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ANNEX I

Tackling low skills: The Skills Guarantee

Accompanying the document

**Communication from the Commission to the European Parliament, the Council, the
European Economic and Social Committee and the Committee of Regions**

A NEW SKILLS AGENDA FOR EUROPE

Working together to strengthen human capital, employability and competitiveness

{COM(2016) 381 final}

Tackling low skills: the Skills Guarantee

Technical Annex I

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Executive Summary

64 million people between the age of 25 and 64 years have left education prematurely without acquiring a robust set of skills needed for life and work in today's and tomorrow's knowledge-intensive, technology-driven world. Because of this, they are at a much higher risk than others of unemployment, exclusion from the labour market and from participation in society, lower individual wage returns and health problems.

Good basis to build upon

Member States have an array of programmes and initiatives that target low-qualified or low-skilled people: programmes linked to formal initial education, dedicated basic skills programmes that provide literacy, numeracy and digital skills as single subjects, in combination or as part of other offers of life skills, and basic skills training embedded in vocational education and training (VET) programmes leading to a vocational qualification or as part of continuing vocational training offered by employers to their workforce. In many countries these programmes exist in parallel but with little or no flexibility for the learner to move between them.

A drop in the ocean

In EU28 in 2015, only 2.9 million low-qualified adults (4.3%) took part in education and training (in the previous 4 weeks); 0.6 million of them (1% of the total) took part in formal education, and 2.2 million of them (3.5% of the total) took part in non-formal education. 61.2 million low-qualified adults (95.7%) in need of upskilling did not take part in education and training. The situation could be improved by coordinating existing offers at national, regional and local levels, and matching them to defined groups who should then be enticed back into learning through targeted outreach campaigns and supported by strong guidance services and practical support. This needs the buy-in of all relevant stakeholders, who are essential to ensure a seamless pathway to success: outreach, assessment, tailored provision and validation of outcomes, as well as constant monitoring.

A Skills Guarantee

The aim of the Skills Guarantee is to improve people's life chances by giving low qualified adults access to flexible learning pathways tailored to their individual learning needs by means of a thorough skills assessment, guidance and support at every step on the way towards:

- acquiring a minimum level of literacy, numeracy and digital skills; and/or
- progress towards a qualification at EQF level 4 or equivalent, acquiring a wider set of skills.

To facilitate access to and progression in the upskilling endeavour, prior experience, and learning outcomes acquired through formal, non-formal and informal learning as part of the guarantee, would be validated, recognised and credited towards a qualification in the national framework.

The Guarantee would be delivered in three steps. As a first step, it will identify skills needs among low-qualified adults and help put them on track to a flexible upskilling pathway that builds on their existing skills. The second step will cover the design and delivery of an education and training offer tailored to the specific situation of each individual. The offer would relate to the provision of literacy, numeracy or digital skills and/or progression to a

qualification at EQF level 4. The third step will consist of validation and recognition of the skills acquired through the personalised upskilling pathway.

To make the Skills Guarantee a reality, some key enablers need to be in place. Research shows that many adults are not aware of the benefits of raising their skills levels or of opportunities for upskilling that do not require going back to a formal school setting. Carefully targeted outreach strategies are needed to encourage people to contact the relevant services. The design of such outreach measures needs to be based upon an adequate mapping of the many different sub-groups, each of which may need a slightly different approach. Guidance is another pre-requisite in providing advice and information throughout all stages of the upskilling pathway.

The diversity of the target group and the fragmentation and complexity of the policy interventions in this area often result in a lack of systematic approaches to upskilling the workforce and a lack of awareness of the socio-economic benefits of doing so. Therefore, coherent policy intervention is needed, based on effective coordination and partnerships across policy fields, notably education and training, employment and social policies, but also between different sets of actors, public authorities, social partners, education and training providers, intermediary and sectorial organisations, local and regional economic actors, employment, social and community services, libraries, civil society organisations etc. These can all play a key role in the delivery of the different steps of the proposed Guarantee, but also in ensuring outreach and guidance throughout the whole process.

Chapter 3 of this annex provides guidance on how the different elements of the Skills Guarantee could be put in place based on concrete examples of practices across the Member States.

Targeting the measures

To implement the Skills Guarantee, Member States would need to put in place policy provisions tailored to different sub-groups of people who have not yet attained a minimum level of basic skills, and who are not covered by the Youth Guarantee, addressing them on the basis of nationally defined priorities: jobless adults, employed adults, economically inactive adults, etc.

This technical annex provides the analytical basis for the proposal. It should be read in connection with the core text of the Staff Working Document¹, notably chapter 2, highlighting the challenges that this initiative aims to address. This annex shows firstly that in addressing the low skilled challenge, there is a good basis to build upon in Member States. Subsequently, it attempts to provide effective solutions by proposing a number of policy options for which the envisaged impacts are analysed. And last but not least, it explains how this policy initiative could work, based upon concrete examples from Member States and beyond.

¹ Commission Staff Working Document: Analytical underpinning for a New Skills Agenda for Europe, SWD(2016) 195 Part 1/4, accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A new Skills Agenda for Europe: Working together to strengthen human capital, employability and competitiveness, (COM(2016) 381)

1. Background and State of Play

The Commission put forward a proposal recommending that Member States set up a Skills Guarantee allowing those who have left initial education or training without completing upper secondary education or equivalent (EQF 4), and who are not eligible for support under the Youth Guarantee, to access upskilling pathways which enable them to: acquire a minimum level of literacy, numeracy and digital skills, and/or progress towards a qualification at EQF level 4 or equivalent, acquiring a wider set of skills, building upon the Recommendation on key competences for lifelong learning.

The proposed Recommendation aims to reach a challenging and heterogeneous group of people who have fundamental weaknesses in their basic skills in order to support their sustainable employment or re-integration into the labour market.

The Recommendation sets out a coherent ‘pathway’ consisting of a linked series of targeted interventions that would reinforce and strengthen the personalised support targeted at low-qualified people and lead to the development of the necessary skills and qualifications. Actions already in place should be complemented to ensure that those who need support can access it and to reinforce the effectiveness of such support.

These measures are part of a more comprehensive set of policy actions, the Skills Agenda that tackle the broader skills challenges: raising the level of skills in the EU overall, making better use of existing skills and anticipating skills needs.

Support for adults with low basic skills or low level qualifications is now commonly integrated into Member States' policy agendas, often as a part of education and training policies. Other policy areas, including active labour market policies, also target provision at low-skilled people. These different policy measures are not always well-coordinated. Across Europe a wide range of education and training programmes (financed or co-financed by the state) is provided in a variety of ways. In few cases those programmes are accompanied by skills validation schemes (including skills assessment), guidance support and outreach campaigns.² This section presents existing support provided to low-skilled or low-qualified adults in Member States. It focuses on different elements that are part of the support given to low skilled adults, namely the actual education or training, but also the validation of competences acquired outside formal systems, guidance and outreach. This section shows that many good practices exist on which to build a coherent provision of support.

1.1. Existing education and training provision targeting low skilled adults³

Low-skilled or low-qualified adults can be the focus of dedicated programmes, which make explicit reference to improving their basic skills or they may be provided with programmes that contribute to the same objective without specifically mentioning basic skills. Moreover, basic skills can be delivered in a range of environments, from education and training institutions to workplace or community settings (see Figure 1).

² European Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

³ Based largely on Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

Figure 1: Delivering basic skills in adult education and training⁴

	Basic skills addressed explicitly	Basic skills addressed implicitly
Education and training institutions	Programmes designated as 'literacy', 'basic skills', 'key competences', etc. delivered in education and training institutions	Programmes embedding basic skills in various ways delivered in education and training institutions (e.g. preparatory programmes for further studies that include the revision of different curricular areas) <i>Potentially any learning activity provided in education and training institutions</i>
Settings outside education and training institutions	Programmes designated as 'literacy', 'basic skills', 'key competences', etc. delivered e.g. in workplace or community settings	Programmes embedding basic skills in various ways delivered e.g. in workplace or community settings <i>Potentially any learning activity outside settings devised for education and training</i>

Source: Eurydice.

Explanatory notes

The figure has been inspired by a Cedefop model describing possible ways of integrating key competences in work-based learning (WBL) programmes (Cedefop 2013, p. 26). However, the main dimensions of the Cedefop model have been adjusted.

The borders between different categories are permeable, meaning that a programme can be situated between different categories or easily move from one category to another (e.g. a literacy programme delivered in school settings as well as in libraries or other community settings).

Source: European Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union

Programmes for adult learners linked to initial education often target skills in different areas, including reading, writing, numeracy and ICT. Depending on the country, they may also include vocational elements. In most countries these programmes include a number of curriculum areas taken by all students. However, some countries organise them on a subject basis, allowing learners to take shorter courses in distinct subject areas (e.g. ICT, mathematics, languages, etc.). Overall, the extent of provision seems to follow the context of individual countries. Outside the programmes linked to the system of initial education, some countries have developed dedicated basic skills programmes or programme frameworks. These represent a very diverse field, ranging from programmes with clearly defined providers, curricula and standards, to programmes or programme frameworks where most of these aspects are defined locally. Dedicated basic skills programmes are not necessarily non-formal in character; they are sometimes recognised by countries' qualification frameworks and structures.

Acting as a bridge to programmes for gaining a qualification, preparatory programmes are established in a series of countries (Belgium, Sweden, Denmark, Spain, Austria and Germany). Such programmes may be targeting unemployed low-qualified people with a view to assist individuals in gaining the skills needed to follow a programme leading to a qualification.

Beyond basic skills programmes, obtaining an upper secondary qualification later in life is possible in all European countries, but the way the provision is organised may differ

⁴ European Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union

significantly. Some Member States have developed dedicated programme frameworks referring specifically to 'adult upper secondary education', in other cases provision for adults is delivered within the mainstream upper secondary framework, but in most countries there is a combination of the two models. Even when the two options co-exist, one of them may be more common. Some countries (France, Luxembourg and Hungary) have also developed specific programmes within upper secondary education for early school leavers setting an upper age limit.

