non-formal certificate courses; max. EUR 3 000 for formal (part-) qualifications; up to EUR 100 000 for qualifying projects
NI	Weiterbildung in Niedersachsen (WiN)	CET in Lower Saxony (WiN)	Subsidy	MSEs (<50 employees)	direct; indirect	general job-related and certified CET	50% of costs; min. EUR 1 000
NW	Bildungsscheck	Education cheque	Voucher	SMEs (<250 employees)	direct	job-related CET	50% of costs, max. EUR 500 per voucher; max 10 participants per year
RP	Aus- und Weiterbildungs-kredit	Initial and continuing education loan	Loan	SMEs (<250 employees); mid-caps (<3 000 employees); freelancers	direct; structural invest.	all CET	max EUR 2 Mio.
RP	Betriebliche Weiterbildung	CET cheque for companies	Subsidy	Enterprises	direct	job-related CET	50% of costs; max. 1 500 EUR per participant; max. EUR 30 000 per year and enterprise

Federal State	Original Name	English name	Instru-ment	Target group	Costs covered	CET covered	Amount
SL	Förderprogramm Kompetenz durch Weiterbildung (KdW)	Support programme competence through CET	Subsidy	SMEs (<250 employees)	direct	job-related seminars open to the general public, including e-learning	50% of costs; max. EUR 2 000/participant; max. EUR 20 000-250 000 depending on company size
SN	Weiterbildungs-scheck betrieblich	CET cheque for companies	Subsidy	SMEs (<250); social enterprises of all sizes	direct	all CET	40%-70% costs depending on company size and target group
ST	Weiterbildung Betrieb – Förderung der beruflichen Weiterbildung von Beschäftigten in Unternehmen	In-company CET; Promotion of continuing vocational training for employees in enterprises	Subsidy	Enterprises, institutions, free-lancers	direct; structural invest.	all CET	40-80% of costs, depending on company size and target group; max. EUR 100 000
SH	Weiterbildungs-bonus	CET Bonus	Subsidy	MEs (<10 employees)	direct	CET at certified providers	50% of costs; max. EUR 1 500
TH	Weiterbildungs-richtlinie – Anpassungs-qualifizierung	CET Directive – Adaptation Qualification	Subsidy	Enterprises	direct; indirect	Adjustment training	50% of costs

Note: Direct costs relate to the costs of CET provision only; indirect costs relate to wage-replacement for workers in CET; MEs=micro enterprises, MSEs=micro and small enterprises, SMEs=small and medium enterprises.

Assessment and policy directions

National and international data on overall investment in CET are scarce. The available data suggest that investment in Germany seems to lag behind high-performing CET systems in other OECD countries. Compared to investment in other areas of the education and training system, investment in CET also seems insufficient to address ongoing and future skill challenges arising from the megatrends of digitalisation, globalisation, demographic change, and the transition to a low-carbon economy.

Individuals and enterprises fund the majority of these investments, which aligns well with incentives, since both groups benefit from CET participation in the form of wage returns, increased employability, increased productivity and innovation. However, there is a case for stronger public investment in CET, considering the unequal access to CET opportunities for different target groups and across regions, and the substantial benefits of CET for economies and societies as a whole. Public investment is critical in the context of the economic fall-out from the COVID-19 pandemic, which is putting private spending under pressure.

Germany incentivises participation in CET using a range of instruments targeted at individuals and companies. Each federal state, the federal administration, and different departments within it offer incentives, often for very specific target groups. While this allows for approaches tailored to different target groups and regional needs, the overall incentive landscape lacks coherence, strategy and transparency from a user perspective. Positive developments in the incentives landscape are the recent Skills Development Opportunities Act (*Qualifizierungschancengesetz*) and the Work of Tomorrow Act (*Arbeit-von-Morgen-Gesetz)*, which introduce a single incentive for enterprises encompassing all target groups, with progressive funding for enterprises and individuals with greater support needs. Results of these reforms remain to be seen and should be carefully evaluated.

Some important gaps remain in the funding landscape, for example for employed individuals with obsolete skillsets who want to take part in training on their own initiative, or participation in longer non-formal learning opportunities on an individual's initiative. More generally, while several instruments incentivise vocational upskilling, there are no specific incentives for the take-up of CET to train for shortage occupations.

Money and time are two sides of the same coin. Data from the Survey of Adult Skills (PIAAC) show that lack of time for work-related reasons is a bigger obstacle to CET participation than financial barriers. Currently, Germany has no nation-wide legislation on education and training leave. Most federal states have their own legislation, which on average enables individuals to take five days of education and training leave per year. While this may be sufficient for shorter non-formal training courses, it does not enable the take-up of longer CET opportunities, including the kind of substantial occupational retraining that may be needed in the context of digitalisation and structural change.

Recommendations

Germany should consider:

1. **Streamlining financial incentives and closing funding gaps through a single financial incentive for individuals.** Greater usability and fairness will only be achieved through fundamentally restructuring and significantly reducing complexity of the current financial incentives landscape. Germany should consider subsuming the various instruments targeted at individuals that exist at national level into a single incentive system that covers direct costs and indirect costs of CET. This could be implemented by providing a streamlined 'front-end' from a user perspective, i.e. individuals would apply for a single incentive in a single place, while the 'back-end' would bring together the various existing and differentiated incentives.
2. **Introducing nationwide framework legislation on education and training leave**. In order to be effective, any improvements of the financial incentive system for individuals should be accompanied by arrangements for paid education and training leave. This policy should apply to both part- and full-time training; substantially expand the current leave entitlements of 5 days on average; carefully define which CET opportunities are covered by the leave policy, taking into account which skills and occupations are currently in demand in the labour market; and establish financial instruments to replace foregone earnings.
3. **Making use of existing opportunities to channel federal investments for CET to the federal states**. To make significant progress in CET and increase the efficiency of the funding system, Germany should consider greater Bund-Länder collaboration in the funding and implementation of CET, following establishment models of co-operation. Priority actions would be a Bund-Länder initiative on career guidance and the upskilling of low-skilled adults, following the model of the Education-Chains Initiative and a Digital Pact for CET, following an adapted model of the Digital Pact for School.
4. **Increasing overall investment in CET and exploring the introduction of additional funding streams** in the medium term. All three key stakeholders – individuals, enterprises and the state – must increase investment in CET to keep up with the transformation of the German labour market and close the gap to other countries with better funded and better performing CET systems. This could be implemented through the introduction of Employment Insurance or by encouraging employers to ring-fence money for training through (sectoral) Training Funds. Take-up of existing funding should also be encouraged further.

Streamline financial incentives for CET and close funding gaps

Greater usability and fairness will only be achieved through fundamentally restructuring the current financial incentives landscape for individuals, significantly reducing complexity. The present landscape is too heterogeneous and difficult to navigate for individuals, limiting its overall effectiveness to address financial barriers to training. Its main shortcomings are:

1. **Complexity and lack of a systematic approach:** There are 11 different financial incentives for individuals' CET participation at national level, alongside many more incentives run by the federal states. Different incentives provide funding for different target groups and/or different types of CET. Observers have highlighted that the existing landscape of incentives lacks coherence and co-ordination, and does not amount to a systematic approach (Cordes, 2020[32]; Dohmen and Cordes, 2019[13]).
2. **Focus on formal CET:** Many of the incentives focus on supporting participation in formal CET, but this makes up only a small share of overall CET (BIBB, 2020[14]). A major gap is the inconsistent availability of financial support during shorter non-formal CET across the German territory. This particularly affects individuals who may have had negative experiences with formal education, and for whom non-formal learning opportunities can be a stepping-stone towards formal learning.
3. **Funding gaps:** Given the lack of a systematic approach, a number of important target groups fall through the net. Most notably, individuals taking part in CET on their own initiative – rather than via the BA in case of unemployment or via their employer in case of employment – have limited opportunities to cover the indirect costs of training participation. Further, those wanting to participate in part-time CET lack financial support, if not eligible for subsidies for high performers. Individuals whose jobs are at risk due to technological change or skills obsolescence are not eligible for any financial incentive that would allow them to cover their subsistence costs when they participate in reskilling of their own accord.
4. **Regressive incentives:** The strong reliance on tax incentives to incentivise CET is problematic, as the government's share in the co-financing scheme increases with taxable income due to the progressive tax rate, which means that people with higher incomes benefit more from the tax incentive than those with lower incomes (Dohmen, 2017[33]).

In the context of these challenges, Germany should consider **subsuming the various national instruments targeted at individuals into a single incentive system that covers direct and indirect costs of CET** (see also recommendation on education and training leave below).[5] Any such instrument should continue to take into account the varying circumstances of individuals and be structured in a progressive way, providing greater incentives to those with greater financial and training needs. It should also close existing funding gaps and increase inclusiveness concerning the type of CET covered and the target groups eligible. The instrument could take the shape a streamlined and differentiated voucher and allowance, similar to the incentives offered to employers in the context of the Skills Development Opportunities Act. Alternatively, it could be implemented in the form of an individual learning account, where rights to training are accumulated over time:

- **A streamlined voucher and allowance** would integrate existing schemes into a single incentive covering both the direct and indirect costs of different types of non-formal and formal CET. Such an incentive could provide a streamlined 'frontend' from a user perspective, i.e. individuals would apply for a single incentive in a single place, while the 'backend' would bring together various existing incentives. This would mean that funding can continue to be provided by different sources, i.e. different federal ministries and the federal states, but that individuals would obtain one transparent financial support offer. In contrast to the ILA, where individuals accumulate entitlements over time, this incentive would be an on-demand subsidy to CET participation. Many schemes that are labelled ILAs across OECD countries actually operate as streamlined voucher schemes (OECD, 2019[34]). In fact, Germany already implements a similarly streamlined approach

for enterprise incentives under the Skills Development Opportunities Act. As in the case of the enterprise incentive, Germany should consider developing a progressive single incentive system for individuals. This would offer progressively greater incentives depending on i) financial need, ii) training need, iii) the type of CET opportunity pursued. Such differentiation must be carefully balanced with the need to keep the incentive as simple as possible, to maximise usability and take-up of the scheme. Any such instrument must be accompanied by promotion and guidance measures. Subsidies to indirect costs (i.e. subsistence costs) could be regulated by education and training leave legislation.

- **Individual learning accounts (ILA)** are accounts in which individuals accumulate training rights over time. Training resources are only mobilised when training is undertaken. They allow individuals to acquire and accumulate training rights independent of their employment status and employer. Rights are also portable between different employers and employment statuses, such as employment, unemployment and inactivity. Individual learning accounts cover only the direct costs of learning and must be implemented alongside other measures that cover indirect costs, e.g. wage replacements paid in the context of education and training leave (see below). In the past years, ILAs have gained traction in discussions on the future of work, the shift to new business models and the increase in non-standard jobs in some countries (OECD, 2019[35]). However, ILAs are not new; they were first discussed at the end of the 1990s and several countries have experimented with ILAs since then. Currently, the best-known example of an individual learning account is the **French Personal Training Account** (*Compte Personnel de Formation, CPF)*. In designing a single incentive system, Germany should take into account the learnings from France and other countries, in particular the need for accompanying guidance measures to ensure participation of underrepresented groups, and for sound quality assurance mechanisms (see also Chapter 3) (Box 5.3).

Box 5.3. Lessons learnt from Personal Training Accounts

The **French** *Compte Personnel de Formation* (CPF) was introduced in 2015 aiming to empower individuals to take responsibility for their own training, reduce inequalities in access to training, improve skills and strengthen market mechanisms in CET. In its current iteration, employees amass training entitlements of EUR 500 per year (EUR 800 per year for low-skilled adults) up to a ceiling of EUR 5 000 (EUR 8 000 for low-skilled adults). Across OECD countries, it is currently the only learning account where individuals build-up entitlements over time. Entitlements can be used by individuals to purchase certified CET opportunities via a website or phone application. The scheme is funded through employers' levies paid into training funds. Self-employed workers contribute a flat rate.

Lessons from the first five years of operation highlight a number of challenges of Individual Learning account schemes:

- Take-up in the first years has been relatively low and replicates existing inequalities in accessing CET. Evidence from around the world more generally shows that ILAs have a poor track record in engaging low-skilled adults in learning, particularly those who are in employment. Promotion and accompanying guidance measures are critical to ensure high use by all groups. In France, additional funding for accompanying guidance services for the CPF was made available in 2018 and guidance for employees was outsourced to private providers.
- Quality assurance is critical where individuals make their own training decisions and France has recently introduced a new quality assurance system, in the form of a single compulsory certification for providers alongside the CPF. ILAs in other countries, notably **England,** have been discontinued due to the lack of appropriate quality assurance mechanisms and provider accreditation, which led to fraudulent behaviours.

Finally, it should be noted that the CPF is only one element of France's skill development system. As well as empowering individuals to make individual training choices, France has reiterated the legal responsibility of employers to ensure that employees have the appropriate skills to perform their jobs and retain the ability to perform their job, in particular in response to of technological change (Law of 5 September 2018). This responsibility includes funding necessary training.

Source: National Audit Office (2002[36]), Individual Learning Accounts, https://www.nao.org.uk/wp-content/uploads/2002October01021235.pdf; OECD (2019[34]), *Individual Learning Accounts. Panacea or Pandora's box?*, https://doi.org/10.1787/203b21a8-en; Perez and Vourc'h (2020[37]), "Individualising training access schemes: France – the Compte Personnel de Formation (Personal Training Account – CPF)", https://dx.doi.org/10.1787/301041f1-en.

Introduce nationwide framework legislation on education and training leave

In order to be effective, any improvements in the financial incentive system for individuals should be accompanied by arrangements for paid education and training leave. Currently, there is no nation-wide entitlement to education and training leave in Germany. At the federal state level, leave entitlements are five days per year on average, although two federal states have no such entitlement. Germany should consider introducing a nation-wide paid education and training leave policy.

Any leave policy should i) apply to both part- and full-time training; ii) substantially expand or complement the current leave entitlements of 5 days on average; iii) carefully define which CET opportunities are covered by the leave policy, taking into account which skills and occupations are currently in demand in the labour market; iv) establish financial instruments to replace foregone earnings. Evidence from existing policies at federal state level suggests that take-up is low – around 1% of those entitled – and is primarily used by medium or high-skilled individuals (F-bb, 2019[38]). This highlights the need for accompanying promotion and career guidance measures to maximise take-up and inclusiveness.

Many OECD countries have nationally regulated education and leave policies (OECD, 2019[3]). Many but not all countries provide compensation for foregone earnings either directly to learners or to employers. **Norway** has the longest defined education and training leave across OECD countries. There, employees are entitled to up to three years of unpaid educational leave when they have worked more than three years and been with their employer more than two years. This is followed by **Austria**, where employees are entitled to one year of paid educational leave every four years. A number of other countries, including **Estonia, Finland** and **Lithuania**, allow individuals to take up to 30 days of leave per year.

Germany is currently assessing the feasibility of an education and training leave in the context of the NWS. It should take into account lessons from education and training leave policies in other countries, most notably **Austria** (Box 5.4).

Box 5.4. Lessons learnt from educational leave in Austria

Austria has long given individuals the opportunity to take paid time off work to pursue job-related CET. The opportunity to receive **full-time educational leave** (*Bildungskarenz*) has existed since 1998, and was expanded to **part-time educational leave** in 2013 (*Bildungsteilzeit*). All employed adults eligible for unemployment benefits can request education leave to pursue job-related CET from their employer:

- Full-time educational leave must last between 2 and 12 months. Individuals are compensated for foregone earnings at the level of the unemployment benefit (55% of net income, min. EUR 14.53 per day).

- Part-time educational leave must last between 2 and 24 months. Individuals are compensated at EUR 0.82 for every hour their working hours are reduced through participation in CET, up to a maximum of EUR 492 per month.

Individuals who take educational leave do so for an average of 230 days, illustrating the important role educational leave plays in facilitating participation in longer – and often formal – CET opportunities.

Over the years, the instrument has been reformed to increase ease of access and attractiveness for all target groups. This included:

- an increase of the financial support available from a flat-rate tariff to the (higher) level of the unemployment benefit in 2008;
- a lowering of the minimum duration of training to 2 months (previously 3 months) in 2009;
- a lowering of the threshold of eligibility to having been employed at the current employer for 6 months in 2009;
- the introduction of part-time educational leave in 2013.

The measure has been evaluated multiple times and this evidence informed the above changes. Take-up increased from 1 500 individuals in 2002 to 18 000 individuals in full- and part-time leave in 2016. Ninety percent of beneficiaries were satisfied or very satisfied with their results following participation, according to the latest evaluation. As with many financial incentive mechanisms, take-up is unequal between different target groups and highest amongst women, Austrian nationals, younger and higher educated individuals.

Source: OECD (2020[39]), Increasing Adult Learning Participation. Learning from Successful Reforms, https://dx.doi.org/10.1787/cf5d9c21-en; Titelbach (2016[40]), Bildungskarenz und Bildungsteilzeit in Österreich, *Workshop Bildung, Qualifizierung und Weiterbildung,* 17.02.2016 Berlin; Lassnigg et al. (2011[41]), Evaluierung der Bildungskarenz 2000-09, https://irihs.ihs.ac.at/id/eprint/2078January_2011-ihs-report-lassnigg-evaluierung-bildungskarenz.pdf; Nagl et al. (2018[42]), Dokumentation Aktive Arbeitsmarktpolitik in Österreich 2014 bis 2018, https://broschuerenservice.sozialministerium.at/Home/Download?publicationId=447.

Make use of existing opportunities to channel federal investments for CET to the federal states

While federal states are primarily responsible for funding CET provision, they hold significantly smaller budgets than the federation. Since 2011, the Debt Break (*Schuldenbremse*) has prohibited the take-up of new debt for federal states (Art. 109 Abs. 3 GG), putting federal state budgets under increased pressure. At the same time, the 2006 constitutional reform sharpened the split of responsibilities between the federation and the federal states, effectively prohibiting large-scale federal investments in CET in federal states.

It is perhaps unsurprising then that the BMAS has increasingly channelled funding for CET through the BA, a federal agency with agencies across the territory and within the responsibility of the BMAS. The new and expanded role of the BA in providing career guidance for all adults illustrates this point. Federal funding can be directly channelled towards this objective, circumventing existing career-guidance structures in some federal states. On the BMBF side, funding for CET is largely short-term and project-based, with federal funds frequently made available in the form of competitions to develop model approaches (*Wettbewerbe*).

To make significant progress in CET and increase the efficiency of the funding system, Germany should consider greater Bund-Länder collaboration in the funding and implementation of CET (see also Chapter 3). Germany should consider:

- **Using the funding model established by the Education Chains Initiative** to set up Bund-Länder initiatives on career guidance and the up-skilling of low-skilled adults. A precedent for federal

investment in education is the Education-Chains Initiative (*Initiative Bildungsketten),* whereby the federation, the BA and individual federal states co-fund initiatives that support the school-to-work transitions of young people. Some of these initiatives are co-financed with funds from the European Social Fund (ESF). This collaboration is enabled by administrative agreements between the federation, the BA and individual federal states. In the context of the NWS, the federation and federal states have committed to examining whether this approach can be used for financial collaboration in the area of CET (BMAS et al., 2019[1]). While it is necessary to scrutinise the technical feasibility of such an approach, the federation and federal states must also discuss for what common purpose it will be used. Building on the evidence presented in this report, Germany should consider using such administrative arrangements to finance nationwide infrastructure for career guidance (see also Chapter 4) and a nationwide initiative to up-skill adults with no or obsolete qualifications (see also Chapter 6). **Austria**, with similar federalism challenges, has been running Bund-Länder initiatives on both topics for close to a decade (Box 5.5).