There are also examples of large-scale national initiatives the aim of which was to support the development of basic skills and to increase the level of qualification among low-skilled and low-qualified adults.

For example, in **Sweden**, the Adult Education Initiative (1997-2002), which targeted adults without an upper secondary qualification who were eligible for unemployment insurance, offered them a year of full-time studies at compulsory or upper secondary levels. Provision included orientation courses, guidance, counselling and validation of prior knowledge. It operated in all municipalities within the existing framework for municipal adult education. In **Portugal**, the New Opportunities Initiative (2005-2010) targeted adults who had not completed upper secondary education; it focussed primarily on unemployed or economically inactive people, but courses were also available for employed people. It aimed to increase levels of basic skills through a skills diagnosis, the recognition and validation of competences and the provision of education and training equivalent to upper secondary education. By December 2010, over 360,000 people had obtained the recognition of their skills and 59,000 had completed courses. In the **UK**, the Skills for Life initiative (2004-2007) offered training in basic skills (literacy, numeracy and English as a second language) to unemployed adults, low-skilled employees, and other groups at risk of exclusion. The initiative engaged 5.7 million learners on 12 million courses.⁵

Beyond EU, Norway has in place for a number of years a programme Basic Skills Competences in Working Life aiming to give adults the opportunity to acquire the basic skills they need to keep up with the demands and changes in modern working life and civil society. Funding and participation have increased every year since the programme was established in 2006, the number of participants who have received training exceeding 30 000. Norway is currently developing a national skills strategy for joint efforts and improved skills systems effectiveness. One of the four priority areas to be pursued with the Strategy is strengthening the skills of adults with poor skills.

In United States, a recent initiative, following the release of the PIAAC results, Upskill America is focused on training and education strategies to help front-line workers realize their full potential and advance into higher paying jobs, without having to leave their jobs and go back to school full-time.

1.2. Skills validation⁶

The European Inventory on Validation of non-formal and informal learning (NFIL) has monitored development in this field since 2005. The latest update of the European Inventory (2014) shows significant progress in certain areas such as creation of national validation

⁵ Advice about the financial implications for initiatives to upskill low-skilled adults (VT/2016/007)

⁶ Based on European Inventory on Validation of Non-formal and Informal Learning and its thematic reports, European Commission, Cedefop, ICF International, <http://www.cedefop.europa.eu/en/events-and-projects/projects/validation-non-formal-and-informal-learning/european-inventory>.

strategies, legal frameworks, links to credit systems and, to a lesser degree, increased take-up since the previous edition in 2010. The allocation of responsibilities in relation to validation is clear in most countries, and stakeholder involvement has increased over the past years, partly as a result of the work on national strategies and policies. Implementation has been reinforced by the 2012 Council Recommendation on validation of NFIL⁷, which Member States have agreed to implement by 2018.

One essential element of validation is the identification of one person's existing skills through skills assessment or skills audits. The European Inventory on validation of NFIL (2014) shows that Member States are making progress towards the establishment of validation strategies and the provision of skills audits or skills assessments. More work is needed to make these important elements of provision available to low-skilled people.

In some countries the concept of a skills audit is well developed and established (e.g. France, Belgium –Wallonia, Luxembourg); in others even if they are not defined as such, they are part of the validation process. In general, skills audits are part of active labour market policies and are mainly regulated by public administration and specifically by public employment services (PES). This also implies that a skills audit is primarily directed at those who are unemployed, jobseekers and employees. There are few initiatives that target all groups, including for example, young people or specific disadvantaged groups (low-qualified people, immigrants, women, etc.). However, in parallel with the skills audits undertaken by public authorities, private sector employers are also involved in competence assessment mostly as part of their recruitment process or for evaluating employees' performance.

1.3. Guidance⁸

The Council Resolution on better integrating lifelong guidance into lifelong learning strategies of 21 November 2008 invites Member States to strengthen the role of lifelong guidance within national lifelong learning strategies, by facilitating citizens' access to information about training opportunities and their links to the professions, and about the skills needs anticipated, enabling people to benefit from support in obtaining validation and recognition on the labour market of their formal, non-formal and informal learning outcomes. A review of progress in 2011⁹ reported increasing cooperation among the key players aims at creating better synergies between the different sectors (education, training, employment), levels (European, national, regional, local) and guidance service providers (educational institutions, public employment services, guidance centres, etc.), however the movement from reactive sector-based policy-making towards proactive cross-sectoral and multi-stakeholder guidance policy collaboration required to be further strengthened.

In most Member States, the main publicly subsidised career guidance services open to adults are located within public employment services. They may include individual assistance (e.g. vocational guidance and counselling programmes), group activities (e.g. job clubs and workshops) and self-help provision. While in most countries, PES are theoretically open to all adults, in reality, the provision they ensure – including guidance services – is often restricted to unemployed jobseekers. This applies, in particular, to individual face-to-face services. It follows that education and training guidance provided in the context of PES, and subsequent

⁷ OJ C 398, 22.12.2012. [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012H1222\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012H1222(01)&from=EN).

⁸ Based on Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

⁹ Lifelong guidance across Europe: reviewing policy progress and future prospects, Cedefop, 2011, Luxembourg: Publications Office of the European Union

provision of education and training programmes, target mainly the labour market integration or re-integration of unemployed individuals.

Moreover, PES may also provide reinforced guidance support to specific categories of unemployed persons, including the long-term unemployed, women returnees, people with disabilities, ethnic minorities, young people with no formal qualifications and work experience, etc. Despite the fact that PES concentrate on unemployed jobseekers, they often provide tools and support that can be used by a wider public. This has been facilitated by a shift to on-line guidance services and the development of self-guidance and self-assessment tools. A few countries have made significant investments in developing, adapting or adopting ICT and software that facilitate access to career, labour market and further education and training information and guidance in self-help mode.

1.4. Outreach¹⁰

Virtually all Member States report (2009-2014) the existence of major publicly subsidised activities to raise awareness of adult education and training. Awareness-raising and outreach activities take a variety of forms and use different approaches. They range from general national campaigns to promote adult learning or adult/lifelong learning days or weeks, to specific initiatives or campaigns that have a targeted character, concentrating on specific skills, groups of the population or stakeholders. Several countries have put in place major one-off events or campaigns that took place during a limited period of time and used e.g. TV, radio, press and banners as the main means of communication. They can include the distribution of postcards, the introduction of a free number to call to get advice and information about courses on offer, and the launch of a website providing information through text, pictures and audio messages or constituting a central place for everyone looking for information or help on upskilling. Free phone lines or websites used for outreach and information purposes generally have a longer life, which outlives any such campaigns (e.g. Austria, Germany, Luxembourg and Romania).

¹⁰ idem

2. Challenges and options considered

The challenges identified in the Commission Staff Working Document related to the low skilled population can only be overcome through the upskilling of those individuals which, because of their low skills levels, are at risk of social exclusion, unemployment and poverty. Despite the existence of a wide range of programmes aimed at raising the skills or qualifications levels of adult population, the existing provision has certain limitations as detailed in this section.

2.1. Limitations of current provision¹¹

Despite concrete activities to engage low-skilled adults in further learning which, in many cases, show results and provide inspiration for policy development in the field, 3.6 % of adults in the EU (some 11 million) completed an upper secondary programme later in life, i.e. aged 25 or above, with substantial differences between countries.

Table 1: Adults (25-64) who acquired their medium-level qualification, usually upper secondary education, during adulthood (aged 25 or above) as a percentage of all adults (25-64), 2013

%	EU-28	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU
ISCED 3	3.6	1.2	0.6	1.3	9.3	4.5	1.6	0.3	0.3	1.8	3.2	0.8	1.3	0.6	2.1	1.0	2.9
ISCED 4	0.7	0.2	0.1	0.5	0.0	2.0	0.7	3.8	0.7	0.0	0.1	:	0.4	0.2	1.4	1.6	1.2
	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		IS	LI	NO	TR
ISCED 3	3.1	0.5	9.3	3.1	2.6	5.4	0.6	4.7	1.1	12.1	2.8	8.2		11.4	:	:	0.9
ISCED 4	0.9	0.6	0.3	1.2	0.6	0.2	0.8	:	:	0.9	3.5	0.1		4.2	:	:	:

Source: Eurostat (EU LFS). Data extracted and calculated by Eurostat.

Explanatory notes

The figure refers to adults who gained their medium-level qualification (ISCED 3 or ISCED 4) during adulthood and currently hold it as their highest level of qualification. The figure does not capture situations where people gain more than one qualification during adulthood, in particular, in cases where adults move from a medium-level qualification to a higher education qualification (e.g. finishing upper secondary education at the age of 27 and higher education at the age of 32). This is because the EU LFS only enquires about the highest qualification and the age at which it was awarded.

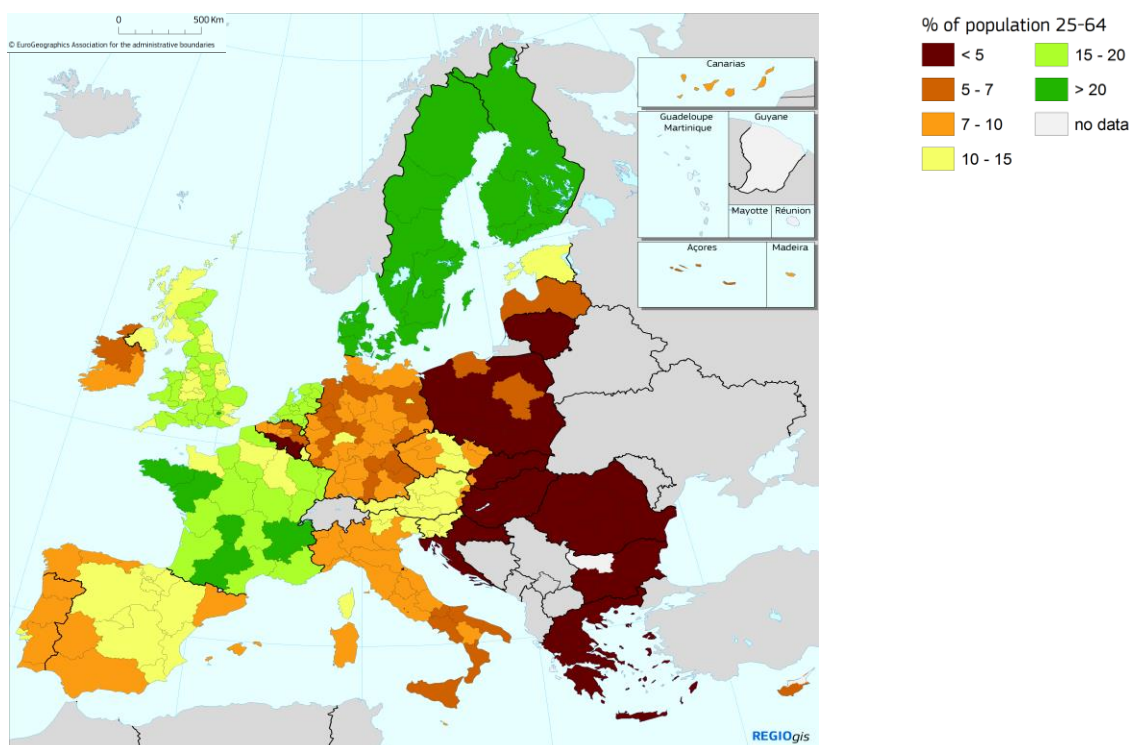
Source: Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union

In around half of all European countries, less than 2% of adults gained an upper secondary qualification during adulthood, whereas in a few countries (Finland, Iceland, Denmark, the Netherlands and the United Kingdom) a significant share of the adult population gained such a qualification aged 25 or above.

A similar uneven situation is observed when looking at progress towards the 15% EU benchmark on adults' participation in education and training (in the 4 weeks prior the survey). On average, only 10.7% of adult Europeans participated in any education and training in 2014, again with significant variation between countries.

¹¹ Based on Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

Map 1: Adults (25-64) participation in education and training (4 weeks prior survey), 2014

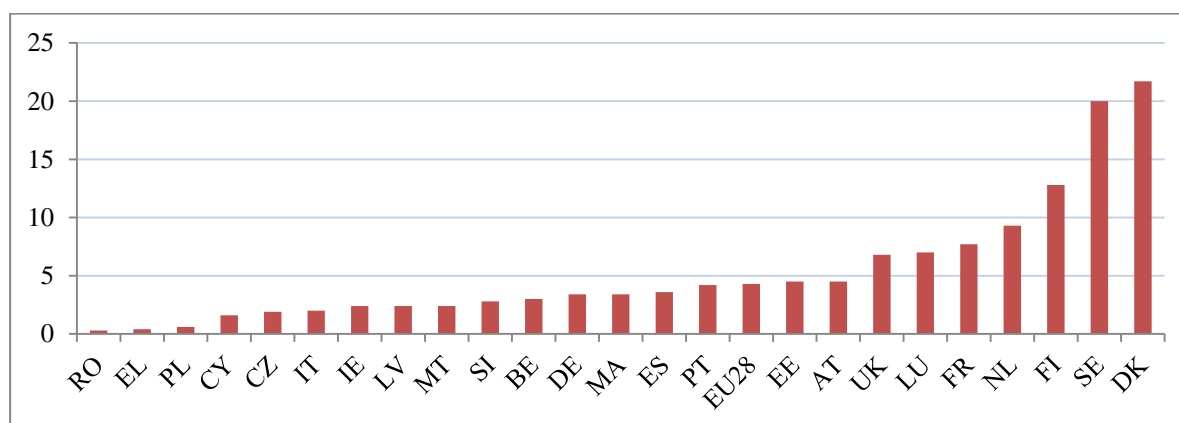


Source: Eurostat

Map 1 also clearly underlines regional disparities, even within countries.

Analysis of the participation of low-qualified adults in education and training, as presented in Figure 2, shows even lower participation rates, varying from below 1% in Romania, Greece and Poland to 13% in Finland, 20% in Sweden and 22% in Denmark. On average in the EU only 4.3% of low-qualified adults, that is, the group most in need of learning, participate in education and training.

Figure 2 - Low-qualified adults (25-64) participation in education and training (4 weeks prior survey), 2015



Explanatory note: For BG, HR, LT, SK there is no available information for 2015

Source: Eurostat

In the Adult Education Survey 2011, up to half of adults surveyed indicated that they were not interested and /or willing to undertake learning activities. The first Unesco Global Report on Adult Learning (GRALE 1)¹² finds relevance to be the most important dimension of quality adult learning; provision must represent an effective route to, and support for, personal and social change and must engender and sustain motivation to participate and support persistence in learning to achieve individual goals. This analysis of policies substantiates the view of andragogy experts that adults will learn what is to them relevant and practical (“adults find motivation to learn within the demands and desires of their lives, in providing for themselves and their families, and in satisfying personal dreams and ambitions”).¹³ In addition to the relevant learning offer, a wide range of outreach activities is essential to reach individuals with distinct profiles, close to where they live and work.

Based on available research¹⁴, there are several aspects that could be considered when reviewing possible reasons for low participation rates of adults in education and training, as detailed further below.

Although all Member States incorporated measures for low-skilled or low-qualified adults into wider strategies on education or training the policy documents rarely refer to measurable objectives or targets to be reached. Those countries that have comprehensive lifelong learning strategies in place (e.g. Denmark, Sweden, Finland and the Netherlands) have a lower instance of low skills in the population and have higher overall rates of participation in lifelong learning.

Most European countries offer at least some modular programmes for adults with low level or no qualifications and many countries have recently made progress in this field. However, still in many cases, these programmes do not reach low-qualified adults and do not meet their needs. For example, while credit-based programmes are common in the field of higher education, only around half of all European countries offer credit-based programmes at lower levels of education. Overall, the lower the educational level, the fewer credit-based qualifications exist. When it comes to basic skills programmes, almost none have credits attached, which means that people who are the most educationally disadvantaged benefit the least from this facility. Moreover, only few countries allow a certain degree of flexibility for candidates who want to access a particular level of formal education but who do not hold the normal entry qualifications such as allowing access to upper secondary education on the basis of learning outcomes achieved without having completed lower secondary education.

Although all Member States are progressing in the implementation of procedures for the validation of NFIL, challenges persist, such as trust, awareness and recognition of validation outcomes; access; financial sustainability and data collection, which still need to be addressed. Moreover, only a minority of countries prioritise disadvantaged groups (including

¹² Prepared for the CONFITEA VI Conference (December 2009) <http://www.unesco.org/en/confinteavi/grale/>

¹³ Fisher, C., (2006). Asynchronous learning and adult motivation: catching fog in a gauze bag. Retrieved from Learning Solutions Magazine website: <http://www.learningsolutionsmag.com/articles/233/asynchronous-learning-and-adult-motivation-catching-fog-in-a-gauze-bag>.

¹⁴ Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union; European inventory on validation of non-formal and informal learning 2014, Final synthesis, European Commission/ Cedefop/ICF International, 2014, report <http://libserver.Cedefop.europa.eu/vetelib/2014/87244.pdf>; Report of the ET2020 Working Group on Adult Learning 2014 – 2015; Thematic Review Synthesis: Upskilling Unemployed Adults (Aged 25 To 64). The organisation, profiling and targeting of training provision. <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2265&furtherNews=yes>; Cedefop: 2011, Lifelong guidance across Europe: reviewing policy progress and future prospects, Luxembourg: Publications Office of the European Union.

low-qualified adults), or provide and adjust skills assessments for different target groups, and fewer than ten of the 2014 country reports indicate that low-qualified adults are among the main user groups of validation procedures.

Publicly subsidised career guidance services generally focus on helping unemployed jobseekers get back into work. Consequently, evaluations tend to assess their impact on the unemployment figures rather than on the numbers participating in education and training. Beyond the services provided by PES, publicly subsidised guidance open to adults is limited in most countries and scarce.

Member States implement a range of outreach activities, from general national campaigns to promote adult learning, to specific initiatives designed to reach adults with low basic skills or low-qualified people. However, most countries do not evaluate the impact of outreach activities on the participation of specific groups (in particular low-qualified people) in education and training, whereas further research in this area could provide Member States with better understanding of available methods and approaches to evaluating outreach work.

Taking into account the situation of low-skilled and low-qualified adults, the degree to which Member States provide learning opportunities to support this group and their effects, a need has been identified for concerted action at European level to increase overall levels of basic skills and qualifications in Europe.

2.2. Objectives

Despite the size and persistence of the low skills challenge among adults in the EU, policy makers have paid much less attention to low-skilled adults than to other groups at risk of social and labour market exclusion (for example, young people). In view of future labour market needs and skills forecasts, as well as demographic trends, the proposed Skills Guarantee responds to an urgent need for policy makers to design and implement policies tailored to this particular group. This initiative will help to integrate untapped human capital to the labour market especially, to increase the employment rate, increase the productivity of the workforce and retain keep older generations in work for longer.

By raising the skills and educational attainment level of low qualified adults, the initiative aims to improve people's life chances and employability, leading therefore to a more resilient human capital base and higher and more inclusive growth across the EU.

The Skills Guarantee being proposed by the Commission will support adults who have left school without completing upper secondary education (or an equivalent at EQF level 4), and who are not eligible for support under the Youth Guarantee, to access similar upskilling pathways.

These pathways would take into account the different skills levels and training needs within the very wide group of low-qualified individuals. They would lead to training in literacy, numeracy or digital skills for those who need them. For those who are ready to engage in further learning, the pathways could lead further: to a qualification at EQF level 4 or equivalent certifying the acquisition of a broader set of key competences.

The Guarantee will contribute to helping people with the weakest skills and educational background to develop the skills they need to access and progress in quality work and actively take part in society, as well as to boost employability, competitiveness and support fair and balanced growth, reaping the full potential of digital and technological advancements. By addressing the needs of this wide target group, the proposed Skills Guarantee would support

policies aimed at overcoming social inequalities faced by people with low skills and give them a fair chance to improve their lives and avoid poverty and social exclusion.