Box 5.5. Bund-Länder initiatives on CET in Austria

The **Austrian** federation (Bund) and the nine federal states (Länder) have intensified their co-operation in the area of CET over the past decade.

In 2012, Bund and Länder agreed on a joint initiative to support adults to take part in basic and general CET across the territory. The **Adult Education Initiative** (*Initiative Erwachsenenbildung*) aims to enable adults to gain basic competencies or a lower secondary qualification *(Pflichtschule*). Learning opportunities are free of charge for individuals and are provided across the territory following a common quality framework. It has since reached more than 50 000 individuals and is described as a ground-breaking co-operation effort by Austrian stakeholders.

In parallel, Austria set-up a Bund-Länder initiative in the area of career guidance. Since 2011, the Austrian Education Counselling Initiative (*Initiative Bildungsberatung Österreich)* has brought together guidance networks in the nine federal states under the common umbrella brand *Bildungsberatung.*

Source: Nationalrat Österreich (2017[43]), *60. Vereinbarung gemäß Art. 15a B-VG zwischen dem Bund und den Ländern über die Förderung von Bildungsmaßnahmen im Bereich Basisbildung sowie von Bildungsmaßnahmen zum Nachholen des Pflichtschulabschlusses für die Jahre 2018 bis 2021 (NR: GP XXV RV 1 665 AB 1 706 S. 188. BR: AB 9 854 S. 871.)*, https://www.parlament.gv.at/PAKT/VHG/XXV/I/I_01665/index.shtml; OECD (2020[39]), *Increasing Adult Learning Participation: Learning from Successful Reforms*, https://dx.doi.org/10.1787/cf5d9c21-en.

- **Using the funding model established by the Digital Pact for Schools** to explore the implementation of a Digital Pact for CET: A 2019 amendment of the German constitution widened the scope for the federation to grant financial assistance to the Länder in the field of education. It allows federal support for important nationwide investments, as well as for increasing the efficiency of the municipal education infrastructure (Art. 104c GG). With the Digital Pact for Schools (DigitalPakt Schule), Germany has set a precedent for such investment: More than EUR 5 billion of federal funding has been made available to improve digital infrastructure, online learning platforms and CET for teaching staff to develop their digital skills. Eligibility is not limited to general schools providing initial education, but also includes different types of vocational schools providing vocational education at an upper secondary level. Germany should consider a Digital Pact for CET (*Digitalpakt Weiterbildung*) along the same lines, but with important alterations. Importantly, since many CET providers are private non- or for-profit organisations as opposed to the public schools targeted through the Digital Pact Schools, it needs to be assessed how funding can be channelled to private providers who are operating in competition with each other. One starting point for such

assessment could be to explore the option of providing financial support for the improvement of digital infrastructure, online learning platforms and CET for teachers and trainers to providers of publicly-financed CET courses. Support could further be restricted to smaller and/or non-profit providers, to avoid deadweight losses. More widely, there are lessons to be learnt from the implementation of the Digital Pact for Schools, particularly around supporting education and training institutions in accessing the available funding to facilitate rapid take-up (Box 5.6).

Box 5.6. Lessons learnt from the Digital Pact for Schools (*Digitalpakt Schule*)

The Digital Pact for Schools aims to ensure that schools are better equipped with digital technology. It is implemented by an administrative agreement between the federation and the federal states, which came into force in May 2019. Prior to this, Article 104c of the German constitution (Art. 104c GG) was amended to enable this collaboration. The federation is responsible for the provision of EUR 5 billion of funding, with federal states co-funding the programme, matching at least 10% of the federation's investment. The federal states distribute funding to municipalities, fund investment in IT infrastructure in schools and develop learning opportunities for teachers to get up to speed with new technologies. The amount of funding is significant and is equivalent to EUR 137 000 per school or EUR 500 per pupil.

Take-up of the funding has been slow to date, with approved investments amounting to EUR 14.3 million (0.3% of available funding) by the end of 2019. While one may expect that the COVID-19 crisis will accelerate take-up, it is also clear that application procedures are a challenge for responsible school authorities. A simplification of application procedures, as well as territory-wide access to application guidance is likely to increase rapid take-up of the funding.

Source: Autorengruppe Bildungsberichterstattung (2020[44]), *Bildung in Deutschland 2020*, https://www.bildungsbericht.de/static_pdfs/bildungsbericht-2020.pdf; Bundesregierung (2020[45]), *Antwort der Bundesregierung auf die Kleine Anfrage […] – Drucksache 19/18848*, https://dip21.bundestag.de/dip21/btd/19/188/1918848.pdf; BMBF (2020[46]), *Digitalpakt Schule. Das sollten Sie jetzt wissen*; www.bmbf.de/de/wissenswertes-zum-digitalpakt-schule-6496.php.

Increase overall investment in CET and explore additional funding streams

The implementation of the recommendations described above will likely require additional funding.[6] The extension of education and training leave from currently five days per year, for example, will entail the replacement of a larger amount of foregone earnings as is currently the case. Increased funding will be necessary to support the extended leave. Equally, a single incentive system for individuals may require more overall funding than currently the case, as it would close current funding gaps. What is more, many of the recommendations described in the remainder of this report will not be feasible to implement with the current level of funding (e.g. further developing career guidance, improving financial incentives for low-skilled adults).

Available data are poor on current funding and further research on the overlaps, gaps and allocation of funding will be needed. It is almost certain, however, that all three key stakeholders – individuals, enterprises and the state – must increase investment in CET and encourage the take-up of such investment, in order to keep up with the transformation of the German labour market and close the gap with other countries whose CET systems are better funded and performing. Surprisingly, the overall funding envelope for CET is rarely the subject to debate. In the NWS, for example, Action Area Two aims to improve the existing incentive system, without addressing the need to increase the overall level of investment in CET from all actors involved.

Further, the COVID-19 pandemic and impending economic crisis will likely have an impact on investment in CET. During times of economic downturn, individuals and employers may have financial constraints that hinder investment in CET (Bassanini et al., 2005[26]; Brunello et al., 2020[25]; Brunello, 2009[47]). However, at the same time there is a need for additional investment in human capital, due to the restructuring and cleansing effects of recessions. In the Great Recession, investments by German employers and individuals decreased, while investment by the state – in particular the BA – notably increased (Dohmen and Cordes, 2019[2]).

Thus, Germany should again consider increasing public investment in the short term, through expanding the direct funding of CET programmes, as well as increasing financial incentives for individuals and enterprises. The Work of Tomorrow Act *(Arbeit-Von-Morgen Gesetz*) is a step in the right direction. It expands financial incentives for enterprises especially affected by structural change, simplifies application procedures and lowers the minimum duration of supported CET courses. It increases CET for those at risk of unemployment in the context of transfer societies (*Transfergesellschaft*) and establishes a right for adults to receive financial support when studying towards an initial vocational degree. Finally, it increases the standard rates paid to CET providers, in order to ensure higher quality. Overall, the changes brought by the Skills Development Opportunities Act (*Qualifizierungschancengesetz)* and the Work of Tomorrow Act (*Arbeit-von-Morgen-Gesetz)* are estimated to amount to approximately EUR 1 billion per year, which is a significant increase from the baseline (Bundesregierung, 2018[29]; Bundesregierung, 2020[28]).

In the medium term, Germany should consider opening additional funding streams. Based on national considerations and international best practice, two key options to do so are i) the introduction of Employment Insurance and i) (sectoral) training funds that encourage employers to ring-fence money for training:

- **Employment Insurance:** The German Federal Employment Agency (BA) should speed up their transformation into an agency that caters to the needs of employed and unemployed individuals alike. This would include a greater focus on managing job-to-job transitions and preventing unemployment through reskilling and upskilling measures, in particular in the context of the COVID-19 pandemic. How to finance such an expanded mandate of the BA has been discussed ever since the idea for Employment Insurance entered the public debate more than a decade ago (Schmid, 2008[48]). Most commentators suggest that individuals, employers and the government should finance this new insurance on a parity basis. Individuals and employers would each contribute 25% through levies deducted from gross pay roll, while the remaining 50% would be covered by a tax-financed grant from the federal government (Pothmer et al., 2019[49]; Hans et al., 2017[50]). It has been suggested that 0.5% of gross payroll could be an appropriate contribution for both individuals and employers, giving a total budget for Employment Insurance of 2% of gross payroll. In comparison, contributions to the Unemployment Insurance are currently 1.2% each for individual and employers. While some commentators suggest that Employment Insurance should be established as a sixth branch of the German social security system[7] (Pothmer et al., 2019[49]), funds could alternatively be collected and channelled through a transformed and renamed Unemployment Insurance. It is difficult to point to good practices of other OECD countries regarding Employment Insurance, due to differences in design of social security systems and the fact that many systems still follow the logic of Unemployment Insurance. What is clear is that several OECD countries have moved towards providing more services for the employed through their public employment services and funded through Unemployment Insurance, notably **Austria** and **Estonia**. By comparison, **Austria** currently has significantly higher employee and employer contributions than Germany. Employers pay a levy of 3% of gross pay roll, while individuals pay up to 3% depending on gross income.
- **Training funds** provide dedicated finance for skill development at work outside of government budget channels (Johanson, 2009[51]). They collectivise and pool resources for training, redistribute resources between companies of different sizes and increase the volume of enterprise training by

encouraging firms to set aside resources for the future training of their employees (OECD, 2019[3]). Funds are typically run by social partners in specific sectors, which finance training out of a pooled fund of training levies. As such, they can be designed in a more flexible way and closer to the firms' needs in a specific sector or geographical region. Such funds already exist in Germany in specific sectors, notably construction, textiles and agriculture. Over the past decades, expanding the use of such funds to other sectors has been frequently discussed, but to no effect (Moraal and Berger, 2013[52]; Bosch, 2010[53]; Deutscher Bundestag (Wissenschaftliche Dienste), 2010[54]; Deutscher Bundestag, 2004[55]). Many OECD countries have had successful training funds in place for decades, including **Denmark, France, Italy, the Netherlands** and **the United Kingdom** (OECD, 2019[3]; OECD, 2019[56]). Funds differ with regards to their governance, design, the scope of eligible training programmes and the size of employer contributions. In some countries, such as **Belgium**, levies are as low as 0.1% of gross pay roll, while some sectors in **the United Kingdom** have a levy-rate as high as 2.5%. Germany should consider incentivising social partners to develop such funds at a sectoral level, for example by co-financing contributions for an initial period. A similar approach was taken in the **Netherlands** between 2013 and 2016, where the government stimulated investment in skill development by inserting 50% co-funding for training funds to develop sectoral plans to improve sectoral and regional labour markets (OECD, 2020[39]). The experience of other countries relating to the design and running of such funds must be taken into account.

In addition, it should be noted that the availability and accessibility of high-quality CET will lead to employers and employees being more willing to contribute to the funding. Therefore, the implementation of the other recommendations made throughout this report is expected to positively affect funding levels for CET in Germany.

References

Autorengruppe Bildungsberichterstattung (2020), *Bildung in Deutschland 2020*, Autorengruppe Bildungsberichterstattung, Berlin, https://www.bildungsbericht.de/static_pdfs/bildungsbericht-2020.pdf. [44]

BA (2020), *Monatsbericht zum Arbeits- und Ausbildungsmarkt*, https://www.arbeitsagentur.de/datei/arbeitsmarktbericht-dezember-2020_ba146814.pdf. [15]

Bassanini, A. et al. (2005), "Workplace Training in Europe"*, IZA Discussion Paper Series*, No. 1640, IZA, Bonn, http://ftp.iza.org/dp1640.pdf. [26]

BIBB (2020), *BWP - Weiterbildung*, https://www.bwp-zeitschrift.de/de/bwp.php/de/bwp/show/10833 (accessed on 29 July 2020). [14]

BIBB (2020), *Datenreport zum Berufsbildungsbericht 2020. Informationen und Analysen zur Entwicklung der beruflichen Bildung.*, Bundesinstitut für Berufsbildung, Bonn, https://www.bibb.de/dokumente/pdf/bibb_datenreport_2020_vorabversion.pdf. [12]

BIBB (2019), *Überblick über öffentliche Förderprogramme berufsbezogener Weiterbildung (Bund/Länder)*, BIBB, https://www.bibb.de/dokumente/pdf/Ueberblick_Foerderprogramme_berufsbezogene_Weiterbildung.pdf. [20]

BMAS (2020), *Förderung der beruflichen Weiterbildung*, https://www.bmas.de/DE/Themen/Aus-und-Weiterbildung/Weiterbildungsfoerderung/weiterbildungsfoerderung-art.html (accessed on 17 November 2020). [30]

BMAS et al. (2019), *Nationale Weiterbildungsstrategie*, https://www.bmbf.de/files/NWS_Strategiepapier_barrierefrei_DE.pdf. [1]

BMBF (2020), *Aufstiegs-BAföG Machen Sie Ihre Karriere zum Highlight!*, BMBF, Berlin, https://www.bmbf.de/upload_filestore/pub/Aufstiegs_BAfoeG.pdf. [17]

BMBF (2020), *Digitalpakt Schule. Das sollten Sie jetzt wissen.*, https://www.bmbf.de/de/wissenswertes-zum-digitalpakt-schule-6496.php (accessed on 30 July 2020). [46]

BMBF (2020), *Was wird gefördert? - BMBF Aufstiegs-BAföG*, https://www.aufstiegs-bafoeg.de/de/was-wird-gefoerdert-1698.html (accessed on 18 August 2020). [16]

Bosch, G. (2010), *In Qualifizierung investieren - ein Weiterbildungsfonds für Deutschland*, Friedrich Ebert Stiftung, Berlin, https://library.fes.de/pdf-files/wiso/07668.pdf (accessed on 30 July 2020). [53]

Brunello, G. (2009), *The Effect of Economic Downturns on Apprenticeships and Initial Workplace Training: A Review of the Evidence*, IZA, Bonn, http://ftp.iza.org/dp4326.pdf. [47]

Brunello, G. and M. De Paola (2004), *Market failures and the under-provision of training*, https://www.oecd.org/employment/emp/34932691.pdf. [10]

Brunello, G. et al. (2020), *Financing Constraints and Employers' Investment in Training.*, IZA, Bonn, http://ftp.iza.org/dp13067.pdf. [25]

Bundesregierung (2020), *Antwort der Bundesregierung auf die kleine Anfrage der Abgeordneten Dr. Wolfgang Strengmann-Kuhn, Anja Hajduk, Beate Müller-Gemmeke, weiterer Abgeordneter und der Fraktion BÜNDNIS 90/DIE GRÜNEN - Drucksache 19/17878*, Deutscher Bundestag, https://dip21.bundestag.de/dip21/btd/19/178/1917878.pdf. [27]

Bundesregierung (2020), *Antwort der Bundesregierung auf die Kleine Anfrage der Abgeordneten Joana Cotar, Uwe Schulz, Dr. Michael Espendiller und der Fraktion der AfD – Drucksache 19/18848*, Deutscher Bundestag, https://dip21.bundestag.de/dip21/btd/19/188/1918848.pdf. [45]

Bundesregierung (2020), *Gesetzentwurf der Bundesregierung. Entwurf eines Gesetzes zur Förderung der beruflichen Weiterbildung im Strukturwandel und zur Weiterentwicklung der Ausbildungsförderung - Drucksache 19/18076*, Deutscher Bundestag, https://dip21.bundestag.de/dip21/btd/19/180/1918076.pdf. [28]

Bundesregierung (2018), *Antwort der Bundesregierung auf die Kleine Anfrage der Abgeordneten Dr. Christian Jung, Dr. Gero Clemens Hocker, Fank Sitta, weiterer Abgeordneter und der Faktion der FPD - Drucksache 19/3325*, Deutscher Bundestag, https://dip21.bundestag.de/dip21/btd/19/035/1903536.pdf. [31]

Bundesregierung (2018), *Gesetzentwurf der Bundesregierung Entwurf eines Gesetzes zur Stärkung der Chancen für Qualifizierung und für mehr Schutz in der Arbeitslosenversicherung (Qualifizierungschancengesetz) - Drucksache 19/4948*, Deutscher Bundestag, https://dip21.bundestag.de/dip21/btd/19/049/1904948.pdf. [29]

Busemeyer, M. and C. Trampusch (2012), "The Comparative Political Economy of Collective Skill Formation", in Busemeyer, M. and C. Trampusch (eds.), *The political economy of collective skill formation*, Oxford University Press, Oxford, http://dx.doi.org/10.1093/acprof:oso/9780199599431.003.0001. [57]

Cordes, M. (2020), "Weiterbildungsförderung in Deutschland – zwischen Struktur und Systematik", *Zeitschrift des Bundesinstitut für Berufsbildung* 1, pp. 12-16, https://www.bwp-zeitschrift.de/de/bwp.php/de/publication/download/16146. [32]

Desjardins, R. (2020), "PIAAC Thematic Review on Adult Learning"*, OECD Education Working Papers*, No. 223, OECD Publishing, Paris, https://dx.doi.org/10.1787/864d2484-en. [24]

Deutscher Bundestag (2004), *Bericht der unabhängigen Expertenkommission „Finanzierung Lebenslangen Lernens" Der Weg in die Zukunft - Drucksache 15/3636*, Deutscher Bundestag, http://dip21.bundestag.de/dip21/btd/15/036/1503636.pdf. [55]

Deutscher Bundestag (Wissenschaftliche Dienste) (2010), *Finanzierung der beruflichen Weiterbildung durch ein Fondssystem in Frankreich und weiteren Ländern der Europäischen Union*, Deutscher Bundestag, Berlin, https://www.bundestag.de/resource/blob/418826/012745dad527706fb0f22b5a9574997b/wd-8-098-10-pdf-data.pdf. [54]

DGB Bayern (n.d.), *Bildungsurlaub — DGB Bildungswerk Bayern*, https://www.bildungswerk-bayern.de/service/manteltarifvertrag (accessed on 25 August 2020). [21]

Dohmen, D. (2017), *Finanzierung beruflicher und betrieblicher Weiterbildung: Stand der Förderung, der Diskussion und Ansätze für die Weiterentwicklung*, Research Institute for the Economics of Education and Social Affairs, https://ideas.repec.org/p/zbw/fibsfo/59.html (accessed on 25 August 2020). [33]

Dohmen, D. and M. Cordes (2019), *Kosten der Weiterbildung in Deutschland-Verteilung der Finanzlasten auf Unternehmen, Privatpersonen, öffentliche Hand*, FiBS, Berlin, https://www.fibs.eu/fileadmin/user_upload/Literatur/FiBS-Forum_061_Kosten_Weiterbildung.pdf. [2]

Dohmen, D. and M. Cordes (2019), *Verbreitung öffentlicher Förderinstrumente in Deutschland und der Blick in die Länder*, FiBS, Berlin, https://www.fibs.eu/fileadmin/user_upload/Literatur/FiBS-Forum_063_Foerderinstrumente_Bund_final.pdf. [13]