2.3. Correlation between skills and qualifications

There are different ways to measure human capital. The most commonly used is to measure educational attainment (i.e. educational qualifications). Data on educational attainment are available from a large number of social surveys for a large number of countries globally. Qualifications are an important indication of skills in the labour market and they provide a wide range of information about the knowledge, skills, competences or even personal attributes of the individuals to whom they have been awarded. They can also provide information on the specificity or generality of skills and knowledge, e.g. by specifying the vocational or general education nature of qualifications. Thus they can be regarded as relatively comprehensive measures of human capital¹⁵. Nevertheless, educational attainment also has a number of limitations as a measure of human capital, in as far it may not necessarily give a complete picture of the skills proficiency of a person¹⁶.

Another possible measure of human capital is measuring the skills available in the population; skills can be defined as an “ability to apply knowledge and use know-how to complete tasks and solve problems”¹⁷. The OECD Survey of Adult Skills (PIAAC) is a direct assessment of the skills of a representative sample of adults aged 16 to 65 years. PIAAC is the only international survey which tests adults’ skills and allows cross-country comparison. Currently, data are only available for 17 EU Member States; data for three more countries will be released in June 2016. However, due to the complexity and cost of carrying out the individual assessments, such surveys cannot be carried out frequently and the next PIAAC survey will take place provisionally in 2022.

On the other hand, the Eurostat Labour Force Survey (LSF) provides annual data on educational attainment and related issues, such as socio-economic background and employment status, for all Member States. Because of its frequency and wide coverage, LSF could represent an important data source for the proposed Skills Guarantee.

Map 2 below shows the uneven distribution of the problem across the Union, with extremely high levels of low-qualified individuals in some countries (age group 25-65), while in others the level of low educational attainment among the adult population (dark green shading =<13%) is almost equal to the EU average for 18-24 year olds (11%, Eurostat – LSF 2015). Regional differences within countries are also striking.

This large section of the European population is very heterogeneous comprising employed, unemployed and economically inactive people, many of whom may have a migrant background. Some may face multiple disadvantages or problems including low incomes, disabilities, ill-health or addictions; many are at risk of poverty or homelessness and there is a high percentage of low-skilled people within particular groups, e.g. in prisons or among the Roma population. People who live in disadvantaged communities with particular access difficulties, e.g. rural areas (which represent half of the EU territory) face specific challenges

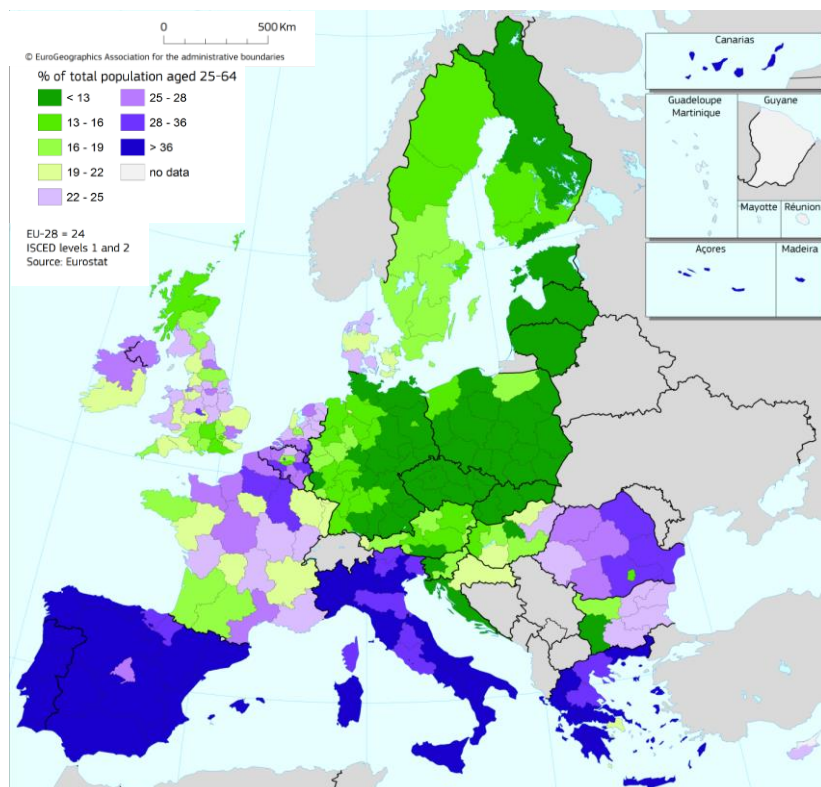
¹⁵ OECD Skills Outlook 2013: First Results from the Survey of Adult Learning, OECD Publishing, 2013. DOI: <http://dx.doi.org/10.1787/9789264204256-en>

¹⁶ idem

¹⁷ Terminology of European education and training policy, Second Edition, A selection of 130 key terms, Cedefop, Luxembourg: Publications office of the European Union, 2014.

in accessing learning opportunities. Their learning needs should therefore not be seen in isolation, but rather as part of a more holistic approach to improving their situation in life.

Map 2: Population aged 25-65 with low educational attainment level, 2014



Source: Eurostat, LSF data 2014

It is acknowledged that there is not a precise match between the group of people with low levels of skills and the group of people without an upper secondary qualification, even though the PIAAC study revealed a correlation between the two.

In the light of the data availability, for the purposes of the proposed Skills Guarantee, it is proposed that data about levels of qualification (educational attainment) be used as the reference data, as a proxy for data about skills. These data are used both to define the proposed target group and to define the objective of upskilling.

2.4. EQF level 4 (or equivalent)

The European Qualifications Framework (EQF) provides a common reference point allowing EU Member States and their educational and training institutions, employers and individuals to compare and better understand the level and orientation of qualifications across the EU's diverse education and training systems.

The EQF helps to compare national qualifications systems and enable communication among them. The core of the EQF consists of eight reference levels describing what a learner knows, understands and is able to do. For example, level 1 (basic general knowledge), would apply to someone with little training or education, while level 8 (most advanced knowledge) would apply to someone with a Doctorate-level degree. Each of the 8 levels is defined by a set of

descriptors indicating the learning outcomes relevant to qualifications at that level in any system of qualifications. The main reference level descriptors are: skills (the ability to apply knowledge to complete tasks and solve problems), competences (the ability to use knowledge or skills in work or study situations), and knowledge. The EQF aims to build bridges between formal and informal and non-formal learning; it provides that each of its levels of qualification can be attained by way of a variety of educational and careers paths.

Most of the learning undertaken by the individual from the time he or she leaves formal education is non-formal or informal and often has a vocational or labour market orientation related to work and career. The EQF learning outcomes-based approach enables the validation of skills acquired through non-formal and informal learning as part of the progress towards attaining a qualification. Therefore, the EQF framework is wide-encompassing and includes qualifications based on learning acquired through general or vocational formal routes, and facilitates the acquisition of qualifications based on learning in non-formal or informal settings¹⁸.

EQF 4 is the level at which most countries¹⁹ place their upper secondary school level qualifications and equivalents that give the learner access to further education at tertiary level and improved access to the labour market (see Figure 4) and progression to further education and training. The EQF 4 descriptor is as follows:

Knowledge	Skills	Competence
factual and theoretical knowledge in broad contexts within a field of work or study	a range of cognitive and practical skills required to generate solutions to specific problems in a field of work or study	exercise self-management within the guidelines of work or study contexts that are usually predictable, but are subject to change supervise the routine work of others, taking some responsibility for the evaluation and improvement of work or study activities

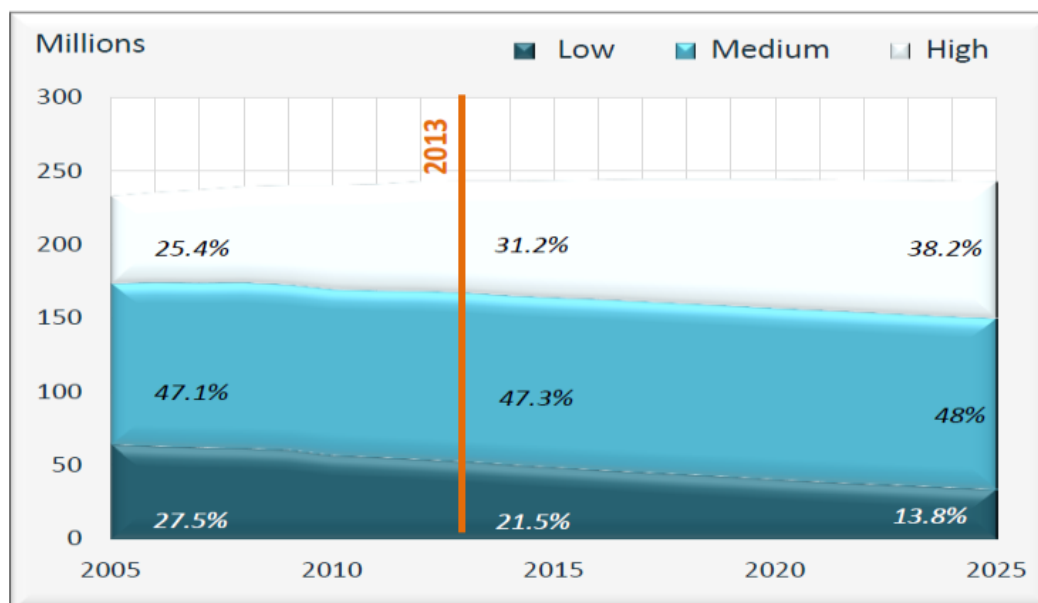
EQF levels 4 and 5 (equivalent to ISCED levels 3-4 which are used for statistical purposes) are medium level qualifications that mirror the qualification level required by over 47% of the EU workforce²⁰ in 2015. Labour market demand for qualifications below this level is dramatically decreasing as illustrated in the following figure. Furthermore, employment rates for people without an upper secondary education are substantially lower than for people with medium or high educational attainment (Figure 3).

¹⁸ EQF is used in preference to the Unesco International Standard Classification of Education (ISCED), which was designed to serve ‘as an instrument suitable for assembling, compiling and presenting statistics of education both within individual countries and internationally’, and revised in 1997 to increase the international comparability of education statistics

¹⁹ Apart from PT which has referenced upper secondary education at EQF 3. CZ, FI, EL, RO, SK are in the process of referencing qualifications to the EQF. DE did not include general upper secondary education in their initial referencing to EQF in 2012; a decision to reference the ‘Abitur’ to EQF 4 has now been reached. In France, the NQF only covers vocational qualifications, so general education has so far been omitted from EQF referencing. A similar situation exists in the UK. EQF 3 has limited use in most Member States, and almost all the programmes at this level are vocational certificates. Sweden has no qualifications at level 3.

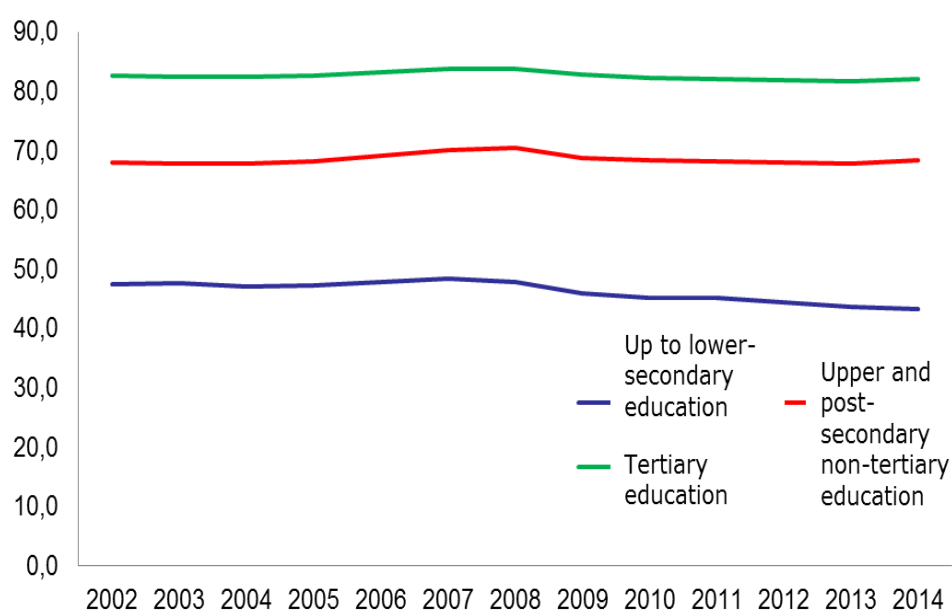
²⁰ Skills, qualifications and jobs in the EU: the making of a perfect match? Evidence from Cedefop’s European skills and jobs survey, Cedefop, 2015, Luxembourg: Publications Office of the European Union.

Figure 3: Labour force trends by qualification, 2005-25



Source: Cedefop (2015). Briefing Note: Europe's Uneven Return to Job Growth
www.cedefop.europa.eu/files/9098_en.pdf

Figure 4: Employment rates by educational attainment (EU- 28)



Source: Eurostat

The 2015 Joint Report of the Council and the Commission on the implementation of the ET2020 strategic framework sets as a priority for action the provision of sufficient second-chance opportunities leading to a recognised EQF qualification for those without EQF level 4 qualifications.

Taking into account all the above, it is proposed that the Skills Guarantee is made available to those without an upper secondary education allowing them to improve literacy, numeracy or digital skills and/or to progress towards a qualification at EQF level 4 or equivalent.

2.5. Options considered

In investigating ways to improve the situation of low-qualified adults and possible support to Member States in organising provision for their upskilling, the following three main options were considered.

A first baseline scenario was based on the assumption that no new EU activities or measures would be developed; the existing instruments would continue as they are, such as the European Agenda for Adult Learning and the existing ET2020 benchmark that measures the degree of adult participation in learning, as well as reforms pursued by Member States in the context of the European Semester. This benchmark indicates stagnation in 2014-15 and shows very weak participation of low qualified people.

A second option would involve further strengthening the existing EU instruments concerning low-skilled adults, including by the adoption of a new EU benchmark that would measure progress on raising levels of adult educational attainment and stronger focus on this challenge in the context of the EU semester, the ET 2020 cooperation process and in the orientation of the available EU funding.

A third option analysed focused on developing a specific targeted approach for upskilling adults without an upper secondary education, through the adoption of a new proposal for a Council Recommendation establishing a Skills Guarantee. The proposal would recommend Member States to enable adults who have left initial education or training without completing upper secondary education or equivalent (EQF 4) and who are not subject to the Youth Guarantee to access upskilling pathways which enable them to acquire a minimum level of literacy, numeracy and digital skills; those who have attained proficiency could then progress to attain a wider set of skills, up to and including a qualification at EQF level.

The social, economic and other impacts of the three options considered have been examined using all available data. The results of this analysis are briefly described below.

The assessment revealed that, under the Baseline scenario – keeping the status quo - the current situation (as outlined in section 2) could be expected to persist, leading to a deterioration in the social and economic circumstances of low-skilled or low-qualified people, taking into account the demographic trends, technological change and the trend towards higher skills demands on the labour market, which would squeeze this group out of jobs and do nothing to improve their social inclusion and personal development. Thus, Member States' uneven performance in basic and digital skills, in particular the large gaps in basic skills proficiency between countries but also within countries, would continue to be a problem. Investment in upskilling programmes would continue as at present: patchy and of variable relevance to the very heterogeneous needs of low-skilled people; so it would be unlikely to deliver the required quality of support and training and its impact would be limited. Therefore, this option was deemed unlikely to address the key challenges in a sufficiently targeted manner and to trigger the systemic changes that are needed for addressing the problem.

Under the second scenario, the adopting of a new benchmark measuring progress over time in the level of adults' educational attainment at EQF level 4, would have the advantage of

focusing policy attention at European level on the challenges posed by high share of low-qualified adults in Europe. However, it may not necessarily lead to high quality outcomes, as in the absence of a set of common principles to be followed to reach this benchmark. Only weak progress has been made towards achieving the current ET 2020 benchmark on adult participation in learning. This modest benchmark aims, by 2020, for 15% of the adult population (25-64 years) to have taken part in some form of education or training during the four week preceding the survey. The EU average stood at 10.7% in 2014, with progress unevenly distributed across countries: only six Member States have reached the benchmark. While the trend in most countries shows an increase over the last decade, the average EU increase in this period is only 1.6% and the reverse is true in Belgium, Cyprus, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia and the United Kingdom.²¹ The situation is particularly disappointing in relation to people with low levels of educational attainment.

Furthermore, this option would not necessarily address the challenges faced by people with very low levels of basic skills who would need to acquire as a first step a minimum level of proficiency in literacy, numeracy and digital skills before considering pursuing further their learning towards gaining a qualification. This being the case, it was therefore considered unlikely that a new – and more demanding- benchmark would have greater impact.

Under the third option, a specific policy instrument establishing a Skills Guarantee would be proposed by the Commission building on the good practice examples across the Member States and defining a coherent approach for targeting low skilled adults. The basic idea of this option was to ensure that low-qualified people receive a real opportunity to raise their literacy, numeracy and digital skills or progress towards an upper secondary qualification; In order to tackle obstacles to participation, the proposal would define a set of factors that need to be in place to allow increased participation into education and training. Thus, the training provision should be tailored to their individual learning needs – which means that their current skills levels would need to be assessed; it should make the most of the skills they already have acquired – which means that their existing skills should be validated and certified; and it should take account of the very varied needs for information, support and accompaniment amongst this target group – which means that outreach and guidance should be integral parts of the provision; finally, it should allow the learners who have improved their basic skills to go further and acquire a qualification recognised on the labour market and in the education sector. In addition, applied together with the Recommendations on early school leaving²² and the Youth Guarantee²³ it would ensure that the entire eligible population that has low levels of basic skills and has not achieved a qualification equivalent to upper secondary or equivalent in a VET track would receive the opportunity to upskill.

This option proposes concrete practical measures in the Member States; as a legal instrument, it signals the commitment of Member States to the measures set out, most of which will require implementation at national level and adaptation to the national context; it will form a new and stronger political basis for cooperation in the field. Under a Council Recommendation, Member States make a formal commitment to action, so this option would

²¹ Eurostat 2016

²² The Council Recommendation²² (2011) on policies to reduce early school -leaving provides a framework for comprehensive strategies including prevention, intervention and compensation measures, the latter being aimed at re-engaging people who have left education and training with only lower secondary education or less. Compensatory routes e.g. second -chance education or non-formal learning accompanied by validation of prior learning and opportunities to re-enter education and training help young people to complete their education.

²³ The 2013 Council Recommendation on establishing a Youth Guarantee²³ provides that all young people under 25 — whether registered with employment services or not — get a good-quality, concrete offer within four months of leaving formal education or becoming unemployed. The offer should be for a job, apprenticeship, traineeship or continued education and be adapted to each individual need and situation.

have the advantage of generating European commitment but also stimulating action at national level, based on a strong political commitment to address the low skills challenge for people of working age, by setting out a comprehensive and systematic framework for raising the level of basic numeracy, literacy and digital skills and of educational attainment in Europe. Given the scale of the problem and the need for a systematic approach in addressing it, it is expected that impact can only be achieved if there is strong political commitment.

This option also has the advantage of building upon much existing policy and provision; thus, not all of the provision referred to, nor the allied costs, will be new; Member States already have in place systems or elements of the systems needed to successfully deliver the upskilling objective. The option would encourage efforts to better target these financial and human resources, ensure more efficiencies in the system and better synergies between different policy interventions, especially between education and labour market actors. This option was therefore selected.