EVG (2018), *Langzeitkonten-TV | Fördervereinbarung 2018/2019*, https://www.evg-online.org/fileadmin/Tarif/Tarifvertraege/Tarifvertraege_DB_Konzern/evg_TR18_LangzeitkontenTV_DB_190508.pdf. [22]

F-bb (2019), *Evaluation des Bildungszeitgesetzes Baden-Württemberg BzG BW*, f-bb, Nürnberg, https://www.f-bb.de/fileadmin/Projekte/BZG/Evaluationsbericht_BzG_BW_f-bb.pdf. [38]

F-bb, Kantar and IAW (2019), *Evaluation des Bundesprogramms Bildungsprämie (BIP)*, http://www.iaw.edu/tl_files/dokumente/EVA_BIP_Endbericht%20FINAL-BMBF_Ansicht.pdf. [58]

FiBS/DIE (2013), *Developing the adult learning sector. Annex to the final report*, FiBS/DIE, Berlin, http://lll.mon.bg/uploaded_files/financingannex_en.pdf. [4]

Hans, J. et al. (2017), *Arbeitsversicherung - Kosten und Nutzen*, Friedrich Ebert Stiftung, https://www.wifor.com/uploads/2020/05/2017-Umsetzung-Kosten-und-Wirkungen-einer-Arbeitsversi.pdf. [50]

IG Metall (n.d.), "Tarifliche Bildungsteilzeit", https://www.igmetall.de/download/themenheft_32069-56804_ansicht_ad25f04dd012178efdcf6ffa95b8afeeb171d116.pdf. [23]

Johanson, R. (2009), "A Review of National Training Funds"*, SP Discussion Paper*, No. 0922, World Bank , Washington, http://documents1.worldbank.org/curated/en/893311468178131914/pdf/521870NWP0Box345554B001PUBLIC100922.pdf. [51]

Lassnigg, L. et al. (2011), *Evaluierung der Bildungskarenz*, Institute for Advanced Studies, Vienna, https://irihs.ihs.ac.at/id/eprint/2078/1/2011-ihs-report-lassnigg-evaluierung-bildungskarenz.pdf. [41]

Moraal, D. and K. Berger (2013), *Teil 4: Tarifliche Weiterbildungspolitik in Deutschland und in den Niederlanden*, BIBB, Bonn, https://www.bibb.de/dokumente_archiv/pdf/so_23301_eb_Teil_4.pdf. [52]

Müller, N. and F. Wenzelmann (2018), *Berufliche Weiterbildung: Aufwand und Nutzen für Individuen*, Bundesinstitut für Berufsbildung, Bonn, https://www.bibb.de/veroeffentlichungen/de/publication/show/8931 (accessed on 27 November 2020). [6]

Nagl, I. et al. (2018), *Dokumentation Aktive Arbeitsmarktpolitik in Österreich 2014 bis 2018*, Bundesministerium für Arbeit, Soziales Gesundheit und Konsumentenschutz, https://broschuerenservice.sozialministerium.at/Home/Download?publicationId=447 (accessed on 27 June 2020). [42]

National Audit Office (2002), *Individual Learning Accounts*, National Audit Office, London, https://www.nao.org.uk/wp-content/uploads/2002/10/01021235.pdf. [36]

Nationalrat Österreich (2017), *160. Vereinbarung gemäß Art. 15a B-VG zwischen dem Bund und den Ländern über die Förderung von Bildungsmaßnahmen im Bereich Basisbildung sowie von Bildungsmaßnahmen zum Nachholen des Pflichtschulabschlusses für die Jahre 2018 bis 2021 (NR: GP XXV RV 1665 AB 1706 S. 188. BR: AB 9854 S. 871.)*, Bundesgesetzblatt für die Republik Österreich, https://www.parlament.gv.at/PAKT/VHG/XXV/I/I_01665/index.shtml (accessed on 27 June 2020). [43]

OECD (2020), *Continuous Learning in Working Life in Finland*, Getting Skills Right, OECD Publishing, Paris, https://dx.doi.org/10.1787/2ffcffe6-en. [9]

OECD (2020), *Increasing Adult Learning Participation: Learning from Successful Reforms*, Getting Skills Right, OECD Publishing, Paris, https://dx.doi.org/10.1787/cf5d9c21-en. [39]

OECD (2019), *Adult Learning in Italy: What Role for Training Funds?*, OECD Publishing, Paris, https://doi.org/10.1787/9789264311978-en. [56]

OECD (2019), *Getting Skills Right: Future-Ready Adult Learning Systems*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264311756-en. [3]

OECD (2019), *Individual Learning Accounts : Panacea or Pandora's Box?*, OECD Publishing, Paris, https://dx.doi.org/10.1787/203b21a8-en. [34]

OECD (2019), *OECD Employment Outlook 2019: The Future of Work*, OECD Publishing, Paris, https://doi.org/10.1787/9ee00155-en. [35]

OECD (2017), *Getting Skills Right: Financial Incentives for Steering Education and Training*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264272415-en. [11]

Perez, C. and A. Vourc'h (2020), "Individualising training access schemes: France – the Compte Personnel de Formation (Personal Training Account – CPF)", *OECD Social, Employment and Migration Working Papers*, No. 245, OECD Publishing, Paris, https://dx.doi.org/10.1787/301041f1-en. [37]

Pothmer, B. et al. (2019), *Weiterbildung 4.0 Solidarische Lösungen für das lebenslange Lernen im digitalen Zeitalter*, Böll Stiftung, Berlin, https://www.boell.de/de/2019/02/26/weiterbildung-40-solidarische-loesungen-fuer-das-lebenslange-lernen-im-digitalen (accessed on 16 November 2020). [49]

SBB (2020), *Jahresbericht 2019*, SBB – Stiftung Begabtenförderung, https://www.sbb-stipendien.de/fileadmin/user_upload/downloads/Downloads_SBB/SBB_JB_2019_web.pdf. [18]

SBB (2020), *Weiterbildungsstipendium*, https://www.sbb-stipendien.de/weiterbildungsstipendium.html (accessed on 17 November 2020). [19]

Schmid, G. (2008), *Von der Arbeitslosen- zur Beschäftigungsversicherung*, Friedrich Ebert Stiftung, Berlin, https://library.fes.de/pdf-files/wiso/05295.pdf. [48]

Seyda, S. and B. Placke (2017), *Die neunte IW-Weiterbildungserhebung. Kosten und Nutzen betrieblicher Weiterbildung*, Institut der deutschen Wirtschaft Köln, https://www.iwkoeln.de/fileadmin/publikationen/2017/369145/IW-Trends_2017-04_Seyda_Placke.pdf. [7]

Statistisches Bundesamt (2020), *Bildungsfinanzbericht 2020*, Statistisches Bundesamt, https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Bildung-Forschung-Kultur/Bildungsfinanzen-Ausbildungsfoerderung/Publikationen/Downloads-Bildungsfinanzen/bildungsfinanzbericht-1023206207004.html (accessed on 15 December 2020). [5]

Thiele, M., F. Behringer and G. Schönfeld (2016), "Direkte Kosten der non-formalen Weiterbildung für die Individuen", in Bilger, F. et al. (eds.), *Ergebnisse des Adult Education Survey (AES)*, WBV Media, Bielefeld. [8]

Titelbach, R. (2016), *Bildungskarenz und Bildungsteilzeit in Österreich*, Workshop 'Bildung, Qualifizierung und Weiterbildung"17.02.2016 Berlin. [40]

Notes

[1] Education budget 2016 with consideration of payment transactions between the local authorities (Initial Funds): Total is EUR 201.6 billion, federal government share: 10.5%, Länder share: 52.7%, municipalities share: 16.4%, private sector share (private households, companies, private non-profit organisations): 20.1%, foreign countries share: 0.3%.

[2] Austria, Denmark, Germany, the Netherlands and Denmark have been described as collective skill development systems, characterised by high public commitment to vocational training and high involvement of firms in initial vocational training. This stands in contrast to statist skill formation systems (e.g. FRA and SWE), liberal skill formation systems (IRE, USA) and segmentalist skill formation systems (e.g. JPN) (Busemeyer and Trampusch, 2012[57]).

[3] ESF-financed schemes undergo a co-ordination process between federal government and federal states, which is described as challenging by some stakeholders. ESF-funded schemes contribute to the great diversity of financial incentives in Germany.

[4] Data refer to 2010.

[5] Should the creation of a single incentive system not be feasible in the short to medium term, Germany should consider grouping and consolidating existing financial incentives into two to three major instruments. This is particularly interesting for instruments that already work in similar ways, e.g. voucher or premium programmes.

[7] Alongside the unemployment insurance, health insurance, long-term care insurance, pension insurance and accident insurance.

[6] This report does not take a purely input-based approach to the issue of effect.

6 Engaging adults with low skills

Adults with low skills are less likely to participate in CET than adults with higher skill levels. Germany has some of the largest differences in participation rates between these groups among OECD countries. While the insight that low-skilled adults are less likely to participate in CET is not new, ongoing changes in the world of work have a particularly negative effect on the labour market chances of this group and increase their need for reskilling and upskilling. This chapter investigates learning participation of low-skilled adults, looking at i) the incidence of adults with low skills in Germany; ii) their patterns of learning participation; iii) the barriers that may prevent them from engaging in learning; and iv) the CET opportunities currently available to them. It highlights key challenges and develops recommendations.

Introduction

It is a well-established phenomenon that adults with low skills are less likely to participate in learning than higher-skilled individuals (see Box 6.1). Those who already have higher skills and qualifications when entering the labour market tend to acquire even more over the life-course, thereby widening the gap that already exists at the end of initial education (Boeren, 2009[1]; Kilpi-Jakonen et al., 2014[2]). Germany displays particularly large differences in learning participation between adults with low and higher levels of basic skills. The country has one of the largest participation gaps between these groups among OECD countries, exceeded only by Chile, Denmark, Finland and the Netherlands. Analysing participation rates of adults by different qualification levels paints a similar picture.

Engaging low-skilled adults in learning is key for ensuring their societal and economic inclusion, the innovativeness and competitiveness of enterprises, and the health of the economy as a whole (Woessmann, 2016[3]). While employment rates of adults with low skills have increased over the past decade in Germany thanks to economic growth, a tightening labour market and an expansion of non-standard work, this trajectory may not continue. In the short term, the economic fallout of the COVID-19 crisis is likely to worsen the labour market chances of this group. In the medium to long term, digitalisation and automation will significantly change many of the jobs held by low-skilled adults, or displace them entirely. Occupations that require no or low levels of education have the highest risk of being automated, according to OECD analysis (Nedelkoska and Quintini, 2018[4]). Across OECD countries, policy-makers are keen on finding ways to engage more adults with low skills in learning.

This chapter analyses the learning participation of low-skilled adults in Germany. It first presents data on the share of low-skilled adults to illustrate the size of the issue. Then, it exhibits data on CET participation by low-skilled adults in international comparison, before discussing the specific barriers to participation experienced by this group. Finally, it sketches the learning opportunities available to adults with low skills. Based on this analysis, it presents recommendations.

Box 6.1. Defining adults with low skills

There is no universal definition for adults with low skills. In this report, **low-skilled adults** is used as an umbrella term to refer to the following two groups of adults:

- **Adults with low basic skills** are individuals aged 25-64 with low proficiency in literacy, numeracy or both (*Erwachsene mit geringen Grundkompetenzen*). Low proficiency is defined as scoring Level 1 on the literacy and/or numeracy dimensions of the Survey of Adult Skills (PIAAC). These are adults who at most understand brief texts on familiar topics, and/or are able to do simple mathematical processing such as one-step calculations.
- **Adults with low qualification levels** are individuals aged 25-64 whose highest educational attainment level is at most lower secondary education (ISCED 0-2) (*Geringqualifizierte*). In the German context, these adults have left education after compulsory comprehensive school or earlier (Primär- und Sekundarbereich I) and at most hold a secondary school certificate (Realschulabschluss/ Mittlere Reife). They have not completed a full vocational qualification.

Source: OECD (2019[5]), *Getting Skills Right: Engaging low-skilled adults in learning*, http://www.oecd.org/employment/emp/engaging-low-skilled-adults-2019.pdf.

Status-quo and key challenges

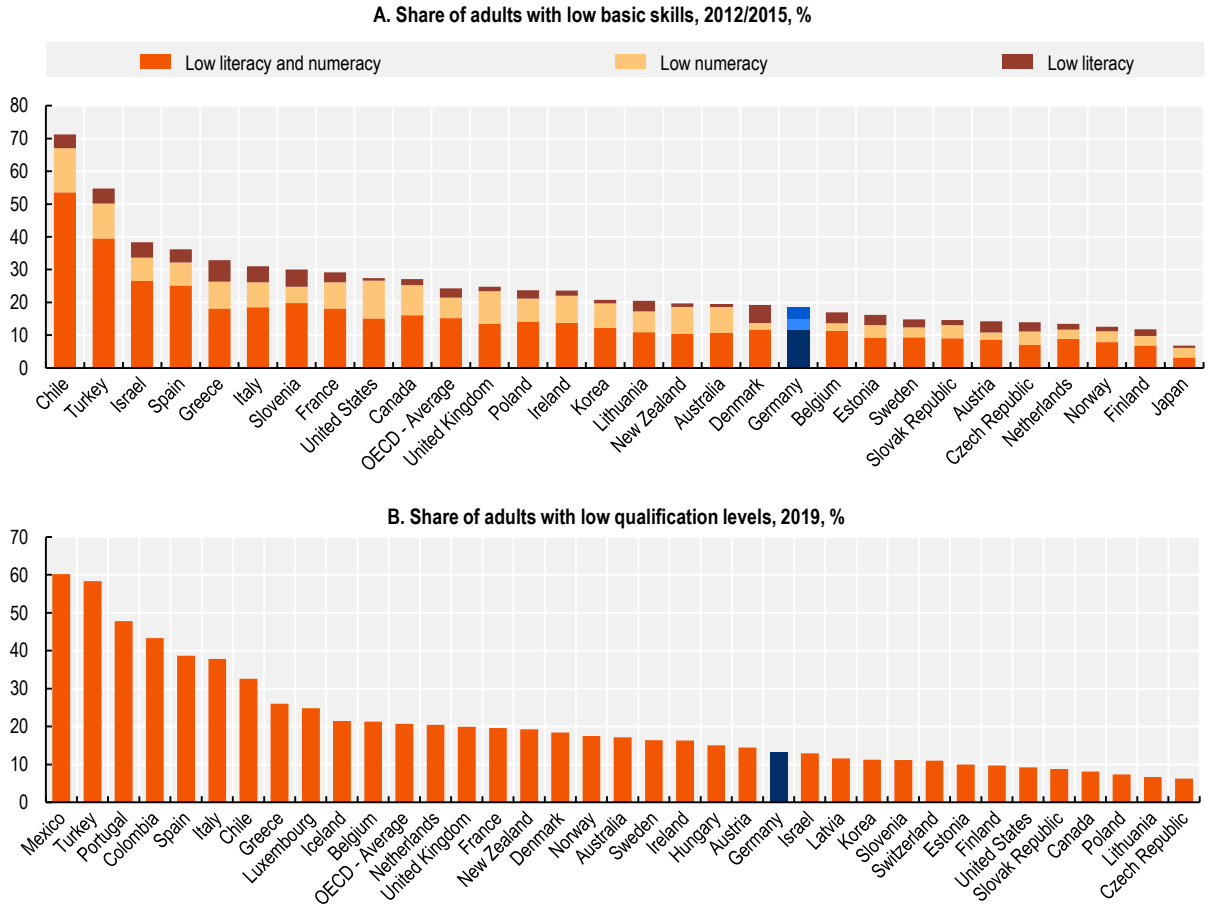
Incidence of adults with low skills

The share of low-skilled adults in Germany is lower than the OECD average, yet this group represents a significant part of the German population. The majority of low-skilled adults in Germany is in employment, as labour market opportunities for this group have increased in line with economic growth in the past 15 years. The effects of the COVID-19 crisis on the employment opportunities of this group remain to be seen.

Close to one in five adults in Germany have low basic skills…

PIAAC data suggest that 19% of adults in Germany have **low basic skills** (low skills in numeracy, literacy or both), which is equivalent to 8.2 million adults (Figure 6.1, Panel A). This share is below the OECD average of 24%, but still significantly higher than the share in the best performing countries by this indicator. It is worth noting that the latest PIAAC data refer to 2012/2015 and a new wave of data will be collected in 2022/2023. It is likely that the share of low-skilled adults has decreased since the last data collection, as PIAAC data show that skill levels are increasing through higher skilled young people replacing relatively lower skilled older cohorts (OECD, 2013[6]).

Figure 6.1. Comparatively small shares of adults have low skills in Germany



Note: Panel A: Adults aged 25-64 scoring level 1 or below in literacy and/or numeracy in PIAAC; Belgium refers to Flanders, the United Kingdom refers to England and Northern Ireland; Panel B: Adults aged 25-64 with below upper secondary education (ISCED 0-2); missing data for Japan.
Source: Panel A: PIAAC, 2012, 2015; Panel B: OECD.Stat, Education at a Glance database.

In Germany, PIAAC data are complemented by the LEO survey on literacy skills, implemented by the University of Hamburg (see Chapter 2). It finds that in 2018, 12% of the German-speaking adult population were found to have a low level of proficiency in reading and writing (Alpha Levels 1-3), which is equivalent to around 6.2 million adults (Grotlüschen et al., 2019[7]). This share is lower than the share of adults with low literacy identified through PIAAC, due to LEO capturing adults with lower levels of literacy (Durda et al., 2020[8]).

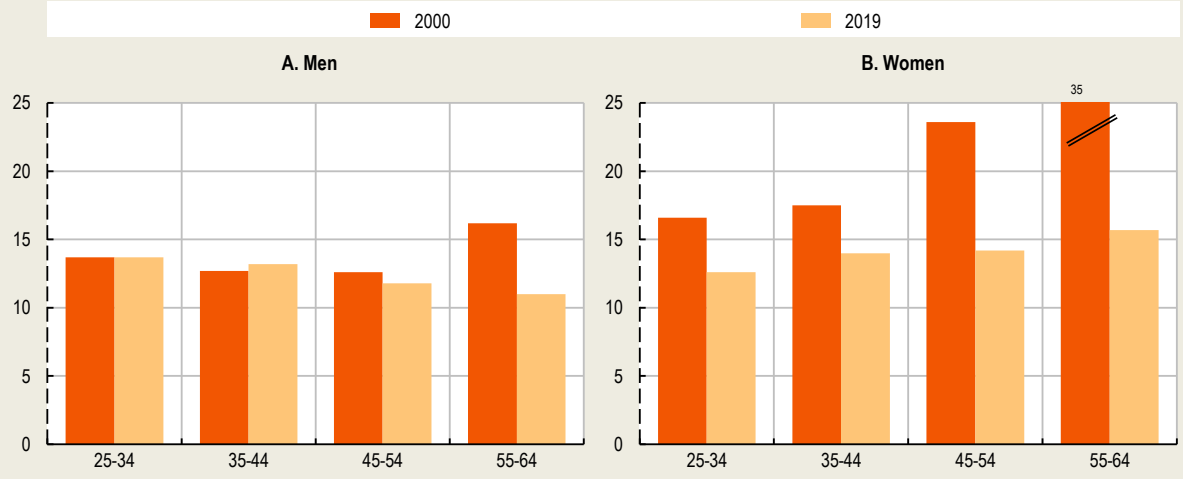
Data on adults with **low qualifications** show that in 2019, 13% of adults in Germany were low-qualified, compared to a much higher OECD average of 21% (Figure 6.1, Panel B). Austria and Switzerland, which have dual vocational training systems comparable to Germany, display similar rates (14% and 11% respectively). It is worth noting that in the past two decades, the share of low-qualified adults in Germany decreased from 18% to 13%, mainly driven by increasing educational levels among women (Box 6.2). In the same period, the share of adults with a higher education qualification increased from 24% to 30%. The share of adults holding medium levels of qualification has been relatively stable since 2000.