The Commission proposal for establishing a Skills Guarantee draws on best practices identified through research, analysis and reports and it defines a concrete action to turn into reality the ambition defined by Member States in the 2015 ET 2020 Joint Report of enhancing the provision of literacy, numeracy and digital skills, and providing sufficient second-chance opportunities leading to a recognised EQF qualification for those without level 4 qualifications.

The proposed elements of the Skills Guarantee mirrors the conclusions of the European Employment Policy Observatory 2015 review²⁴ on the organisation, profiling and targeting of training provision for upskilling unemployed adults (aged 25 to 64) with low levels of qualifications or inadequate basic skills. Its conclusions summarise many of the factors which have proved successful in developing flexible and effective, tailored upskilling pathways for this target group.

The proposed Skills Guarantee should be delivered in three steps and its delivery should be underpinned by a set of support measures and key principles. Concrete guidance on how to take these forward as well as examples from practices across member States and beyond are provided in the following sections.

²⁴ Thematic Review Synthesis: Upskilling Unemployed Adults (Aged 25 To 64). The organisation, profiling and targeting of training provision. <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2265&furtherNews=yes>.

3. The Proposed Skills Guarantee in Practice

This section provides an overview of the key elements that would define the Skills Guarantee, highlighting policy and practice examples from Member States for putting these in place.

3.1. The three steps of the proposed Skills Guarantee

The Skills Guarantee will be delivered to people who have left school without an upper secondary education and who are not eligible for support under the Youth Guarantee in accordance with national implementing arrangements. Taking into account national circumstances and available resources, Member States may decide to prioritise the delivery of the Skills Guarantee to certain sub-groups.

The Skills Guarantee would be delivered in three steps:

1. skills assessment,
2. tailored, flexible and quality learning offer, and
3. validation and recognition.

3.1.1. Skills assessment

Even though low-qualified adults have left school without gaining a formal qualification that would allow an easier access to the labour market, they have usually acquired through initial schooling or through work and life experience a certain set of skills. These have not necessarily been validated by a formal qualification. Initial assessment of an individual's skills already acquired and any skills deficits, and the development of a learning plan that tailors the training received to the needs of the individual provide a sound basis for the provision.

A blueprint for a skills audit is presented the 2012 Council Recommendation on validation of non-formal and informal learning: a process aimed at identifying and analysing the knowledge, skills and competences of an individual, including his/her aptitudes and motivations in order to define a career project, plan a training project and/or prepare for the validation of non-formal or informal learning outcomes. The steps identified in the 2012 Council Recommendation and developed in the guidelines on validation of non-formal and informal learning provide concrete guidance as to how to put in place skills assessment/skills audit systems and measures.

The results of an audit can be a document/portfolio that states the competences, skills and aptitudes of the individual, in many cases including a “next steps” plan regarding training and sometimes recommending the involvement in the process of validation of non-formal and informal learning. This does not always have to be a physical document; it can be an online tool.²⁵

In **France**, *bilans de compétences* are used mostly for workers, but also for jobseekers. The objective is to allow individuals to analyse their professional and personal competences, their aptitudes and motivation, with a view to defining a professional project or plan for re-training. This skills audit is personalised and is not related to a specific qualification or standard. The skills audit includes interviews taking place over a period of time with a trained counsellor.

²⁵ European inventory on validation of non-formal and informal learning 2014. Thematic report: current approaches to skills audits in the public sector. European Commission/ Cedefop/ ICF International. 2014, <http://libserver.Cedefop.europa.eu/vetelib/2014/87235.pdf>.

The skills audit results in a synthesis document drawn up by the counsellor. It includes proposals for career development as well as an action plan. Advice is given on necessary steps to achieve the plan.²⁶ Unemployed individuals can be offered by the PES a slightly different type of skills audit in order to support their job search.²⁷

Skills audits carried out as part of active labour market policies in **Belgium-Wallonia**, **Luxembourg** or **Switzerland** are targeted especially at unemployed people.²⁸ Some countries, e.g. France, the Netherlands and Norway, use simple screening tools that can immediately give an indication of skills weaknesses.²⁹ A literacy online screening tool³⁰ developed in the Netherlands and translated by ELINET (European literacy policy network) indicates simply and quickly whether somebody may have reading difficulties. The test takes no more than 12 minutes. In the **Netherlands** the test has been used over 32,000 times by municipalities, social services and social employment facilities.

The OECD 'Skills and Education Online' is an assessment tool designed to provide individual-level results that are linked to the OECD Survey of Adult Skills (PIAAC) measures of literacy, numeracy and problem solving in technology-rich environments. All results are comparable to the measures used in PIAAC and can be benchmarked against the national and international results available for the participating countries. In addition, the assessment contains self-reported information on skill use, career interest, health and well-being, and behavioural competences. Such a tool could be easily deployed through PES as part of the skills audit to quickly identify those individuals that need, as a first step to labour market integration, to be trained in basic skills to acquire a minimum level of proficiency.

Skills audits may be undertaken through self-assessment or one-to-one assessment, or a combination of the two.

The self-assessments can constitute a good documentation tool for self-reflection. However some individuals need the support of an adviser to help them to understand and identify their own skills and competences, and to present and describe them. Moreover, self-assessments alone do not seem sufficient for the documentation to be seen as reliable; in this case one-to-one assessment is preferable. These face to face consultations are usually provided by PES professional counsellors, skills auditors and in some cases by school professional counsellors and/or the psychological and pedagogical guidance services of adult learning institutions/schools. In **Hungary** and **United Kingdom**, both self-assessment and one-to-one audits take place. **Norway** has just announced a new web tool to let refugees register their own expertise, work experience and education, to speed up their integration into the labour market; refugees will themselves map their skills on a PC or smartphone, which will guide the educational and vocational guidance they will be offered.

In **Iceland** the skills assessment and validation is delivered through lifelong learning centres, rather than formal education and training providers. Individuals who have dropped out of formal education in the past find it easier to go to a centre that offers non-formal education and training. It is probable that they would be less willing to access validation if it was

²⁶ <http://cnfpt.fr/content/lutte-contre-lillettrisme-2?gl=NjliOGJkMzI>.

²⁷ European inventory on validation of non-formal and informal learning 2014. Thematic report: current approaches to skills audits in the public sector. European Commission/Cedefop/ICF International. 2014, <http://libserver.Cedefop.europa.eu/vetelib/2014/87235.pdf>.

²⁸ *idem*

²⁹ Based on information provided by National Coordinators for implementing the European Agenda for Adult Learning.

³⁰ <http://literacyscreener.eu/informatie.php>.

delivered by a formal education and training provider, because in many cases they have negative perceptions due to their previous experiences.³¹

Skills assessments are performed also at company level and various human resource tools exist in this respect, such as career development plans and portfolios which could also be used to capture the results of experiential learning at work.³² In some countries, specific guidance materials have been developed for employers to enable the tracking of employees facing difficulties with basic and digital skills.

Key features of effective practice in skills assessment include:

- initial assessment and diagnosis of an individual's basic skills (and any needs related to broader issues of learning) as a first step to identifying education and training needs.
- a document/portfolio that states the level of the individual's skills and "next steps" plan regarding development.
- availability of screening tools for authorities dealing with unemployed.
- availability of skills assessment tools online for self-administration.
- support of an advisor/counsellor (when needed).
- delivery of skills assessments in the environment most suited to the needs of the target group.
- convincing both practitioners and managers in companies of the value of the existing tools, and developing trust in them and their outcomes.

3.1.2. A tailored and flexible learning offer

Under the proposed Skills Guarantee, the offer can be in two stages but from the outset it should be open to progression to a qualification at EQF level 4 or equivalent. Based on the findings of the skills assessment, and where appropriate taking account of all the skills acquired outside formal education and training that have been validated, the next step is to provide learners with a tailor-made offer of education or training, that is designed to complement existing skills and bring literacy, numeracy and digital skills to the level ensuring his/her employability and full participation in society. For those individuals that have the necessary skills, they could be offered training leading to a qualification equivalent to EQF level 4.

3.1.2.1. Content of the offer

There are already many examples of good practice³³ in providing opportunities for adults to acquire and develop their basic skills from which lessons can be drawn.

In **Denmark**, general adult education comprises subject-based courses that may be completed by taking an examination corresponding to the leaving examinations of the *folkeskole*. These courses generally are divided into three levels of proficiency. It is also possible to complete a general examination with a certificate in 5 subjects: Danish, mathematics, English, natural science, and either French, German, history or social science. This qualifies a person for entering a higher preparatory programme or higher preparatory single-subject courses (i.e.

³¹ Funding Validation. A thematic report for the 2016 Update to the European Inventory on Validation of Non-formal and Informal Learning, European Commission, Cedefop, ICF International, forthcoming/ 2016.

³² Use of validation by enterprises for human resource and career development purpose, Cedefop, 2014, Luxembourg: Publications Office of the European Union. Cedefop reference Series No. 96.
<http://www.Cedefop.europa.eu/en/publications-and-resources/publications/3065>.

³³ European Commission/ICF, 2015, Support for the work on policy guidance on basic skills for adults Report of findings from further literature search and analysis,

upper secondary education) in a relevant field of study.³⁴ This approach shows sensitivity to the challenges that low-skilled individuals frequently face; it provides them with appropriate learning opportunities and with methods, curricula and materials adjusted to their needs.

When addressing the delivery of learning for low-skilled people, it is essential that programmes concentrate first on building up their essential literacy, numeracy and digital skills, providing them with a solid foundation for progression to further learning and the acquisition of qualifications. For example in **United Kingdom** in the case of migrants from third countries, the learning offer includes opportunities for language training and preparation for training, where language development is a part of the process of integration. It uses a structured technique to empower learners to be more open and have more input into their own learning.³⁵

Many people who have dropped out of education and training prematurely have problems with abstract learning; these can be resolved by setting their learning in the context of their real life and work situations. The literature indicates that retention rates and success rates are higher in vocational programmes where literacy and numeracy learning is embedded in job-specific training, as compared with non-embedded programmes.³⁶ Analyses of programmes for the reintegration of low-qualified unemployed adults into the labour market have unveiled a specific role for work-based continuing vocational education (CVET) and training in that process. Learning activities can be located off-the-job only (such as the **Danish** vocational basic education for adults programme – Grunduddannelse for voksne, GVU); off-the-job locations sometimes consist in simulated work environments; learning activities can also be located only at the workplace (such as the **French** integration workshops and worksites programme – Ateliers et chantiers d’insertion, ACI); or they can be performed by alternating these types of learning location (such as the **Estonian** labour market training programme). This approach integrates content under the umbrella of the work objective, thus both extending the scope and making the training more meaningful.³⁷

For unemployed people, apprenticeship, work-based learning or an internship during training make a difference, because they improve not only the effects of the training, but also the job-search process; for employees, building the learning plan around their current jobs, e.g. through adult apprenticeships, helps them achieve a qualification in their field of work. Training of a practical nature reduces the gap between what is learned during the training and what is needed for a job.

Adults who have had negative experiences of education in the past are motivated by seeing that they are making progress; this can be achieved by structuring the education and training provision into manageable units of learning outcomes which can be documented, assessed and validated individually. It allows the progress of learners to be recorded at different stages on their pathway so that they can accumulate credit towards a qualification or part qualification in the national qualifications framework.

More specifically, practice shows that, to boost learners’ motivation and support their successful take-up of the offer, learning provision needs to be tailored, flexible and of good quality. Each of these aspects is illustrated in the following sections.

³⁴ Adult Education and Training in Europe: Widening Access to Learning Opportunities, Eurydice Report. European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

³⁵ EPAL: <https://ec.europa.eu/epale/en/blog/how-support-integration-migrants-refugees-and-asylum-seekers>

³⁶ Adult Education and Training in Europe: Widening Access to Learning Opportunities, Eurydice Report. European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

³⁷ CVET in Europe: the way ahead, Cedefop reference series 101, 2015, Luxembourg: Publications Office of the European Union.

3.1.2.2. A tailored and flexible offer

A tailored offer of education and training is a package of education or training that is designed specifically to develop only those skills that the individual needs to develop. It would take as its starting point the learner's current level of skill in each topic, and not oblige the learner to start again from scratch.

Adult learners, especially those with low levels of basic skills or qualifications, face various barriers and difficulties when re-engaging in learning. Evidence collected from countries shows that the adoption of certain practices in the way programmes are organised and delivered can facilitate participation in learning.

Offering **modular** adult education programmes and/or **credit based qualifications** is one of the ways to meet the specific needs of adult learners and to remove barriers to their participation. Programmes divided into building blocks allow adult learners to progress at their own pace and complete qualifications progressively. In **Portugal** the programme known as 'basic skills training' consists of a minimum of three modules, each lasting 50 hours and can have an overall duration of 150 and 300 hours, depending on the number of modules the learner decides to follow. In **Denmark**, 'preparatory adult education' consists of several 'steps' lasting between 30 and 60 hours, each completed by a test. The overall programme duration is between 120 and 240 hours. The modular nature of these programmes, in general, offers autonomy to the provider in designing courses and flexibility to the learner to tailor a course to his or her needs, which makes them eminently suited to the needs of adult learners. They also allow the learner to register his/her own progress in learning.³⁸

One of the solutions to overcome time constraints whether due to family responsibilities or to the work schedule and the lack of the 'prerequisites' (e.g. appropriate entry qualifications) could be distance learning provision which is both comprehensive and institutionalised. In **Germany** distance learning, within the programme 'ich-will-lernen.de' is organised as open and free online learning portal.³⁹

The literature shows that learners following basic skills courses are more likely to withdraw from the course at an earlier rather than a later stage. For that reason persistence can be supported by regular monitoring and recognition of learners' progression. What is important is that these breaks from learning are supported, principally by distance and blended learning, so that learners are not penalised and do not have the door to learning closed on them.⁴⁰

Proximity of the place where training is provided is also essential to ensure a wider participation into training. In **Denmark**, basic education classes at the workplace are organised in close cooperation with companies. For example in Southern Jutland the department of education owns two mobile classrooms in expandable lorries. Each classroom is fully equipped for teaching; the classes are a part of the working day, and employees come directly from their work and do not bother to change clothes. Providing basic skills training at the company site is a flexible solution, as employees need no transport and can quickly return to their work. Workers are more easily motivated to participate in basic skills courses when they can see their colleagues going to class in their work clothes and hear them talking about

³⁸ Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

³⁹ *idem*

⁴⁰ Vorhaus J. et al., 2011. Review of research and evaluation on improving adult literacy and numeracy skills. London: Department for Business, Innovation and Skills (BIS).

class during lunch breaks.⁴¹ In **Slovenia**, a mobile unit is used to bring learning to Roma communities; learning takes place in an intergenerational setting. A bus is used to reach rural areas in Estonia.

3.1.2.3. Quality offer

A review of academic literature suggests that substantial learning progression in basic skills requires at least 100 hours of tuition⁴². It is therefore important that the training that is offered has a certain level of intensity in order to bear results.

The training delivered in close cooperation with local stakeholders, in particular social partners and local and regional economic actors proves to be effective in that it can be aligned to local and regional labour market needs. In **Nordic countries** provision is often the responsibility of the municipalities. The **Netherlands** has regional colleges for the delivery of VET and adult learning and **Ireland** has recently created 16 regional Education and Training Boards responsible for vocational and further education and training.

A 2013 study on Quality in the Adult Learning⁴³ sector found that most countries that have in place quality assurance systems at a macro level, for adult learning, formal as well non-formal learning, are also the better performing countries in terms of participation in adult learning and have higher educational attainment levels. It also found that in most countries, quality assurance systems, especially for the non-formal adult learning sector, can be improved. Such improvements could be based on a high number of interesting practices which can serve as inspiration for improving and setting of quality assurance systems. While existing quality instruments may not be able to cope with the diversity and cross-sectoral nature of basic skills learners, they do, nevertheless, provide a basis for further development. In particular, building on the EQAVET model and experience is considered to be worth exploring.

As part of quality arrangements, it is important to ensure that teachers and trainers responsible for delivering education and training for this target group are trained in adult pedagogies, and that literacy and numeracy skills teachers are especially trained for this purpose.

Key features of effective practice are:

- learning content, structure of the learning, schedule, teaching/learning methods and learning supports adjusted to the needs and circumstances of the target group.
- programmes concentrating first on building up basic skills to provide solid foundation for lifelong learning.
- programmes connecting practical and inspired by the learning-by-doing approach.
- programmes divided into modules or smaller stepping-stones.
- modes of delivery adjusted to the needs of the target group (e.g. distance learning).
- programmes aligned to local and regional labour market needs and develop in the cooperation with stakeholders.
- quality assurance systems.
- experienced and qualified training staff.

⁴¹ EU Lifelong Learning Programme (n.d.), Literacy needs for vocational purposes in Europe. A documentation: facts, information and examples, Literacy and Vocation project, Zukunftsbau GmbH, Berlin.

⁴² Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

⁴³ Thematic Working Group on Quality in Adult Learning, Final Report, 24th October 2013, https://www.hm.ee/sites/default/files/thematic_wg_quality_report.pdf

3.1.3. Validation and recognition

Validation⁴⁴ makes visible and values the rich learning that frequently takes place outside formal education and training – at home, at work, during leisure-time, etc. While most commonly found within education and training, validation is carried out by several other types of institution and stakeholder: labour market authorities, economic sectors, enterprises and voluntary organisations. The multiple outcomes of validation range from formal qualifications to enterprises' internal review of acquired competences.

When implemented correctly, participation in a validation process can increase the learner's self-esteem and self-confidence and awareness of his or her capabilities; it can empower the learner and provide the opportunity to embark on professional and personal development. Validation can: lead to formal recognition of learning outcomes not already certified; stimulate engagement in formal learning and further non-formal learning; reduce costs through exemptions which eliminate or reduce the need to spend time and money re-learning what has already been learned. Benefits for employers include a reduction in the time away from the job required by an employee to achieve a qualification.

Assessment approaches and qualifications are pivotal in the development and recognition of adult basic skills. Assessment can serve a range of purposes, namely: to sum up learners' achievement at the end of a programme (summative assessment) and to help the learning process of individuals by identifying specific learning needs and adapting teaching accordingly (formative assessment). These different purposes are not mutually exclusive.

In the field of adult learning 'assessment for learning' in addition to 'assessment of learning' is gaining momentum as an effective learner-centred approach. Tests can be intimidating for those individuals who have experienced failure in formal education or have poor verbal/writing skills⁴⁵. The formative assessment tools (conversational or interview methods, observation and simulation) developed for the validation of non-formal and informal learning are suitable for low-skilled learners. In particular, the two final stages of a validation procedure are relevant here: 'assessment' and 'certification' of the results of the assessment of an individual's learning outcomes, regardless of how they are acquired, in the form of a qualification, or credits leading to a qualification which is recognised within the national system or framework, or in another form, as appropriate.

Key features of effective practice are:

- small, clear, transparent steps (credits embedded in the qualifications framework/system) to measure achievement and progress.
- formative assessment procedures encouraging learners and helping them persevere towards results.

3.2. Enablers

In order to make the proposed Skills Guarantee a success, certain support measures have to be in place and delivery should be underpinned by a strong partnership approach between actors at all levels and all sectors.

⁴⁴ European guidelines for validating non-formal and informal learning, 2015, <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3073>

⁴⁵ Action plan on Adult Learning. Basic skills provision for adults: policy and practice guidelines <http://adultlearning.isfol.it/adult-learning-2012-2014/risorse/basic-skills-for-adults-rapporto-2011>

3.2.1. Coordination and partnerships

3.2.1.1. Coordination

A multitude of organisations is involved at national level in addressing the needs of low-skilled people. The Skills Guarantee proposal would enhance synergies between these to maximise their impact and ensure a coherent intervention. Cooperation and engagement of these stakeholders is essential at many stages in the learning pathway and across a range of steps: in publicising the initiative, recruiting and motivating the learners; providing information and guidance; skills assessment and validation; providing individual learning opportunities, supporting learners in various ways throughout the process and helping them to persist and reach the desired outcomes; testing, certification and qualification.