Box 6.2. Younger cohorts of women drive the decrease in low qualification levels

The share of women with low qualifications decreased from 23% to 14% over the past two decades (2000-19). This change is primarily driven by the fact that younger cohorts of women are better qualified today than two decades ago. The share of low-qualified men remained relatively stable over the past 20 years (2000:14% vs. 2019: 12%).

Figure 6.2. The share of women with low qualification levels is declining in Germany

Share of adults with low qualification levels by gender and age groups, 2000 and 2019, percentage



Note: Adults aged 25-64; low qualified refers to adults with below upper secondary education (ISCED 0-2).
Source: OECD.stat, Education at a Glance, LFS.

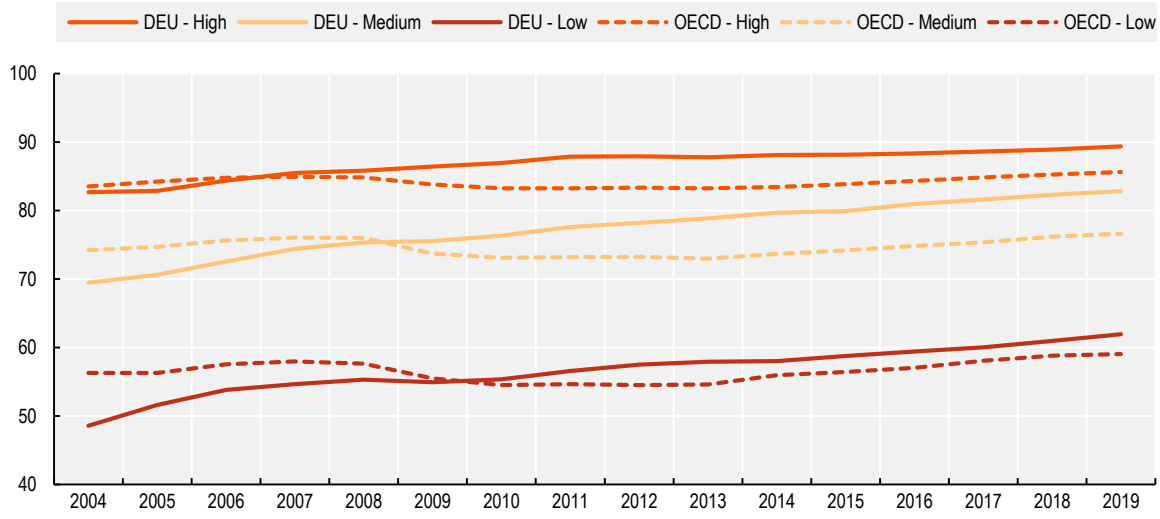
Groups of adults with low basic skills and those with low qualifications are not identical. This is due to the fact that the formal education system is not the only place where adults develop literacy and numeracy skills (OECD, 2013[6]). Low-qualified adults may have good levels of basic skills, not only because they gained some skills in the education and training systems, but also because people can acquire or improve these skills in their work or social life. Vice versa, some adults with medium or high level of qualifications may actually display low basic skills, for example due to skill depreciation over the life-course.

…and most adults with low skills are in employment

In Germany, most adults with **low qualification levels** are active in the labour market. Their employment rate has steadily increased in the past 15 years from 49% in 2004 to 62% in 2019 (Figure 6.3). Further, low-qualified adults in Germany now have higher employment rates than low-qualified adults in OECD countries (59%). Employment growth amongst adults with low qualifications is far exceeding the employment growth seen by higher-qualified adults. This increase is largely thanks to overall employment growth in Germany, an increasingly tight labour market and associated labour shortages (see Chapter 2), but also due to more low-skilled working in atypical forms of employment, such as temporary work, work on fixed-term contracts or in marginal employment. Low-skilled women in particular, who generally have above-average levels of permanent inactivity, have experienced increasingly turbulent and unstable employment histories (Eichhorst et al., 2019[9]). Effects of the COVID-19 crisis on the labour market in general and the employment opportunities of low-skilled adults in particular remain to be seen.

Figure 6.3. The past 15 years have seen strong employment growth amongst low-qualified adults in Germany

Employment rate by qualification level, 2004-19, percentage



Note: Adults age 25-64; low = below upper secondary qualification (ISCED 0-2), medium = post-secondary, non-tertiary education (ISCED 3-4), high = tertiary education (ISCED 5-8).
Source: OECD.stat, Education at a Glance, LFS data.

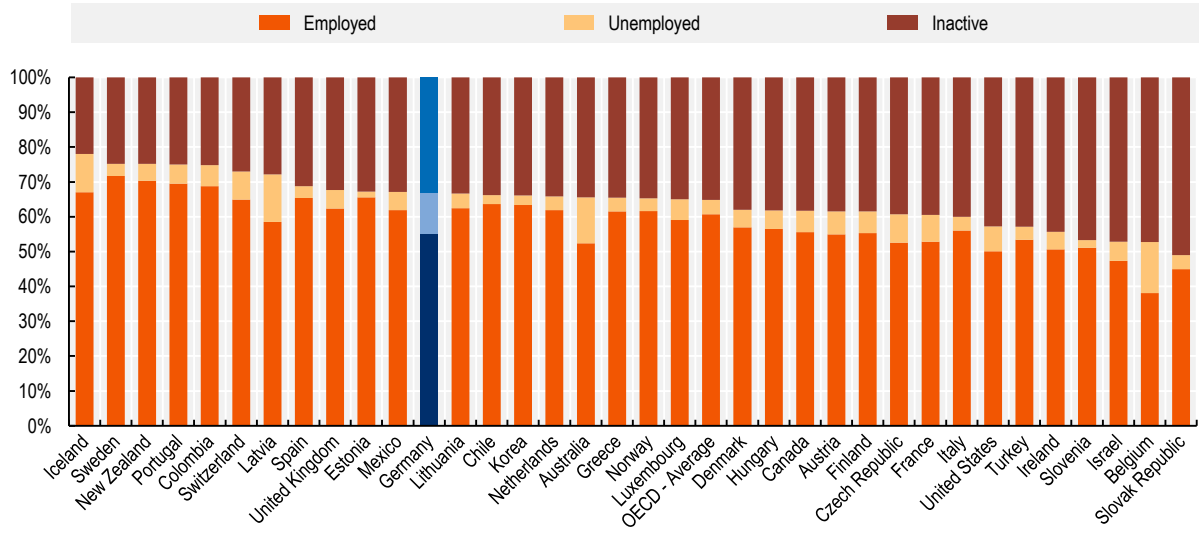
Taking a more detailed look at the labour market status shows that while 62% of **low-qualified adults** were employed in 2019, 33% were inactive in the labour market and 5% were unemployed (Figure 6.4). The level of labour market inactivity is slightly below the OECD average of 35%, although a number of countries achieve substantially lower rates of inactivity among the low-qualified, most notably Iceland (21%) and Sweden (22%), but also Switzerland (25%). Labour market inactivity may be due to participation in education and training, being retired or having care duties among other factors. The employment status of individuals has important consequences for where and how adults can be reached to engage them in CET. As the vast majority of low-skilled adults is in work, creating learning opportunities in the work-place is key to engaging them.

No recent data on the employment situation of adults with **low basic skills** exist. When data were collected for the Survey of Adult Skills (PIAAC) in Germany in 2012, 62% of adults with low basic skills were

employed, 31% were inactive in the labour market and 7% were unemployed. This compared to 85%, 12% and 3% respectively for medium- to high-skilled adults.

Figure 6.4. One in three low-qualified adults in Germany is inactive in the labour market

Labour market status of low-qualified adults, 2019, percentage



Note: Adults age 25-64; low qualified refers to adults with below upper secondary education (ISCED 0-2).
Source: OECD.stat, Education at a Glance database, LFS data.

Learning participation

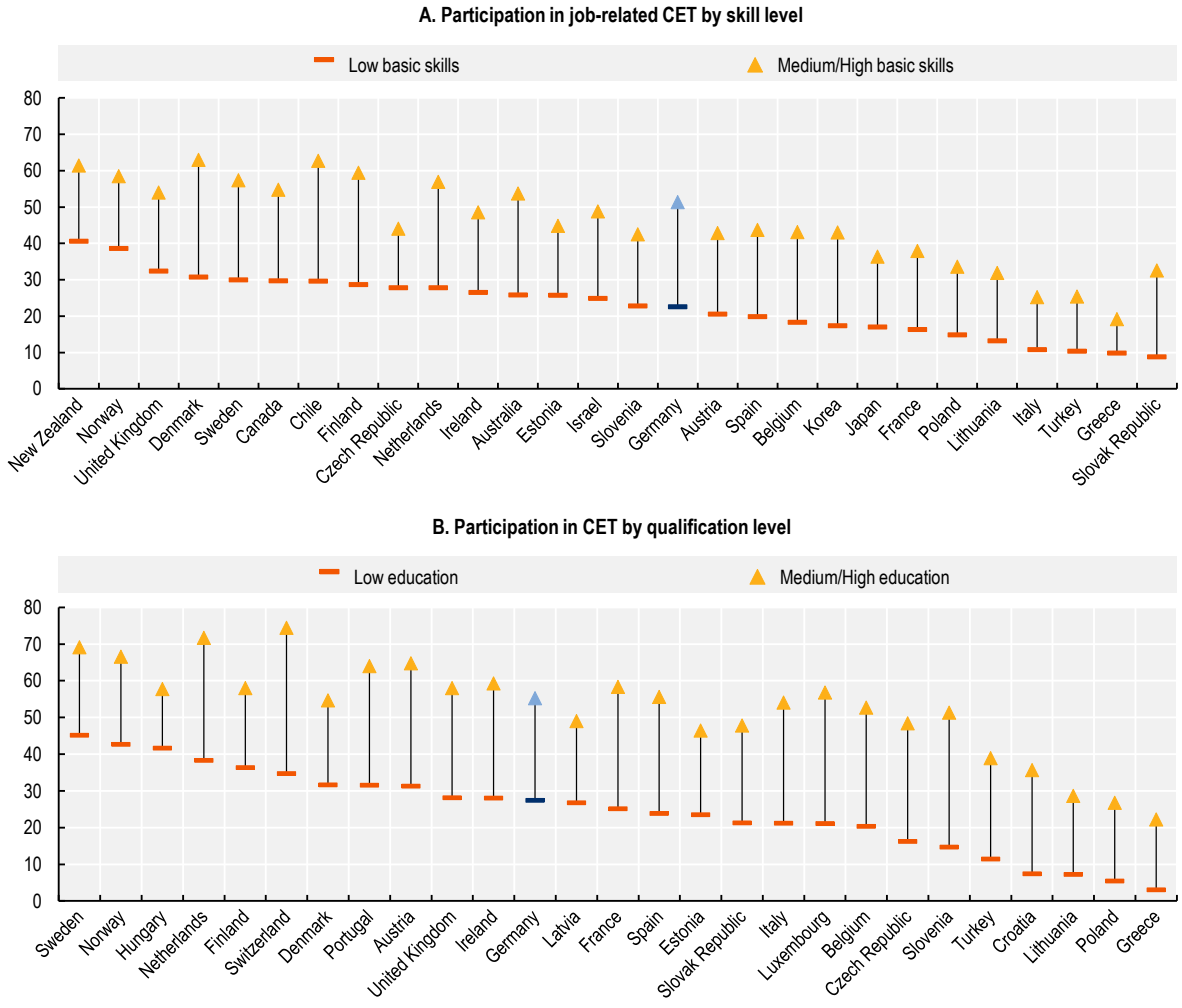
Across OECD countries, adults with low skills are less likely to take part in CET compared to their higher-skilled counterparts. Those who already have high skills and qualifications when entering the labour market acquire even more over the life-course. This phenomenon has been coined the Matthew effect of accumulated advantage in education (Boeren, 2009[1]; Kilpi-Jakonen et al., 2014[2]). While the insight that low-skilled adults are less likely to participate in CET is not new, ongoing changes in the world of work are limiting the labour market opportunities for low-skilled adults and increasing their need for reskilling and upskilling (see Chapter 2).

By international standards, learning participation of low-skilled adults is low...

In Germany, only 23% of adults with **low basic skills** participate in job-related CET in a given year, compared to 51% of those with medium to higher levels of basic skills (Figure 6.5, Panel A). This is one of the largest percentage-point gaps among OECD countries, exceeded only by Chile, Denmark, Finland and the Netherlands. By contrast, New Zealand and Norway manage to engage comparatively high shares of adults with low skills in learning (40% and 39%) while also ensuring high overall participation levels.

Shifting the focus to participation by **qualification level** paints a similar picture. In Germany, 27% low-qualified adults participate in CET in a given year, compared to 55% of those with medium or high qualifications. However, gaps in many European OECD economies are even larger than this, including in countries with similar education and training systems, such as Austria (31% vs. 65%), the Netherlands (38% vs. 72%) and Switzerland (35% vs. 74%). A number of Nordic countries with high-performing CET systems, namely Finland, Norway and Sweden manage to combine high overall participation with relatively small differences in participation between low- and medium/high-qualified individuals.

Figure 6.5. Germany has one of the largest participation gaps of low-skilled adults in the OECD



Note: Panel A: Job-related formal and non-formal learning; low basic skills refers to adults aged 25-64 scoring level 1 or below in literacy and/or numeracy in PIAAC; Belgium refers to Flanders, the United Kingdom refers to England and Northern Ireland; Panel B: Adults age 25-64; formal and non-formal CET; 12 months prior to the interview; low education = below upper secondary qualification (ISCED 0-2); data for Lithuania and the Slovak Republic refers to 2011.
Source: Panel A: PIAAC, 2012, 2015; Panel B: AES, 2016.

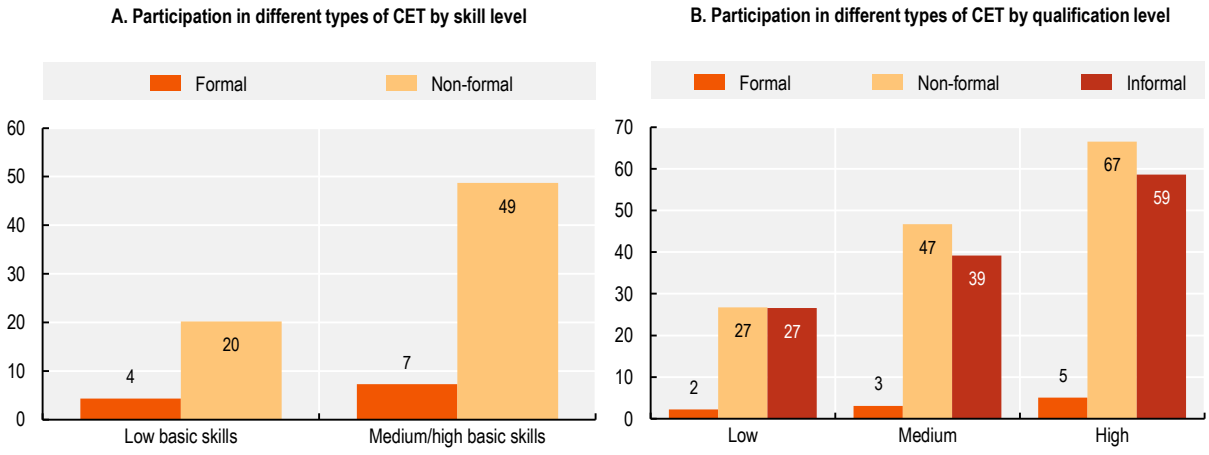
…and adults with low skills are less likely to participate in all types of learning than their higher skilled peers

Analysing the learning participation of adults with **low basic skills** in more detail shows that their participation rates are proportionally lower in all types of learning that is formal, non-formal and informal learning (Figure 6.6). According to PIAAC data, 4% of adults with low basic skills take part in formal learning in Germany, compared to 7% of adults with higher skill levels. The relative difference in participation in non-formal learning opportunities is even larger, with 20% of adults with low basic skills participating and 49% of those with medium to high skill levels.

Similarly, **low-qualified adults** display lower participation in all types of learning. According to 2016 AES data, 2% take part in formal, 27% in non-formal and 27% in informal learning. Amongst those with medium qualifications, 3% take part in formal, 47% in non-formal and 39% in informal learning; amongst those with

high qualifications 5% take part in formal, 67% in non-formal and 59% in informal learning. Notably, adults with low qualification levels take part in non-formal and informal learning to an equal extent, which is not the case for medium and higher qualified adults. This may reflect the type of workplaces low-skilled adults find themselves in and their higher propensity of these workplaces to offer informal compared to other learning opportunities, i.e. micro and small enterprises (see below). It may also reflect a preference by low-skilled individuals and their employers to engage in less formalised types of learning.

Figure 6.6. Low skilled adults display lower participation across all types of learning in Germany



Note: Panel A: Job-related formal and non-formal learning; low basic skills refers to adults aged 25-64 scoring level 1 or below in literacy and/or numeracy in PIAAC; Panel B: Adults age 25-64; Low = below upper secondary qualification (ISCED 0-2), medium = post-secondary, non-tertiary education (ISCED 3-4), high = tertiary education (ISCED 5-8).
Source: Panel A: PIAAC, 2012, 2015; Panel B: AES, 2016.

Barriers to learning participation

To design effective policies that engage more low-skilled adults in learning, it is key to understand what their barriers to participation are and how these differ from those experienced by their higher skilled counterparts. Many of these barriers relate to the individual and labour market situation of low-skilled adults, which shape their attitudes, expectations and possibilities to take-up CET.

Barriers to participation are higher and more complex for adults with low skills

Adults with low skills face multiple, multi-layered and interconnected barriers to participation. Some of these barriers are explicit, such as a lack of time due to care responsibilities, while others may just be expressed as a general lack of interest in taking part. The academic literature on adult learning typically distinguishes between dispositional, situational and institutional barriers (Cross, 1992[10]; Pennacchia, Jones and Aldridge, 2018[11]; Roosmaa and Saar, 2017[12]):

- **Dispositional barriers** refer to adults' attitudes, personality traits, perceptions and expectations around learning. Examples for this type of barrier include lack of interest, concerns about one's ability to succeed, having no hope of improving one's labour market chances, and the perception that one has learnt enough already or is too old to acquire new skills. Dispositional barriers can be grounded in innate personality traits as well as prior experiences with education and training that shaped the individual's view.

- **Situational barriers** pertain mostly to the personal and family situation of the individual. This includes their financial situation, existence of care responsibilities, lack of family or employer support and lack of time due to work commitments, among other factors.
- **Institutional barriers** relate to the availability, or lack thereof, of appropriate learning opportunities. This includes a lack of flexibility in the available provision concerning time and location, as well as a lack of relevant learning opportunities tailored to the specific learning needs (e.g. specific andragogic approaches).

Research by the German Institute for Employment Research (IAB) suggests that, on average, low-qualified adults face a larger number of barriers to participation than those with higher qualifications. A 2017 survey of employees showed that while adults with university degrees named one barrier to learning participation on average, low-qualified adults named close to three (Osiander and Stephan, 2018[13]; Osiander and Stephan, 2018[14]). An earlier similar survey of unemployed individuals came to similar conclusions, with a higher number of barriers named by those with lower qualification levels (Osiander and Dietz, 2016[15]).

Two in three adults with low basic skills are not interested in participating in CET…

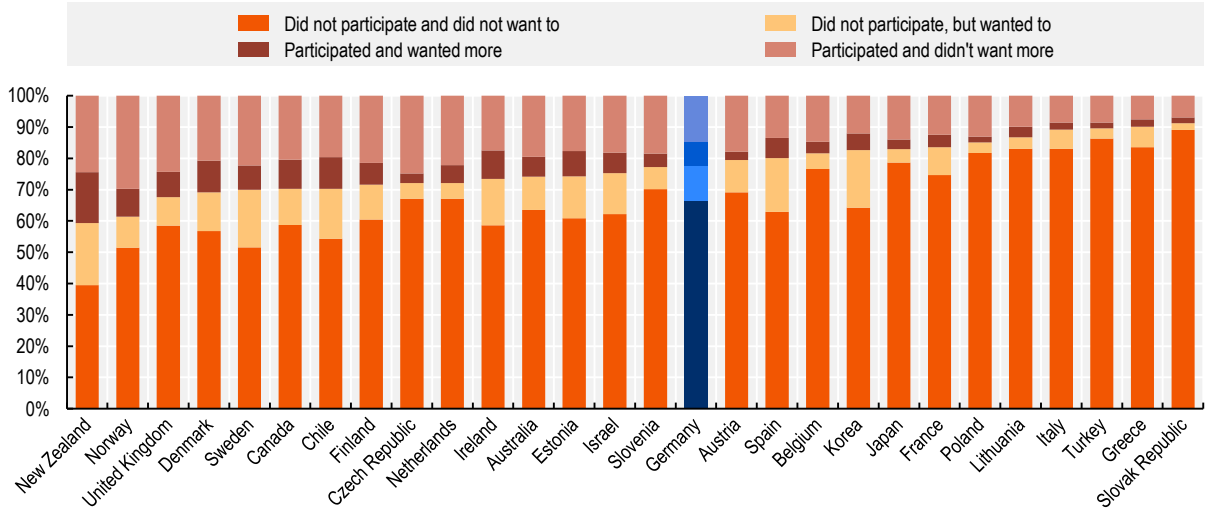
Looking at dispositional barriers, the vast majority of adults with low basic skills does not participate in CET and there were no learning opportunities that they wanted to participate in, according to PIAAC data (Figure 6.7). A much smaller share does not participate in CET, but would have liked to (11%). This incidence is average by international standards. In most OECD countries, more than 50% of adults with low basic skills are not interested in CET participation. The exception is New Zealand, where only 39% have no interest in participation, but a further 20% who do not participate would have liked to. At the other end of the spectrum is the Slovak Republic, where close to 90% of adults with low basic skills do not participate and are not interested in participation. By comparison, only 41% of German adults with medium to higher skill levels do not participate in learning and report that there was no CET course they wanted to attend (not displayed in the Figure).

National data complement this picture on the higher dispositional barriers of low-skilled adults: A 2017 survey by the IAB found that employees with low qualification levels are more likely than their higher-qualified peers to think that they are sufficiently qualified and that they have learnt enough (Osiander and Stephan, 2018[13]). One in three low-qualified respondents to the survey thought their qualifications were sufficient *(“Meine Qualifikationen reichen aus”)*, compared to one in four of adults with Master’s degrees or higher. Similarly, 29% of low-qualified employees thought that they had learnt enough *(“Ich habe genug gelernt”)* compared to 11% of those with Master’s degrees or higher.

It is worth highlighting that the lack of interest in participating in CET is closely connected to the characteristics of this group and their situational and institutional barriers to participation (see below). The real issue for this group may not be a lack of interest, but discouragement due to the barriers faced or the difficulty of identifying suitable CET courses.

Figure 6.7. Most low-skilled adults in Germany do not participate and are not interested in participating in CET

Adults with low basic skills and their willingness to participate in job-related CET, 2012/2015, percentage



Note: Participation in formal and non-formal job-related CET; low basic skills refers to adults aged 25-64 scoring at level 1 or below in literacy and/or numeracy in PIAAC; Belgium refers to Flanders, the United Kingdom refers to England and Northern Ireland.
Source: PIAAC, 2012, 2015.

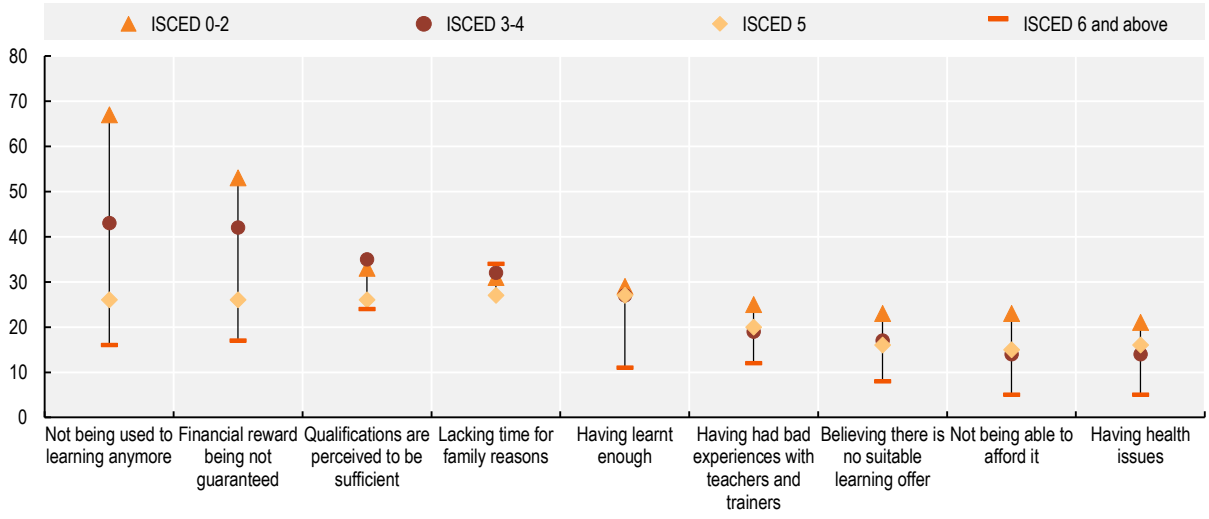
… as many low-skilled adults have limited hopes that CET will improve their labour market chances

Existing international surveys on CET do not capture the issue of the perceived utility of CET participation. Low-skilled adults may be willing to overcome existing barriers to training, if they perceive that the time and financial investment of taking part in CET is worthwhile (Pennacchia, Jones and Aldridge, 2018[11]; Ambos, 2005[16]). Instead, they frequently find themselves in a 'low skills trap', stuck in low-level and low-paid positions, lacking opportunities for development and expecting limited returns to most training, such as wage increases or access to better quality jobs (OECD, 2017[17]; Burdett and Smith, 2002[18]). As discussed in Chapter 2, German evaluation evidence suggests that low-qualified adults in particular may have to make time and resource investments to see substantial returns. Currently, it is still the participation in longer trainings (often to gain a full vocational qualification) that has the strongest positive effect on employability (Doerr et al., 2014[19]; Bähr et al., 2018[20]; Bernhard, 2016[21]). These long opportunities may seem too daunting to low-skilled adults, given their frequent negative experience with previous education and training, as well as the multitude of barriers they face.

Data from a 2017 IAB survey show that the belief that taking part in CET will not pay off economically is one of the major obstacles for low-qualified adults (Figure 6.8). Fifty-three percent of adults with low-qualification levels believe that a key barrier to participation in job-related education and training is that "it is not guaranteed that it will be worthwhile financially". By contrast, adults with Bachelor level qualification or equivalent and those holding Master level degree or above do perceive this to be less of an obstacle (26% vs. 17%). This relates to the issue that participation in CET does not automatically lead to the higher classification of an individual in the salary scales agreed through collective bargaining agreements, as these scales are often tied to job tasks rather than qualifications. The only obstacle that is greater than the perceived lack of financial reward is the concern of "not being used to learning anymore'', which is felt by 67% of adults with low qualifications.

Figure 6.8. Perceived lack of financial reward is a key barrier for low-qualified adults in Germany

Self-reported reasons for not taking part in job-related education and training, by qualification level, 2017, percentage



Note: ISCED 0-2 = No vocational qualification; ISCED 3-4 = Initial vocational degree (*Lehre/Ausbildung/Fachschule*); ISCED 5 = Graduate degree or vocational equivalent (*Meister/Techniker/Bachelor*); ISCED 6 = Post-graduate degree (*Master/Diplom* or higher).
Source: Osiander and Stephan (2018[13]), *Gerade geringqualifizierte Beschäftigte sehen bei der beruflichen Weiterbildung viele Hürden*, https://www.iab-forum.de/gerade-geringqualifizierte-beschaeftigte-sehen-bei-der-beruflichen-, IAB-Forum; IAB online survey on CET.

Socio-economic disadvantages shape individuals' opportunities and interest to train...

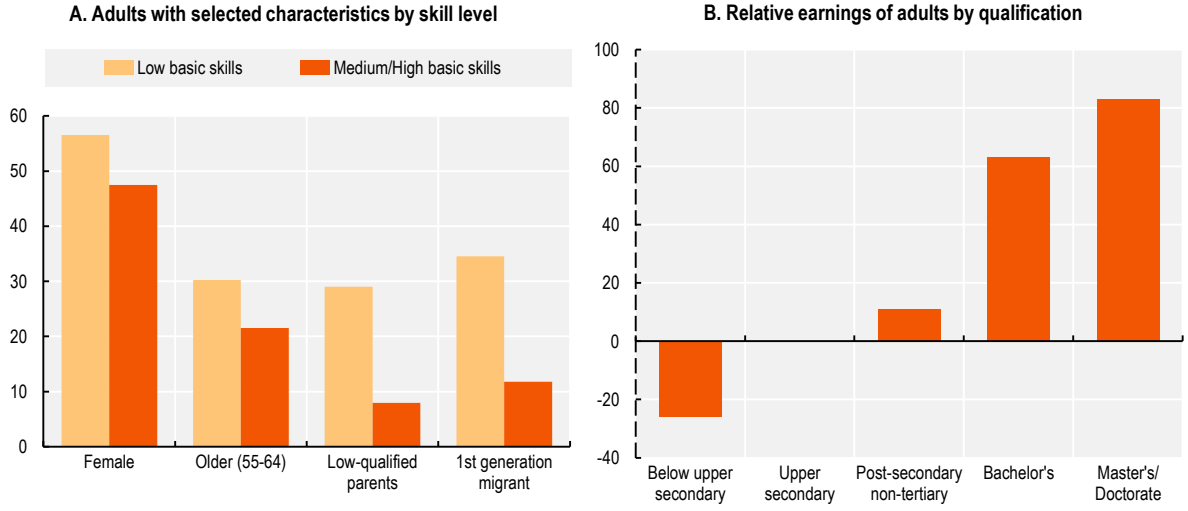
Looking at situational barriers, adults with low skills differ from their higher-skilled counterparts on a range of socio-economic and -demographic characteristics, such as age, parental education, migration background and gender (Figure 6.9), all of which shape their opportunities to train. In the following sub-chapter, data are presented for adults with low basic skills, but similar patterns can also be observed for adults with low qualifications (Autorengruppe Bildungsberichterstattung, 2020[22]).

These socio-economic and -demographic characteristics can lead to situational and dispositional barriers as follows:

- **Gender**: 57% of adults with low basic skills are women. Women in Germany traditionally have less access to CET opportunities due to still taking on the majority of caring responsibilities and being more loosely attached to the labour market.
- **Age**: 30% of adults with low basic skills are between the ages of 55 and 64, while only 22% of higher-skilled adults are in that age group. Older adults are typically less likely to train due to their proximity to retirement. The limited time remaining to benefit from the returns to investment in skill development makes it less likely that this target group (and their employers) make the investment (OECD, 2019[23]).
- **Low-skilled parents:** Compared to their higher-skilled peers, adults with low basic skills are four times more likely to be from families where both parents are low-qualified. In Germany, socio-economic background has a significantly higher impact on the learning outcomes of students than in most other OECD countries (OECD, 2019[24]). Parental background can shape an individual's attitudes, expectations and perceptions of learning over the life-course.

- **Migrant background**: A similar correlation can be observed for adults with a migration background. People with low basic skills are three times more likely than higher-skilled individuals to be first-generation immigrants.
- **Low income**: Hourly wages are strongly associated with basic skills. In Germany, the median hourly wage of workers scoring at Level 4 or 5 on the literacy scale is 86% higher than that of workers scoring at or below Level 1 (OECD, 2013[6]). Along the same lines, a person with tertiary education level (Figure 6.9, Panel B) earns over 83% more on average than a person with upper secondary education. By contrast, a person with below upper secondary education (e.g. *ohne Berufsausbildung*) earns 26% less than individuals with upper secondary education. Hence for adults with low incomes, the direct and indirect costs of training constitute a higher barrier to participation than for their higher-earning peers.

Figure 6.9. Low-skilled adults often face a socio-economic or -demographic disadvantage to training participation in Germany



Note: Panel A: Adults age 25-64 with selected characteristics by skill level: low basic skills refers to adults scoring at level 1 or below in literacy or numeracy in PIAAC; parents with low qualifications refers to neither parent having attained upper secondary or post-secondary education; Panel B: Relative earnings of adults age with different qualification levels; upper secondary education = 100.
Source: Panel A: PIAAC, 2012; Panel B: OECD.stat, Education at a Glance database, LFS data.

…and so does working in jobs where CET opportunities are limited

Take-up of learning opportunities is influenced not only by the characteristics of individuals, but also by the jobs and workplaces in which they find themselves. Eighty-five to ninety-five percent of all job-related CET is employer-supported, and it has been suggested that countries with the highest overall participation rates are where employer's support for CET is highest (Desjardins, 2020[25]). Yet, the extent to which learning opportunities are made available to employees differs between sectors, occupations and differently-sized enterprises. Compared to their higher-skilled peers, adults with low skills frequently find themselves in sectors, enterprises and occupations that offer only limited opportunities for upskilling and reskilling. However, it must be noted that the direction of causality is unclear: low-skilled adults may train less because they find themselves in specific workplaces; or certain workplaces may provide less training, because they have high shares of low-skilled adults.

Looking at **sectors of the economy**, adults with low basic skills primarily work in low-tech manufacturing, construction and non-knowledge-intensive services, such as transportation and storage, accommodation

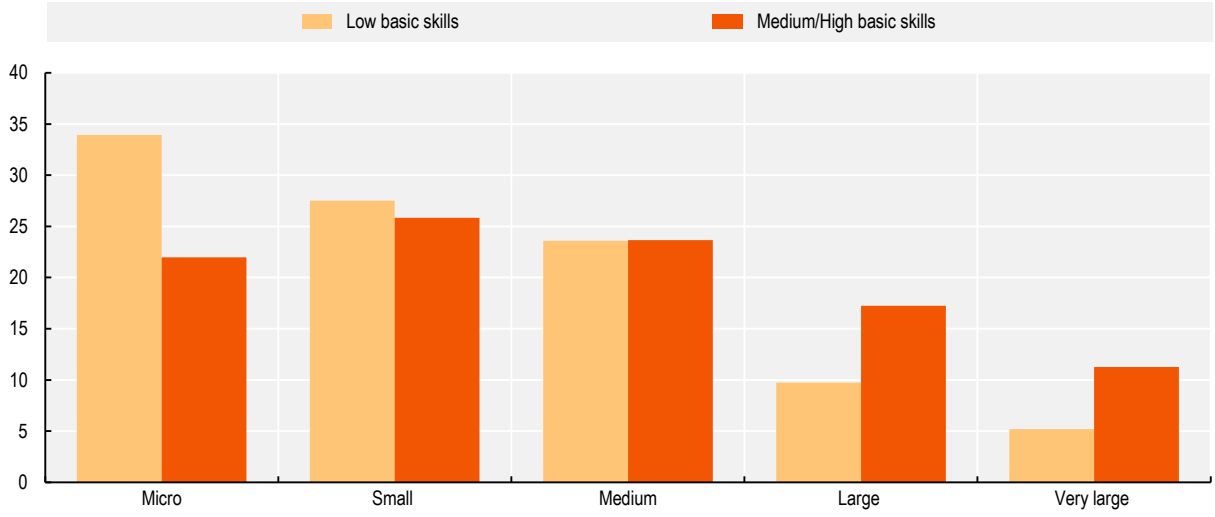
and food (Figure 6.11, Panel A). They are under-represented in public services, financial activities and information and communication industries. Adults with low basic skills find themselves in sectors which typically offer manual, routine jobs with limited CET opportunities: according to data from the 2018 IAB Establishment Panel, less than half of enterprises in the areas of transport, storage, food and construction offer training opportunities to their employees. With 20%, the hospitality industry has the lowest share of enterprises providing CET. By contrast, the highest shares of enterprises providing CET can be found in areas where low-skilled adults are under-represented, such as education, health, social services and public administration (more than 80% providing CET), followed by enterprises active in financial and insurance services (72%) (König, 2020[26]).

Looking at the **occupations** low-skilled adults are employed in, it may be unsurprising that they are overrepresented in elementary occupations, among service workers and shop and market sales workers, occupations classified under the ISCO-88 major groups as low-skilled occupations (Figure 6.11, Panel B). Compared to higher-skilled counterparts, they are two and a half times more likely to work in elementary occupations. The same IAB data cited above show that adults in higher-skilled occupations are much more likely to train than those in elementary occupations, likely due to the high routine content of elementary occupations for which limited training is needed.

Finally, the **size of the enterprise** is another key factor in determining the CET opportunities they provide to their employees. Adults with low skills work considerably more often in micro- and small enterprises than those with medium/high basic skills (Figure 6.10**Error! Reference source not found.**). They are under-represented in large and very large enterprises. This is important, as the financial and organisational capacity of enterprises to offer systematic skill development opportunities increases with size. Data from the 2018 IAB Establishment Panel show that only 44% of micro-enterprises and 73% of small enterprises offer CET opportunities, while 93% of enterprises with 50-499 employees and 98% of enterprises with more than 500 employees offer such opportunities (König, 2020[26]). Adults working in elementary occupations in micro-enterprises display especially low CET participation (9%) (König, 2020[26]).

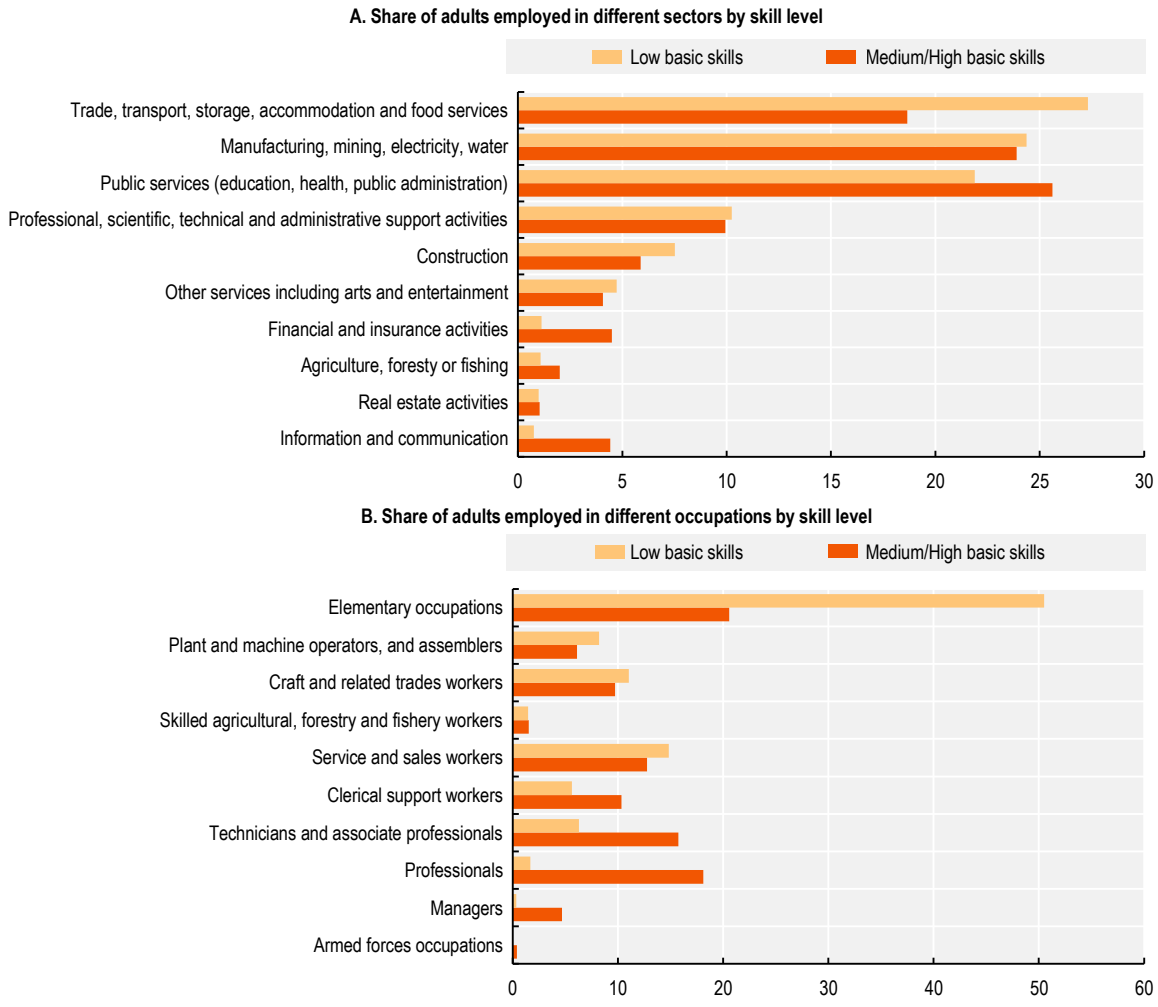
Figure 6.10. Low-skilled adults predominantly work in micro-sized firms

Adults employed in differently sized enterprises by skill level, 2012, percentage



Note: Low basic skills refers to adults scoring at level 1 or below in literacy and/or numeracy in PIAAC; adults age 25-64 working in different size enterprises; Micro = 1-10 employees, Small=11-50, Medium=51-250, Large=251-1000, Very Large=>1000.
Source: PIAAC, 2012.

Figure 6.11. Low-skilled adults work in contexts where access to training is more limited in Germany



Note: Low basic skills refers to adults scoring at level 1 or below in literacy and/or numeracy in PIAAC; Panel A: Adults age 25-64 working in different sectors by skill level, industry categories are created by grouping the respective ISIC categories; Panel B: Adults age 25-64 working in different occupational groups.
Source: PIAAC, 2012.

Lack of time is one of the key barriers for those who would like to participate

According to PIAAC data, more than two in five adults with low basic skills do not participate in CET due to a lack of time for work- or family-related reasons (21% and 20% respectively) (Figure 6.12). Shortage of time for work-related reasons is a relatively larger issue for the group of adults with medium to higher basic skills (34%), while shortage of time due to family-related reasons is a relatively smaller issue (14%). Similarly, lack of employer support constitutes a smaller issue for adults with low skills than for those with medium and high skills (7% and 10% respectively). This may be influenced by the fact that low skilled adults have lower employment rates than higher skilled individuals, as the importance of employment-related barriers differ by employment status.

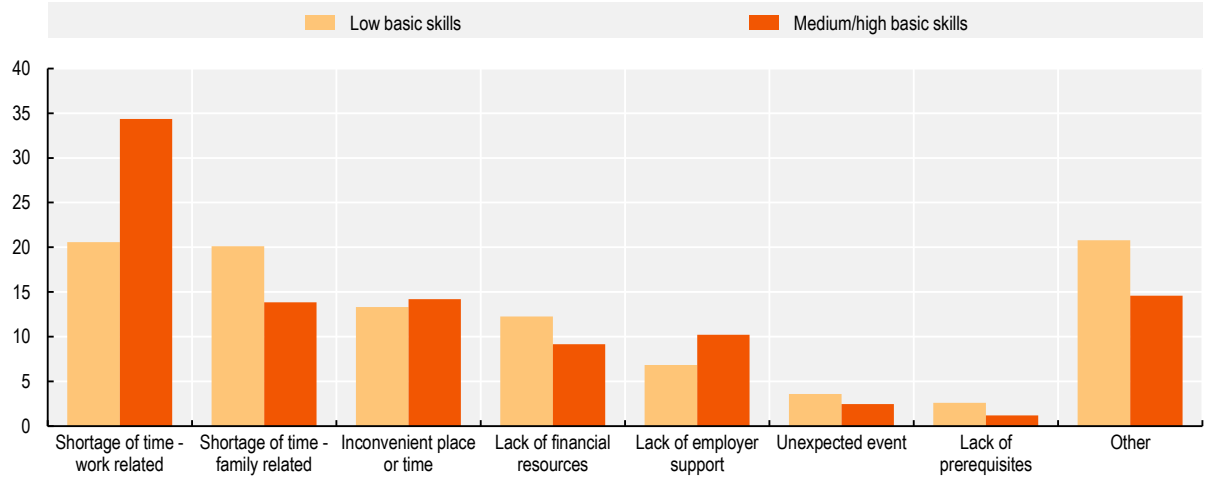
Given their generally lower incomes (see above), it is unsurprising that the costs of CET constitute higher barriers for adults with low basic skills (12%) than for those with medium to high skills (9%). It should also

be noted that, as outlined in Chapter 5, shortage of time and financial barriers are two sides of the same coin. Time constraints, be they due to family- or work-related reasons, may be overcome by financial support that covers the indirect costs of learning, e.g. foregone earnings during CET participation.

Most notably however, 21% of adults with low basic skills state that 'other issues' than those named are the main reason they do not participate (compared to 15% of medium- to high-skilled adults). This catch-all category may subsume a range of other relevant situational and dispositional barriers, such as health problems, fatigue, fear of failure or not finding appropriate opportunities, but may also reflect an awareness that participation in CET is desirable, without a clear understanding of why participation did not materialise.

Figure 6.12. For those wanting to participate, the biggest barrier is shortage of time

Reasons for not participating in job-related CET for those who wanted to participate in Germany, 2012/2015, percentage



Note: Participation in formal and non-formal job-related CET; low basic skills refers to adults aged 25-64 scoring at level 1 or below in literacy and/or numeracy in PIAAC.
Source: PIAAC, 2012.

CET opportunities for low-skilled adults

Engaging low-skilled adults in learning requires the existence of appropriate CET opportunities for this target group. These must convey relevant content, including general and job-related skills, be tailored to their specific learning needs and be delivered flexibly to overcome the higher barriers faced by adults with low skills when it comes to CET participation (OECD, 2019[5]).

A 2018 review of the German CET landscape found that while CET participation of low-qualified people was below average across Germany, there were considerable regional differences. According to the study, the regional social and economic context, as well as existing infrastructure, explain one-third of the variation in CET participation of low-qualified groups (DIE and Bertelsmann Stiftung, 2018[27]). This also implies that factors such as the quality and availability of the CET offer, as well as co-operation between local providers, matter for participation.

As described in Chapter 3, the existing provision for low-skilled adults encompasses i) basic CET, including literacy (*Alphabetisierung*) and basic skills courses (*Grundbildung/ Elementarbildung*); and ii) general CET, which gives adults the opportunity to obtain general and vocational formal degrees in the form of second chance education (*Nachholen eines (Berufs-)Abschlusses*).

Literacy and basic skills offers have low participation and limited reach

Basic CET offers, targeted at adults with low basic skills, include training on general literacy as well as on basic digital, health, financial, social and numeracy skills. Generally, basic CET is offered by Adult Education Centres, but some other profit and non-profit provision exists.

Table 6.1 gives an overview of the types of basic CET available in Germany.

Table 6.1. Types of basic CET provision in Germany

Types of provision	Providers	Duration	DQR level	Number of participations (2018)	
Literacy courses *(Alphabetisierung)*	Adult Education Centres *(Volkshochschulen)* Education Institutes of Trade Unions *(Arbeit und Leben DGB/BHS)* Education institutions of the Protestant and Catholic Churches Private non-profit providers Private commercial providers	Various	Not assigned	Adult Education Centres: 169 800	BAK AL: 800* DEAE: 6 500 KEB: 3 900
Basic skills courses (*Grundbildung, Elementarbildung)*		Various	Not assigned	Adult Education Centres: 28 800**	

Note: Data on participants refers to all participants, irrespective of age, *refers to 2017, specific non-profit providers only, including BAK AL=Bundesarbeitskreis Arbeit und Leben e.V., DEAE=Deutsche Evangelische Arbeitsgemeinschaft für Erwachsenenbildung and KEB=Katholische Erwachsenenbildung Deutschland – Bundesarbeitsgemeinschaft e.V; refers only to courses with more than three teaching hours, excludes job-related trainings; ** programme area basic education, excluding literacy courses.
Source: Based on Horn et al. (2019[28]), *Weiterbildungsstatistik im Verbund. Ergebnisse für das Berichtsjahr 2017*, https://doi.org/10.3278/85/0023w; Reichart et al. (2019[29]), *Volkshochschulstatistik 2018*, https://doi.org/10.3278/85/0022aw.

In Adult Education Centres, the dominant type of provision comprises in-person, classroom-based courses. However, new approaches with individualised learning opportunities seem to be increasing. Whereas courses were traditionally held once per week during the day or in the evening, about half of all basic CET courses now take place several times a week. A survey of Adult Education Centers in 2018 found that almost 76% of literacy courses were targeted at adults with migrant backgrounds who were not German native speakers. An important share of this offer comprises the integration courses funded by the Federal Agency for Migration and Refugees (*BAMF*).

In order to improve the level of basic skills among adults in Germany, the National Decade for Literacy and Basic Skills *(AlphaDekade)* was initiated as a forum to co-ordinate different CET stakeholders in 2016 (see Chapter 3, Box 3.5). The federal government and the Länder in partnership with other CET actors agreed on a common action plan and measures. They launched a range of projects in the main areas of basic education provision, research and public outreach (AlphaDekade, 2020[30]). The Länder pledge to strengthen regional supply structures and to promote networks of relevant actors (KMK, 2018[31]). Most federal states now have a co-ordination office that connects different providers of basic CET, for example the *Koalpha* co-ordination office in Saxony. This co-ordination unit can exist within the ministry for education, or other institutions such as the Association of Adult Education Centres of the respective federal state. Its function is to create transparency, provide advice, streamline the provision of basic CET and exchange innovative practices. Many states have furthermore introduced specific funding schemes for basic CET, for example the *ALPHA+* project in Bavaria, or have started awareness-raising initiatives such as the Reading Makes your Life Easier (*Lesen macht Leben leichter*) campaign in Schleswig-Holstein. Some states have a network of centres specifically dedicated to the provision of basic CET. Table 6.2 lists the existing networks.

Table 6.2. Types of basic CET networks

Federal State	Supporting institution	Original name	English name	Offer	Channel	Centres
BW	Ministry of Culture, Youth and Sports in Baden-Wuerttemberg	Grundbildungszentren Baden-Württemberg	Basic Education Centres Baden-Württemberg	Basic CET courses, networking, guidance and information	Face-to-face	10
BE	Senate Department for Education, Youth and Family	Grund-Bildungs-Zentrum Berlin (GBZ)	Centre for Basic Education Berlin	Database of CET courses and providers, information and guidance	Face-to-face, digital	1
BB	ESF, Ministry for Education, Youth und Sport of Brandenburg	Regionale Grundbildungszentren im Land Brandenburg	Regional Basic Education Centres in Brandenburg	Basic CET courses, low-threshold learning facilities, guidance and information	Face-to-face	7
HE	ESF, Hessian Ministry of Education and Cultural Affairs	Grundbildungszentren in Hessen	Basic Education Centres in Hesse	Basic CET courses	Face-to-face, telephone, digital*	8
NI	Ministry of Science and Culture of Lower Saxony	Regionale Grundbildungszentren Niedersachsen	Regional Basic Education Centres Lower Saxony	Basic CET courses FamLit (family literacy programme) Beluga App (basic CET excercises)	Face-to-face, digital	8
RP	Ministry for Science, Continuous Education and Culture of Rhineland-Palatine	GrubiNetz (Kompetenznetzwerk Grundbildung und Alphabetisierung)	Basic Education Competence Network	Basic CET courses, qualification offers for adult educators	Face-to-face	4**
SL	Ministry of Education and Culture Saarland	Grundbildungszentren	Basic Education Centres	Basic CET courses	Face-to-face	10
TH	Thuringian Ministry for Education, Youth and Sport	Regionale Grundbildungszentren	Regional Basic Education Centres	Basic CET courses	Face-to-face	2

Note: *Not every channel is available at every location; **Number of partner institutions.

The BMBF funds a range of nationwide, regional and local projects on basic CET. A special focus of *AlphaDekade* is job-related basic adult education. In 2019, the programs implemented under the umbrella of the National Decade for Literacy and Basic Skills reached 11 700 people, among them adult learners and educators (BMBF and AlphaDekade, 2020[32]).[1]

However, basic CET opportunities targeted at adults with low basic skills reach only a fraction of the target group. The National Decade for Literacy and Basic Skills is raising awareness and co-ordinating efforts to address this issue, which is an important step in the right direction. Yet, the number of individuals touched by the initiative remains low and its long-term impact is yet to be evaluated.

CET provision for low-qualified adults is focused on full vocational qualifications

A small share of adults in Germany holds no lower secondary degree (4%), according to data from the OECD Education at a Glance Database.[2] For this target group specific provision exists in the form of second chance education. Since 2009, individuals have a legal right to education measures to prepare them for the secondary school-leaving certification (*Hauptschulabschluss*) and a legal entitlement to get

financial support through the Federal Employment Agency (BA) and Jobseekers (Social Code Part III and II/ *SGB III and SGB II)*. No legal right exists to pursue an intermediate school-leaving certification (*Realschulabschluss*).

There is some variation between federal states, but this type of provision takes place in evening schools, adult education centres or private non-profit providers of education and training. Courses are typically classroom based and can be delivered full-time, part-time and as evening courses. No comprehensive database on participants exists, but the available data from different sources suggest that relatively few adults take part in any given year (Table 6.3).

Table 6.3. Types of CET provision to obtain lower secondary qualifications

Types of provision	Providers	Duration	DQR level	Number of participations (2018)	
Secondary School-leaving Certification (*Hauptschulabschluss*)	Evening schools (*Abendhauptschule*) Adult Education Centres (*Volkshochschule)* *Vocational Schools (Berufsfachschulen)* Private non-profit providers	Approx. 1-1.5 years	Level 2	Evening schools: 1 000 Adult Education Centres: 14 200	BAK AL, DEAE, KEB*: 2 605 across all certificate levels Adult Education Centres: 30 000 non-specified general school qualifications
Intermediate School-leaving Certification (*Realschulabschluss*)	Evening schools (*Abendrealschule)* Vocational schools (Berufsfachschule, Berufsschule) Private non-profit providers	Approx. 2 years	Level 3	Evening schools: 16 300 Adult Education Centres: 16 800	

Note: Data on participants refer to all participants in basic and general upper secondary education for adults, irrespective of age, *refers to 2017, specific non-profit providers only, including BAK AL=Bundesarbeitskreis Arbeit und Leben e.V., DEAE=Deutsche Evangelische Arbeitsgemeinschaft für Erwachsenenbildung and KEB=Katholische Erwachsenenbildung Deutschland – Bundesarbeitsgemeinschaft e.V.
Source: KMK (2019[33]), Schüler, Klassen, Lehrer und Absolventen der Schulen 2009-18, https://www.kmk.org/dokumentation-statistik/statistik/schulstatistik/schueler-klassen-lehrer-und-absolventen.html; Horn et al. (2019[28]), *Weiterbildungsstatistik im Verbund. Ergebnisse für das Berichtsjahr 2017*, https://doi.org/10.3278/85/0023w; Reichart et al. (2019[29]), *Volkshochschulstatistik 2018*, https://doi.org/10.3278/85/0022aw.

The vast majority of low-qualified adults in Germany already holds a lower secondary degree (*Hauptschule, Realschule*). What they lack is an upper secondary degree, either of the general (*Hochschulzugangsberechtigung*) or vocational kind (*Berufsabschluss*), which is reflected in the kind of CET provision that is available to them (Table 6.4).

CET opportunities for low-qualified adults encompass provision that allows them to acquire general and vocational upper secondary degrees via second chance education. Data on the number of adults obtaining full qualifications in this way are scarce (BIBB, 2020[34]). One recent estimate suggests that 12% of adults in Germany may have gained their upper secondary degree via second-chance education later in life, which is relatively high by international standards. It is also suggested that 1% of adults pursue these second-chance qualifications in any given year (Desjardins, 2020[25]). These estimates come with a range of caveats, most importantly that it is statistically challenging to distinguish between initial and adult learners.

Only a small share of adults pursues general upper secondary degrees, typically to gain access to higher education and training. This includes individuals who hold lower secondary degrees and have work experience. It also includes those who already hold vocational upper secondary degrees but are seeking entry to higher education through this route. There is some variation between federal states in how this kind of provision is delivered, including providers such as different types of public schools, adult education centres and non-profit providers. Much of the provision is school-based, but distance learning options also exist.

Table 6.4. Types of CET provision to obtain upper secondary qualifications

Types of provision	Providers	Duration	DQR level	Number of participations (2018)	
Certification for Entrance into Higher Education (*Hochschulzugangs-berechtigung)*	Evening schools *(Abendgymnasium)* Day schools (*Kolleg*) Vocational Upper Secondary (*Berufsoberschule)* Technical Upper Secondary Schools *(Fachschule, Fachoberschule)* Adult Education Centres *(Volkshochschule)* Private non-profit providers	Approx. 3 years	Level 4	Evening schools: 11 852 Day schools: 13 181 Adult Education Centres: 5 700	BAK AL, DEAE, KEB*: 2 605 across all certificate levels Adult Education Centres: 30 000 non-specified general school qualifications
Regular vocational education and training *(Nachholen eines Berufsabschlusses)*	Enterprises in combination with part-time vocational schools (Berufsschule) Full-time vocational schools (*Berufsfachschule, Berufskolleg, Fachakademien)* Private non-profit providers Private commercial providers	2-3.5 years	Level 3 or 4	190 000** 75 000 BA-supported new participants incl. vocational retraining below (2019)	
Preparatory Courses for the External Students Examination (Vorbereitungskurse *füfr die Externenprüfung*)	Chambers of Trade and Commerce Chambers of Crafts Private non-profit providers Private commercial providers	Variable, typically several weeks	Level 3 or 4	7 300 BA-supported new participants (2019)	
Vocational Retraining *(Umschulung)*	Vocational schools (*Berufsschule, Berufsfachschule)* Private non-profit providers Private commercial providers Enterprises***	1.5-3 years	Level 4	75 000 BA-supported new participants incl. regular vocational education and training above (2019)	
Partial Qualifications (*Teilqualifikationen)*	Chambers of Trade and Commerce Private non-profit providers Private commercial providers	Variable	Not assigned****	15 400 BA-supported new participants (2019)	

Note: Data on participants refer to all participants in basic and general upper secondary education for adults, irrespective of age, *refers to 2017, specific non-profit providers only, including BAK AL=Bundesarbeitskreis Arbeit und Leben e.V., DEAE=Deutsche Evangelische Arbeitsgemeinschaft für Erwachsenenbildung and KEB=Katholische Erwachsenenbildung Deutschland – Bundesarbeitsgemeinschaft e.V.; **all participants age 24 or above, including those for whom IVET can be considered part of their initial education cycle, *** enterprises are involved as providers of vocational retraining in specific areas only; **** full qualification at Level 3 or 4 can be achieved when passing the External Students Examination (see Chapter 4).
Source: German Statistical Office, BIBB Daten-report 2020; Horn et al. (2019[28]), *Weiterbildungsstatistik im Verbund. Ergebnisse für das Berichtsjahr 2017*, https://doi.org/10.3278/85/0023w; Reichart et al. (2019[29]), *Volkshochschulstatistik 2018*, https://doi.org/10.3278/85/0022aw; Statistics of the Federal Employment Agency.

Second chance vocational education and training is the most important type of CET provision for adults with low qualifications in Germany. Much of the policy effort to upskill this target group is focused on helping them gain first **vocational upper secondary degrees**. In the German context this is referred to as vocational post-qualification (*berufliche Nachqualifizierung*) or graduation-oriented qualification (*Abschlussorientierte Qualifizierung*).

As a consequence of the results of the first PIAAC-report (OECD, 2013[6]), Germany introduced new instruments and benefits to encourage and motivate low-skilled employees to gain vocational qualifications through the 2016 Unemployment Insurance Protection and the Strengthening Continuing Vocational Training Act (*Arbeitslosenversicherungsschutz- und Weiterbildungsstärkungsgesetz*). This included the introduction of the CET premium (*Weiterbildungsprämie,* see Chapter 5). The Federal Ministry of Labour and Social Affairs (*BMAS*) and the Federal Employment Agency (BA) also set-up the Future Starter Programme (*Zukunftsstarter)* that aimed to support 120 000 young adults in gaining a professional qualification (see Chapter 5).

With the 2020 Work of Tomorrow Act, low-qualified adults now have a legal right to receive financial support from the Federal Employment Agency when pursuing a vocational upper secondary degree, if this is thought to improve their employability.

There are at least four types of learning provision enabling low-qualified adults to obtain vocational upper secondary degrees (see also Chapter 3):

1. **Regular initial vocational education and training (IVET**): Low-qualified individuals can pursue a vocational upper secondary degree by following regular IVET programmes, which are typically used by young people aged 16-19. More than 65 000 adults aged 24 or older took up IVET in 2018, according to the German Statistical Office. IVET is predominately delivered through the dual apprenticeships system, which combines in-company and school-based training. A smaller share of IVET is delivered in vocational schools (e.g. *Berufsschulen, Berufsfachschulen, Berufskolleg*). Apprentices receive an apprentice salary from their employing company.
2. **Preparatory courses for the External Students Examination** (*Externenprüfung):* The External Students Examination is a long-standing instrument which gives individuals the right to participate in the final assessment of vocational degrees based on work experience and without having taken part in the regular IVET programme (see also Chapter 4). Individuals are not required to take part in any additional education and training before taking the Examination, but they have the option to take part in preparatory courses for the Examination, which are offered by Chambers of Commerce, Trade and Crafts and other providers.
3. **Vocational retraining** (*Umschulung*): Vocational training is typically used to reskill individuals who hold IVET degrees, but can no longer pursue their profession. In some circumstances, it can also be accessed by adults with professional experience but without formal vocational qualifications. Individuals have a legal entitlement to get financial support for retraining through the BA (*Bildungsgutschein*), job centres or public pension and accident insurance. Vocational retraining is provided by private non-profit or commercial education providers, employers and vocational schools (*Berufsschule, Berufsfachschule*).
4. **Partial qualifications** *(Teilqualifikationen)*: Partial qualification courses are modular upskilling and reskilling opportunities primarily targeted at low-qualified adults and adults with outdated qualifications and high risk of unemployment (see also Chapter 4). Different variants of partial qualifications exist, with alternative offers developed by the BA, Chambers of Trade and Commerce or Employer's Associations. The development of partial qualifications in Germany lags behind other countries (see also Chapter 4).

Taken together, CET opportunities for low-qualified adults in Germany are typically lengthy learning opportunities leading to full formal degrees. Many of them continue to be delivered in a classroom (rather than work-based) setting. Opportunities to flexibly acquire full qualifications through successive partial qualifications are limited and such opportunities are not yet streamlined throughout the German territory. Given the specific characteristics and barriers to learning experienced by this target group, more needs to be done to recognise prior learning and to develop partial qualifications (see also Chapter 4).

Assessment and policy directions

Across OECD countries, the participation in learning of adults with low skills is of particular concern and policy makers are keen on finding ways to engage more adults with low skills in learning. While employment rates of adults with low skills have increased over the past decade in Germany thanks to economic growth, a tightening labour market and an expansion of non-standard work, this trajectory is unlikely to continue. In the short term, the economic fallout of the COVID-19 crisis is likely to worsen the labour market chances of this group. In the medium to long term, digitalisation and automation will significantly change many of the jobs held by this target group, or indeed displace them.

According to the OECD's Priorities for Adult Learning dashboard, this is because Germany has some of the largest differences in participation in CET between different socio-economic groups among OECD economies (OECD, 2019[35]). The gaps based on skills or qualification levels stand out in particular. According to PIAAC data, only 23% of adults with low basic skills in Germany participate in job-related learning compared to 51% of those with medium to high levels of basic skills. Similarly, only 17% of adults with low qualification levels participate in job-related learning compared to 48% with medium or higher qualifications.

Adults with low skills face multiple, multi-layered and interconnected barriers to participation. In Germany, as elsewhere, one of the key barriers to participation is a lack of interest to take-part in learning, which may be an expression of having internalised other barriers to participation. Other important barriers include the personal and employment situation of adults with low skills. Adults with low basic skills are disproportionately female, older (55-64), low-income, and from a migrant background; all characteristics that can have an impact on their ability to train. They also more often find themselves in jobs and workplaces that offer only limited opportunities for upskilling and reskilling. Finally, available learning opportunities may not always be appropriate for adults with low skills. In Germany, CET opportunities for low-qualified adults in Germany are typically lengthy learning opportunities leading to full formal degrees. Many of them continue to be delivered in a classroom setting. Opportunities to flexibly acquire full qualifications through successive partial qualifications are limited and such opportunities are not streamlined throughout the German territory (see Chapter 4).

Incentives for most actors to invest in CET for low skilled adults are limited. The potential returns to this investment for employers are low, since, among others, they do have a demand for low-skilled workers and the economic benefit of training high-skilled adults is significantly higher. For the individuals themselves, there are limited financial returns to be gained from upskilling. As a result, their capacity to pay for CET is low and is likely to remain limited.

Recommendations deriving from this assessment are described in the remainder of this chapter and build on those formulated in previous chapters. Particularly relevant for increasing learning participation of adults with low skills are recommendations on guidance, validation and partial qualifications (Chapter 4) and on financial incentives (Chapter 5).

Recommendations

Germany should consider:

1. **Developing a Bund-Länder initiative on up-skilling adults** with low levels of basic skills and qualifications. Such an initiative should provide free or low-cost access to learning opportunities across the territory, following a common approach and quality framework. Learning opportunities implemented under the initiative should use appropriate methods offering hands-on, problem-oriented, and ideally work-based learning.
2. **Improving financial incentives for low-skilled adults**. For unemployed individuals this could include topping up the unemployment benefits to make taking part in CET more attractive. For people in employment, financial incentives could be delivered in the form of a progressively structured single incentive accessible to individuals (see also Chapter 5).
3. **Financing outreach activities to activate the target group**. Many adults with low skills are not actively searching for learning opportunities. Approaching this group of adults in their regular environment, i.e. workplaces and communities, is key to engaging them in learning. Germany should expand and systematise work-based guidance and mentoring schemes.

Develop a Bund-Länder initiative on up-skilling low-skilled adults

Existing learning opportunities for adults with low basic skills or low qualification levels are dispersed and currently reach only a fraction of the target group. For adults with low basic skills, the National Decade for Literacy and Basic Skills (*AlphaDekade*) is raising awareness and co-ordinating efforts to address this issue, which is an important step in the right direction. However, the number of individuals touched by the initiative remain low and the General Agreement on the *AlphaDekade* lacks SMART objectives.[3] For adults with low-qualification levels, existing CET opportunities are often lengthy courses leading to full formal degrees. Many of them continue to be delivered in a classroom setting. Opportunities to flexibly acquire full qualifications through successive partial qualifications are limited and such opportunities are not streamlined throughout the German territory (see Chapter 4).

To raise the level of ambition in this area, Germany should consider setting up a Bund-Länder initiative on up-skilling adults with low levels of basic skills, adults with low qualifications and adults with obsolete qualifications. As outlined in Chapter 5, such an initiative could be implemented through administrative agreements between the federation, the BA and individual federal states (based on the model of the Initiative Education Chains, *Initiative Bildungsketten).*

Such initiative could renew and expand the agreements made under the *AlphaDekade* or be launched as a new initiative. It should provide free or low-cost access to learning opportunities across the territory following a common approach and quality framework. Learning opportunities implemented under the initiative should use appropriate andragogic approaches and offer hands-on, problem-oriented and ideally work-based learning opportunities.

Many OECD countries offer targeted initiatives or large-scale programmes to upskill low-skilled adults, often in a work-based setting:

Box 6.3. Support for initiatives to upskill low-skilled adults in Austria, Switzerland and Norway

The **Austrian Initiative for Adult Education** aims to enable adults to gain basic skills or qualifications in order to participate in the social, cultural and economic life in Austria. Since 2012, this Bund-Länder initiative has streamlined the CET offer and financial support for low-skilled adults across the Austrian territory. The initiative encompasses two programme strands: i) basic skill courses of 100 to 400 teaching hours; ii) second-chance education courses to obtain lower secondary qualifications (*Hauptschulabschluss*), which encompass 1 160 teaching hours. The initiative is now in its third programming period. It engaged around 50 000 individuals in its first 5 years of operation, which is equivalent to 1% of the Austrian working age population aged 20-64. Evaluation evidence shows that demand exceeds the available space in the CET opportunities offered by the initiative. If Germany decided to introduce a similar initiative some adjustments would be required to tailor to national circumstances but also to address existing challenges. Notably, evidence suggests that the Austrian initiative is not always a stepping stone for individuals and that older individuals and asylum seekers in particular find it difficult to transition into further education or employment following participation.

The **Swiss project GO** targets adults with low basic skills that are in employment. It offers short and tailor-made educational interventions directly at the workplace, and in collaboration with companies across the country. A crucial feature of the project is its direct, job-related nature, with costs shared between employers and the public sector. The GO concept was developed and piloted between 2009 and 2018 and now forms the basis for a funding scheme by the Swiss State Secretariat for Education, Research and Innovation. It received a largely positive evaluation in terms of the productivity gains for companies, as well as the empowerment of individuals. Since 2018, the GO project reached 3 000 low-skilled employees that participated in 320 courses across 90 different firms.

Norway's Skills Plus Work programme is another good practice for a large-scale work-based learning programme for adults with low skills. Frequently cited as a good practice in this area, it provides grants for public and private enterprises to upskill their employees. Enterprises work with CET providers to develop basic skills programmes that convey both job-related and basic skills and also strengthen individual learning motivation. There is a specific effort to engage SMEs and companies in sectors with a high share of low-skilled workers in the programme. The national agency Skills Norway (*Kompetanse Norge*) ensures that the programme is streamlined across the territory by setting national standards, developing profiles of basic job-related skills for different professions and providing learning materials. For adults who are unemployed or inactive, a similar programme exists to develop the skills of adults through the voluntary sector.

Source: Norway, (2017[36]), Norwegian Strategy for Skills Policy 2017-21, https://www.regjeringen.no/contentassets/3c84148f2f394539a3eefdfa27f7524d/strategi-kompetanse-eng.pdf; OECD (2020[37]), Continuous Learning in Working Life in Finland, https://dx.doi.org/10.1787/2ffcffe6-en; OECD (2019[5]), Getting Skills Right: Engaging Low-skilled Adults in Learning, http://www.oecd.org/employment/emp/engaging-low-skilled-adults-2019.pdf ; OECD (2020[38]), Increasing Adult Learning Participation: Learning from Successful Reforms, https://dx.doi.org/10.1787/cf5d9c21-en; Steiner et al. (2017[39]), Evaluation der Initiative Erwachsenenbildung, https://irihs.ihs.ac.at/id/eprint/4541/1/steiner-pessl-etal-2017-evaluation-initiative-erwachsenenbildung.pdf; Stoppacher and Edler (2014[40]), Evaluation der ersten Periode der Initiative Erwachsenenbildung, https://www.initiative-erwachsenenbildung.at/fileadmin/docs/Evaluation_Abschlussbericht.pdf; Swiss Federation for Adult Learning (2020[41]); GO – Upskilling am Arbeitsplatz, https://alice.ch/de/dienstleistungen/go-upskilling-am-arbeitsplatz/.

Improve financial incentives for low-skilled adults

For low-skilled adults, one of the biggest barriers to participation is the direct and indirect cost of CET. Low-skilled adults often have limited financial means to invest in CET and can only expect small financial returns from upskilling. When in employment, these adults frequently find themselves in sectors, occupations and enterprises that are less likely to invest in the skill development of employees, for example because they rely on cheap, low-qualified staff to deliver their goods and services or because they lack the human resource capacity to develop appropriate CET opportunities for their employees. In general, employers are more likely to invest in CET of those with higher skill levels, as this is where they expect the highest return on their investment to training. Prior to 2020, the shortage of skilled labour (*Fachkräftemangel*) had put some pressure on employers to make substantial investments even at the low-end of the skills spectrum, but higher levels of unemployment following the COVID-19 crisis may reverse this trend.

Germany should consider making CET more financially attractive for adults with low skills. For unemployed individuals this could include a top-up to the unemployment benefits to make taking part in CET more attractive. For people in employment, financial incentives could be delivered in the form of a progressively structured single incentive accessible to individuals (see also Chapter 5):

- **Germany should consider topping up the unemployment benefit** for individuals taking part in training. Unemployment benefits (*ALG I, ALG II)* should make participation in CET more attractive than taking up small supplementary jobs. Unemployed low-skilled adults who take part in CET typically have the direct and indirect costs covered by the public employment services, i.e. through education vouchers and the continuing receipt of unemployment benefits. However, when not participating in training, unemployed adults can currently earn up to EUR 165 per month on top of their unemployment benefits through small supplementary jobs (*Ein-Euro-Jobs*). These opportunity costs must be considered when designing financial incentives for this target group.

  Different stakeholders, including the German Trade Union Federation (*DGB*), have suggested a supplementary monthly payment of at least EUR 200 or 15% of ALG I (DGB, 2019[42]). Research suggests that a EUR 300 top-up may significantly change participation (Osiander and Dietz,

2016[15]). Such an approach is currently being trialled in Bremen (Box 6.4). Results of the evaluation of the pilot are eagerly awaited and should be taken into account when re-designing the financial incentives for unemployed adults with low skills.

Box 6.4. Piloting of the qualification bonus (*Qualifizierungsbonus*) in Bremen

The federal state of Bremen is running a pilot project to promote the participation of (long-term) unemployed in vocational retraining. Its aim is to increase the number of people who take-up and successfully complete vocational retraining in the federal state. The pilot tests the hypothesis that regular incentive payments in the form of allowances are more effective than one-off premium payments in keeping low-skilled adults engaged in learning.

During a guidance session at the Job Centre, individuals who are about to engage in vocational retraining are presented with the option to 1) receive a monthly allowance of EUR 150 on top of their other unemployment benefits, or 2) receive the federally financed CET premium (*Weiterbildungsprämie*) of up to EUR 2 500, a one-time-payment transferred to CET participants upon graduation. In both cases, no further conditions are attached to its use.

The qualification bonus is co-funded by the ESF. The design of the measure was determined by a committee of experts consisting of representatives of the Senate for Economics, Labour and Europe, of the Job Centres in Bremen and Bremerhaven and of the Employment Agency. Reference amount was the amount of the expense allowance according to §16d in the social code book II (*SGB II*).

The qualification bonus is yet to be evaluated. An in-depth evaluation by IAB is planned in addition to detailed data collection by the job centres and by an external service provider using the ESF database VERA. According to stakeholders involved in the project, the incentive seems to be more attractive to users than the lump-sum payments of the federal CET premium. As of September 2020, almost 400 individuals are using the bonus. Discussions about a roll-out of the pilot in other regions are ongoing.

Source: Landesprogramm "Qualifizierungsbonus", https://www.esf-bremen.de/foerderung/antrags__und_nachweisverfahren/landesprogramm__qualifizierungsbonus_-30577.

- **Low-skilled adults in employment should have access to a single progressive incentive.** They do benefit from recent improvements to employer incentives introduced by the Qualification-Chances and Work-from-Tomorrow Acts. While the acts are an important step in the right direction, incentives for individual job-related CET outside the workplace are less well developed for this target group. In Chapter 5, this report recommends a reform of the financial incentive system for individuals and the development of a single, progressively designed incentive. As described in Chapter 5, such incentive could be implemented in the form of an individual learning account (ILA) or through a streamlined voucher scheme. Lessons from other countries suggest that any single incentive must be accompanied by a range of other measures to be taken-up by adults with low-skills. These include: i) ensuring simplicity of access and removing bureaucratic hurdles; ii) targeted advertisement and outreach to low-skilled adults; iii) accompanying guidance services to support individuals in using the incentive (see Chapter 4); and iv) flexibility to use the incentive for CET offers in line with their needs and abilities.

Some OECD countries already have in place progressively designed single incentives that offer greater financial support for adults with low skills:

Box 6.5. Lessons learnt from individual learning schemes

The **French Individual Learning Account** *(Compte Personnel de Formation, CPF)* allows individuals to accumulate credits to be spend on CET, measured in euros, over time (see also Chapter 5). One of the goals of the CPF is to reduce inequality of access to CET. Individuals with at least a lower secondary degree are credited with EUR 500 per year, capped at a maximum of EUR 5 000. Individuals who do not have a lower secondary qualification are credited EUR 800 per year up to a maximum of EUR 8 000. Every individual, independent of their employment status has a CPF. The scheme is financed through a compulsory training levy on firms of 0.2% of gross wages for employees and unemployed. Self-employed individuals contribute 0.2% of their turnover to a training fund. Individuals can use the accumulated credits to pay for certified courses, skills assessments (*bilan de compétences*), skills recognition exercises, training for business creation, but also for example for obtaining a driving license. To ensure access of those with lower skill levels and workers in small businesses, it is accompanied by a new system of career development services.

The **Austrian Federal State of Upper Austria** runs an **individual learning scheme** (*Bildungskonto*), which provides more generous incentives for low-skilled individuals. In contrast to the French ILA, the Bildungskonto is a voucher scheme that reimburses part of the direct costs of job-related vocational CET. Most adults can get 30% of their training costs reimbursed (up to a ceiling of EUR 2000). Some groups, including adults with low qualification levels, receive higher support: 60% of their direct training costs up to a ceiling of EUR 2 400 can be reimbursed. Around 15 000 individuals take advantage of the Bildungskonto every year.

Source: OECD (2019[43]), Individual Learning Accounts: Design is key for success, https://www.oecd.org/els/emp/individual-learning-accounts.pdf; Perez and Vourc'h (2020[44]), Individualising training access schemes: France – the Compte Personnel de Formation (Personal Training Account – CPF), https://dx.doi.org/10.1787/301041f1-en; OECD (2019[45]), Individual Learning Accounts: Panacea or Pandora's Box?, https://dx.doi.org/10.1787/203b21a8-en.

Finance outreach activities to activate this target group

Many adults with low skills do not see the need for CET and are not interested in pursuing CET opportunities. As they are not actively searching for learning opportunities, they cannot be reached by existing advice and guidance services. What is more, some research suggests that public awareness campaigns are also not effective for this target group, as many of the intended recipients don't recognise themselves as such (OECD, 2019[5]). Reaching out to this group more actively and in their regular environment, that is, their workplaces and communities, is key for engagement and specific funding should be made available to facilitate this.

Some of these approaches are already being piloted in Germany, in particular those that engage individuals in the workplace. The metalworkers' union (*IG Metall)* has developed the approach of Persons of Trust as CET Mentors (*Vertrauensleute als Weiterbildungsmentoren*). It trains trade union members to act as CET Mentors, which support their colleagues in identifying training needs and CET opportunities (IG Metall, 2018[46]). A similar approach is being developed by the Social Partners in the chemical sector Evaluation evidence from some OECD countries shows that approaching in the workplace is an effective way to engaging low-skilled adults in learning (Windisch, 2015[47]), in particular when implemented with social partners (Box 6.6). Financial support for social partners' initiatives could help them engage their members and convince them of the importance to engage low-skilled adults in training.

Community-based programmes offer the possibility to reach out also to adults who are not in employment. Examples include family skills programmes in children's educational institutions (e.g. Vienna's *Mama lernt*

Deutsch! Programme) or community groups (e.g. Finland's *KYKY programme* or Argentina's *Hacemos Futuro*).

The NWS also includes a commitment by the BMBF to support the training of CET mentors on a project basis, which will support low-skilled individuals in particular (BMAS et al., 2019[48]). Germany should consider systematising these different approaches and transitioning them from local, sectoral or project-based approaches to longer-term structural elements of the German CET landscape.

Box 6.6. The Unionlearn Programme in the United Kingdom

The **United Kingdom's Unionlearn Programme** aims to improve learning opportunities for and employability of employees. It is run by the UK Trade Union Centre, which trains Union Learn Representatives, whose role is to promote the value of learning on enterprises, support adults in identifying their training needs and arrange CET opportunities. The initiative relies on peer-to-peer support in enterprises based on existing relationships between workers and their trade union representatives. Unionlearn has trained more than 40 000 Union Learning representatives and supported close to 3 million workplace learners since its inception in 2006. Evaluations of the programme find demonstrable benefits for employers, unions and learners, especially for adults with low skills, older workers and people with an ethnic minority background. Twelve percent of union learners had no formal qualifications prior to participation, which is much higher than the 3% of learners with no formal qualifications in all unionised workplaces in the United Kingdom. Through participation, 19% of learners achieved higher levels of qualifications. Most recent estimates suggest that one pound of public investment is returned 3.6-fold. The UK Department for Education has supported Unionlearn with GDP 12 million per year, but it has recently been announced that funding will be cut from 2021.

Source: Dean et al. (2020[49]), The Future of the Union Learning Fund An Independent Review with Specific Recommendations for Government, https://www.tuc.org.uk/sites/default/files/2020-11/TheFutureUnionLearningFund.pdf; TUAC (2020[50]), Unions & Skills II. Why social dialogue and collective bargaining matter for skills systems and training provision, https://tuac.org/wp-content/uploads/2020/02/00-UnionsSkills2020_EN.pdf; Stuart et al. (2016[51]), Evaluation of the Union Learning Fund Rounds 15-16 and Support Role of Unionlearn. Final Report, https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf.

References

AlphaDekade (2020), *AlphaDekade 2016-2026*, https://www.alphadekade.de/ (accessed on 15 December 2020). [30]

Ambos, I. (2005), *Geringqualifizierte und berufliche Weiterbildung. Empirische Befunde zur Weiterbildungssituation in Deutschland*, Deutsches Institut für Erwachsenenbildung , Bonn, https://www.die-bonn.de/esprid/dokumente/doc-2005/ambos05_01.pdf. [16]

Autorengruppe Bildungsberichterstattung (2020), *Bildung in Deutschland 2020*, Autorengruppe Bildungsberichterstattung, Berlin, https://www.bildungsbericht.de/static_pdfs/bildungsbericht-2020.pdf. [22]

Bähr, H. et al. (2018), *Grundsicherung und Arbeitsmarkt in Deutschland Lebenslagen - Instrumente - Wirkungen*, wbv Media GmbH & Co. KG. [20]

Bernhard, S. (2016), "Berufliche Weiterbildung von Arbeitslosengeld-II-Empfängern. Langfristige Wirkungsanalysen", *Sozialer Fortschritt*, Vol. 65/7, pp. 153-161, http://dx.doi.org/10.3790/sfo.65.7.153. [21]

BIBB (2020), *Datenreport zum Berufsbildungsbericht 2020. Ratgeber zur beruflichen Weiterbildung.*, Bundesinstitut für Berufsbildung, Bonn, https://www.bibb.de/dokumente/pdf/bibb_datenreport_2020.pdf. [34]

BMAS et al. (2019), *Nationale Weiterbildungsstrategie*, http://doku.iab.de/kurzber/2019/kb0819.pdf. [48]

BMBF and AlphaDekade (2020), *Monitoring-Bericht. (Zwischen-)Ergebnisse der vom BMBF im Rahmen der AlphaDekade geförderten Projekte für das Jahr 2019*, https://www.alphadekade.de/files/Monitoringbericht%20Projektergebnisse_2019.pdf. [32]

Boeren, E. (2009), "Adult education participation: the Matthew principle", *Filosofija Sociologija*, Vol. 20/2, pp. 154-161. [1]

bpb (2014), "Bevölkerung ohne Schul- bzw. Berufsabschluss", https://www.bpb.de/nachschlagen/zahlen-und-fakten/soziale-situation-in-deutschland/61653/bevoelkerung-ohne-abschluss (accessed on 22 December 2020). [52]

Burdett, K. and E. Smith (2002), "The low skill trap", *European Economic Review*, Vol. 46/8, pp. 1439-1451, http://dx.doi.org/10.1016/S0014-2921(02)00184-8. [18]

Cross, P. (1992), *Adults as Learners: Increasing Participation and Facilitating Learning*, Jossey-Bass. [10]

Dean, A. et al. (2020), *The Future of the Union Learning Fund An Independent Review with Specific Recommendations for Government*, https://www.tuc.org.uk/sites/default/files/2020-11/TheFutureUnionLearningFund.pdf. [49]

Desjardins, R. (2020), "PIAAC Thematic Review on Adult Learning", *OECD Education Working Papers*, No. 223, OECD Publishing, Paris, https://dx.doi.org/10.1787/864d2484-en. [25]

DGB (2019), *Recht auf Weiterbildung. 10-Punkte-Plan zur Nationalen Weiterbildungsstrategie für mehr Investitionen in eine solidarische Gestaltung des Wandels der Arbeitswelt*, https://www.dgb.de/themen/++co++118cad40-65a6-11e9-8c45-52540088cada (accessed on 15 December 2020). [42]

DIE and Bertelsmann Stiftung (2018), *Deutscher Weiterbildungsatlas. Teilnahme und Angebot in Kreisen und kreisfreien Städten*, https://www.bertelsmann-stiftung.de/fileadmin/files/user_upload/Deutscher_Weiterbildungsatlas_Staedte_Laender_2018.pdf. [27]

Doerr, A. et al. (2014), "Employment and Earnings Effects of Awarding Training Vouchers in Germany", *Discussion Paper*, No. 14-065, IZA Institute, http://ftp.zew.de/pub/zew-docs/dp/dp14065.pdf. [19]

Durda, T. et al. (2020), "On the comparability of adults with low literacy across LEO, PIAAC, and NEPS. Methodological considerations and empirical evidence", *Large-Scale Assessments in Education*, Vol. 8/1, p. 13, http://dx.doi.org/10.1186/s40536-020-00091-0. [8]

Eichhorst, W. et al. (2019), *Geringqualifizierte in Deutschland Beschäftigung, Entlohnung und Erwerbsverläufe im Wandel. IZA Research Report No. 91*, IZA Institute, http://ftp.iza.org/report_pdfs/iza_report_91.pdf. [9]

Government of Norway (2017), *Norwegian Strategy for Skills Policy 2017-2021*, https://www.regjeringen.no/contentassets/3c84148f2f394539a3eefdfa27f7524d/strategi-kompetanse-eng.pdf. [36]

Grotlüschen, A. et al. (2019), *LEO 2018 Living with low literacy*, http://blogs.epb.uni-hamburg.de/leo (accessed on 27 September 2020). [7]

Horn, H. et al. (2019), *Arbeitskreis Bildungsberichterstattung am DIE Weiterbildungsstatistik im Verbund Ergebnisse für das Berichtsjahr 2017*, Deutsches Institut fuer Erwachsenenbildung, Bonn, https://doi.org/10.3278/85/0023w. [28]

IG Metall (2018), *Gewerkschaftliche Weiterbildungsmentoren. Vertrauenschaffende Experten für Bildungswege*, IG Metall, https://wap.igmetall.de/docs_Weiterbildungsmentoren_08265120737dcff6cd37e2961653dc2c384ec594.pdf. [46]

Kilpi-Jakonen, E. et al. (2014), *Adult Learning, Labor Market Outcomes, and Social Inequalities in Modern Societies*, Edward Elgar Publishing. [2]

KMK (2019), *Schüler, Klassen, Lehrer und Absolventen der Schulen 2009-2018*, https://www.kmk.org/dokumentation-statistik/statistik/schulstatistik/schueler-klassen-lehrer-und-absolventen.html (accessed on 19 June 2020). [33]

KMK (2018), *10-Punkte-Programm der Länder für die Nationale Dekade für Alphabetisierung und Grundbildung*, https://www.alphadekade.de/img/10-Punkte-Programm%20KMK-Beschluss.pdf. [31]

König, C. (2020), *Betriebliche Berufsausbildung und Weiterbildung in Deutschland*, https://www.bibb.de/dokumente/pdf/a2_iab-expertise_2020.pdf. [26]

Nedelkoska, L. and G. Quintini (2018), "Automation, skills use and training", *OECD Social, Employment and Migration Working Papers*, No. 202, OECD Publishing, Paris, https://dx.doi.org/10.1787/2e2f4eea-en. [4]

OECD (2020), *Continuous Learning in Working Life in Finland*, Getting Skills Right, OECD Publishing, Paris, https://dx.doi.org/10.1787/2ffcffe6-en. [37]

OECD (2020), *Increasing Adult Learning Participation: Learning from Successful Reforms*, Getting Skills Right, OECD Publishing, Paris, https://dx.doi.org/10.1787/cf5d9c21-en. [38]

OECD (2019), *Getting Skills Right: Engaging low-skilled adults in learning*, OECD Publishing, Paris, http://www.oecd.org/employment/emp/engaging-low-skilled-adults-2019.pdf. [5]

OECD (2019), *Getting Skills Right: Future-Ready Adult Learning Systems*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264311756-en. [35]

OECD (2019), *Individual Learning Accounts : Panacea or Pandora's Box?*, OECD Publishing, Paris, https://dx.doi.org/10.1787/203b21a8-en. [45]

OECD (2019), *Individual Learning Accounts: Design is key for success*, OECD Publishing, Paris, https://www.oecd.org/els/emp/individual-learning-accounts.pdf. [43]

OECD (2019), *OECD Employment Outlook 2019: The Future of Work*, OECD Publishing, Paris, https://doi.org/10.1787/19991266. [23]

OECD (2019), *PISA 2018 Results (Volume I): What Students Know and Can Do*, OECD Publishing, Paris, https://doi.org/10.1787/5f07c754-en. [24]

OECD (2017), *Educational Opportunity for All: Overcoming Inequality throughout the Life Course*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264287457-en. [17]

OECD (2013), *OECD Skills Outlook 2013: First Results from the Survey of Adult Skills*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264204256-en. [6]

Osiander, C. and M. Dietz (2016), "Determinanten der Weiterbildungsbereitschaft: Ergebnisse eines faktoriellen Surveys unter Arbeitslosen", *Journal for Labour Market Research*, Vol. 49/1, pp. 59-76, http://dx.doi.org/10.1007/s12651-016-0202-4. [15]

Osiander, C. and G. Stephan (2018), *Gerade geringqualifizierte Beschäftigte sehen bei der beruflichen Weiterbildung viele Hürden*, IAB, Nuernberg, https://www.iab-forum.de/gerade-geringqualifizierte-beschaeftigte-sehen-bei-der-beruflichen- (accessed on 17 September 2020). [13]

Osiander, C. and G. Stephan (2018), "Unter welchen Bedingungen würden sich Beschäftigte weiterbilden? Ergebnisse eines faktoriellen Surveys", *IAB-Discussion Paper*, Vol. 4, https://www.econstor.eu/bitstream/10419/182144/1/dp0418.pdf. [14]

Pennacchia, J., E. Jones and F. Aldridge (2018), *Barriers to learning for disadvantaged groups*, UK Department for Education, London, https://www.learningandwork.org.uk/wp-content/uploads/2018/08/Barriers-to-learning-for-disadvantaged-groups.pdf. [11]

Perez, C. and A. Vourc'h (2020), "Individualising training access schemes: France – the Compte Personnel de Formation (Personal Training Account – CPF)", *OECD Social, Employment and Migration Working Papers*, No. 245, OECD Publishing, Paris, https://dx.doi.org/10.1787/301041f1-en. [44]

Reichart, E., H. Huntemann and T. Lux (2019), *Volkshochschul-Statistik. 57. Folge, Berichtsjahr 2018*, WBV Verlag, Bielefeld, https://doi.org/10.3278/85/0022aw. [29]

Roosmaa, E. and E. Saar (2017), "Adults who do not want to participate in learning: a cross-national European analysis of their perceived barriers", *International Journal of Lifelong Education*, Vol. 36/3, pp. 254-277, http://dx.doi.org/10.1080/02601370.2016.1246485. [12]

Steiner, M. et al. (2017), *Evaluation der Initiative Erwachsenenbildung*, Institut für Höhere Studien, Wien, https://irihs.ihs.ac.at/id/eprint/4541/1/steiner-pessl-etal-2017-evaluation-initiative-erwachsenenbildung.pdf. [39]

Stoppacher, P. and M. Edler (2014), *Evaluation der ersten Periode der Initiative Erwachsenenbildung*, Institut für Arbeitsmarktbetreuung und -forschung, Graz, https://www.initiative-erwachsenenbildung.at/fileadmin/docs/Evaluation_Abschlussbericht.pdf. [40]

Stuart, M. et al. (2016), *Evaluation of the Union Learning Fund Rounds 15-16 and Support Role of Unionlearn. Final Report*, University of Leeds, Leeds, https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf. [51]

Swiss Federation for Adult Learning (2020), *GO - Upskilling amd Arbeitsplatz*, https://alice.ch/de/dienstleistungen/go-upskilling-am-arbeitsplatz/ (accessed on 27 November 2020). [41]

TUAC (2020), *Unions & Skills II. Why social dialogue and collective bargaining matter for skills systems and training provision*, TUAC Secretariat, Paris, https://tuac.org/wp-content/uploads/2020/02/00-UnionsSkills2020_EN.pdf. [50]

Windisch, H. (2015), "Adults with low literacy and numeracy skills: A literature review on policy intervention", *OECD Education Working Papers*, No. 123, OECD Publishing, Paris, https://dx.doi.org/10.1787/5jrxnjdd3r5k-en. [47]

Woessmann, L. (2016), "The economic case for education", *Education Economics*, Vol. 24/1, pp. 3-32, http://dx.doi.org/10.1080/09645292.2015.1059801. [3]

Notes

[1] The following link provides a list of the activities under the AlphaDekade https://www.alphadekade.de/de/projektdatenbank-1711.html#accordion-content-1.

[2] These are adults who dropped out of school and did not (yet) acquire a degree at a later point in their lives. Adults with a migration background, especially immigrants themselves, more often have no school leaving certificate than adults without migration background. Younger native born adults more often hold no degree than older adults, the opposite is true for adults with migration background (bpb, 2014[52]).

[3] SMART = specific, measureable, attainable, relevant and time-bound.

Getting Skills Right

Continuing Education and Training in Germany

Germany has a strong skill development system. The country's 15-year-old students performed above the OECD average in the last (2018) edition of the Programme for International Student Assessment (PISA), continuing a trend of significant improvement since PISA's first edition in 2000. Its adult population also has above-average literacy and numeracy skills, according to the OECD Survey of Adult Skills (PIAAC). A strong and well-respected vocational education and training system is seen as one of the success factors behind these achievements. However, participation in learning beyond initial education lags behind other high-performing OECD countries and varies considerably across different groups of the population. This is problematic in a rapidly changing labour market, where participation in continuing education and training is a precondition for individuals, enterprises and economies to harness the benefits of these changes. This report assesses the current state of the German continuing education and training (CET) system. It examines how effectively and efficiently the system prepares people and enterprises for the changes occurring in the world of work, and identifies what changes are necessary to make the CET system more future ready. The report makes recommendations for the further development of the CET system based on international good practice.

PRINT ISBN 978-92-64-80669-6
PDF ISBN 978-92-64-32844-0