Depending upon national circumstances it is envisaged that the following would have a decisive role:

- Relevant ministries and public agencies, especially regional and local authorities.
- Companies, social partner organisations, chambers of commerce, sector institutions.
- Public employment and career guidance services.
- Education and training institutions and providers, national authorities responsible for education and training, curricula, assessment, etc.
- Local authorities and community institutions, such as schools, VET centres, libraries, social service, community centres available locally.
- NGOs and community organisations, including religious bodies
- Existing European networks and contact points dealing with adult education and training, second chance education and specific groups, such as National Coordinators for Adult Learning, European Basic Skills Network, ELINET, European Lifelong Guidance Network.

Effective coordination of policy and provision is one of the key factors proven to help ensure that public policy interventions on adult learning achieve their goals. In the majority of countries, more than one body shares the responsibility for the management and implementation of training even for unemployed people. Therefore, there is room to improve coordination between bodies, which include: national training bodies, PES, education and vocational institutions, private training companies, employers, voluntary and community organisations and increasingly social partners involved in providing work-based opportunities. In particular, there will need to be coordination between provision for unemployed people and economically inactive people, linking support provided by employers and public adult and vocational education and training programmes for people in employment who need upskilling in order to maintain their jobs, further their careers and manage occupational transitions.

To efficiently and effectively meet the challenges regarding low-skilled people, a holistic approach proves most valuable. This approach also helps avoid issues of stigmatisation or taboo attached to having problems with literacy or numeracy, or attending basic education courses. By treating all of the issues together, a Skills Guarantee can be embedded, e.g. under the guise of improving health, helping children's education, or dealing with personal finances; other services can contribute to raising awareness of a learning need, developing interest or motivation to learn.

Developing an integrated approach to the governance and planning of skills development for low-skilled adults would, ideally, mean ensuring that a whole-of-government approach is in place spanning all the relevant ministries and public authorities (which could include:

education and training, employment, social, economic, welfare, justice, migration, family, health and related policy areas) to improve coherence and accessibility of the offer to the learner, as well as effectiveness and quality.

Coordination of relevant education and training providers spanning initial and further education and training, private sector providers, employment services, apprenticeships and chambers of commerce and industry, community and civil society bodies is crucial to give the learners access to opportunities in the setting most appropriate and to enable transfer as learning progression requires.

3.2.1.2. Partnerships

It is important to engage and actively involve all actors that play a key role in the delivery of the three stages of the proposed Skills Guarantee.

A recent example of an initiative endorsed at national level, but being developed and implemented by private actors, comes from **France** with the setting up of a nation-wide cross-sectoral certification on basic professional skills “Cléa”.⁴⁶

The involvement of all key stakeholders to implement policy and provide learning opportunities should take place close to the learner, which means a key role for local authorities and community bodies. Innovative use should be made of already existing infrastructure such as **public libraries**. Europe's 65,000 public libraries are the first place to which people of all ages and abilities can go to gain minimum levels of literacy, numeracy, digital and foreign languages. In 2013, 24 million adults in the EU participated in training organised by libraries and 2.3 million people attended digital literacy courses in libraries⁴⁷.

But equally, the workplace has a privileged role in the learning of over half the target group who is employed, and this argues for the close involvement of social partners with the group of stakeholders that implement the initiative. One approach to this complex situation is to coordinate within economic sectors, which is common in the **Netherlands**, e.g. in VET and validation.

The employers' role in encouraging, funding and facilitating learning by their employees is crucial, because so much is job-related and employer-sponsored. Encouraging employers – especially smaller and medium-sized employers – to enrich the workplace with learning opportunities is a key approach to consider, especially in countries where employers are not engaged in training their employees. In countries where smaller companies are at a large disadvantage, measures could include skills needs and skills fit analyses or audits as well as training and career plans. Any enterprise in **Norway**, private or public, can apply for funding to support employees with low levels of basic education through tailor-made courses. The programme emphasises the following criteria: (1) learning activities should be combined with work and basic skills training should preferably be linked to other job-relevant training, and (2) the courses should increase participants' motivation to participate in additional learning.

Schools and the education sector generally can also play an important role in increasing the level of basic skills in Europe. The evaluation of an intergenerational family literacy programme in **Germany** shows that promoting linkages between the kindergarten or school and home-based learning can increase adult participants' communication skills, self-esteem,

⁴⁶ <http://certificat-clea.info>.

⁴⁷ Reading & Writing Foundation (2015) *Libraries Change Lives*

and integration into society.⁴⁸ **Luxembourg** has included family learning in its 2016 Government programme in an effort to break the ‘vicious cycle of intergenerational transmission of poor literacy and academic failure’.

Ensuring cohesion in all of these stages may mean that countries identify and provide a sufficient mandate to a body or bodies responsible for implementation of the 'skills pathways', if such a structure is not already in operation.

3.2.2. Outreach, guidance and support measures

3.2.2.1. Outreach

Since many low-skilled or low-qualified people are not actively seeking learning opportunities or are unaware of their learning needs, the proposed first step would be to find them, inform them about the opportunities available within the Skills Guarantee and get them engaged in the upskilling process. Data suggest that as many as 83.5% of low-qualified adults who do not engage in learning do not want to participate in education and training⁴⁹. Research shows that many adults accept their low level of skills either because they have had previous negative experiences of learning (often at school) or because they are simply unaware of the benefits of raising their skills levels. Reluctance to engage in further learning could also be explained by a lack of motivation; often, adults are unwilling to submit themselves to further distress, especially in societies where ‘going back to school’ carries severe social stigma. Motivating these people to learn poses a particular challenge for outreach activities.

Adequate identification of the many different sub-groups (including their needs, motivations, attitude to learning, status in society, socio-demographic features, etc.), each of which may need a different approach, is essential for designing effective outreach measures. This mapping needs to be done at national and even regional levels to allow public authorities target better the outreach measures. Following the release of the PIAAC results, Nordic countries have initiated such an analysis with a view to identifying the specific sub-groups that make up the low-skilled adult population and in which region they are located.

The range of outreach activities is very wide and may include: TV and radio campaigns; distribution of printed materials at places frequented by the target group(s), e.g., in schools attended by their children, at the workplace for those in employment, in local amenities such as libraries, community centres, sports centres, in social services and unemployment offices, etc.); and the use of modern social media with messages adapted to the target group (attractive web-based campaigns, mobile applications etc.). Further developing the use social media such as Facebook offers a promising way of reaching out to some of the target groups.

A successful example of a wide media campaign was carried out in UK by BBC. The BBC First Click campaign to promote computer and Internet literacy in the **UK** primarily targeted adults above the age of 55 with no access to the Internet. It encouraged them to overcome their fear of technology and lack of skills, by engaging them in non-formal computer and web learning courses available nationally, free of charge. Members of the public could ring a free advisory telephone line, which directed them to the most suitable local computer and web literacy course providers. Courses were run by a wide range of partners including learning

⁴⁸ www.unesco.org/uii/litbase/?menu=4&programme=67.

⁴⁹ Reasons for not participating in lifelong learning by educational attainment level [trng_aes_197]. Adult Education Survey 2011. Eurostat 2015.

centres, adult learning organisations, community associations, libraries, schools and charities.⁵⁰

Effective outreach work includes bringing the message to the learner and a more direct approach involves contacting people directly, perhaps visiting them in their homes or talking to them at the supermarket. Learning “ambassadors” who act in the workplace and/or the community can be important motivators of low-skilled and low-qualified people. In the workplace, HR departments and union representatives could fulfil this role and in the community parents could be reached through their children. Leisure activities could also be used as entry points. Third sector organisations with strong community links play a key role in reaching low-skilled individuals. Unemployed individuals may be best supported through employment services in the context of job-related guidance. Immigrants may be reached initially by members of their own communities. The direct approach requires highly competent practitioners; it is essentially about forming relationships that build trust and enable the possibility of structured learning to be introduced to the individual and acted upon by him/her.

3.2.2.2. Guidance

Among countries that have established education or career guidance services open to all adults, some have developed services putting specific emphasis on education and training guidance. For example, in 2010, **Denmark** established a network of 13 career guidance centres to act as a 'one-stop shop' for adult education and training. Alongside individual guidance for adults, they also provide counselling services to businesses (especially SMEs) regarding the provision of continuing training services⁵¹. In **Slovenia** a network of adult education guidance centres staffed by well-trained, professional counsellors was established. This network seeks to connect as many local adult education and guidance providers as possible into a network focused on increasing quality and harmonising activities. The guidance centres in the network provide adults with free, impartial, confidential information and guidance about learning and education.⁵² **Norway** has developed a network of 36 career centres at county level offering free career guidance to all those aged 19 and above. Many of these centres cooperate with local enterprises and are also involved in organising the validation of non-formal and informal learning.⁵³ In **Finland** a Study Path service has been created. It provides citizens with comprehensive information on studies, application instructions, counselling and career planning services based upon the principle of lifelong learning. It aims to create a customer-driven, uniform and cost efficient on-line service package that supports the development of work across sectoral boundaries.⁵⁴

In all these examples the guidance services accompany and support learners throughout all stages of the upskilling process. Their aim is to support clients to set learning and progression goals, to identify ways and means of achieving them within the existing provision, to develop individual learning plans and to identify any learning support needed to achieve a successful learning experience and worthwhile outcomes adjusted to the needs of the labour market.

⁵⁰ A wide range of examples for awareness campaigns, lessons learned and good practices concerning outreach actions can be found in the 2012 EU publication *Strategies for improving participation in and awareness of adult learning*.

⁵¹ Guidance in Education – the educational guidance system in Denmark, Published by Euroguidance Denmark, The Danish Agency for Higher Education, 2014, http://ufm.dk/en/publications/2014/files-2014-1/guidance_in_education_pdfa.pdf

⁵² <http://www.projectgoal.eu/index.php/slovenia/slovenian-institute-for-adult-education>

⁵³ Adult Education and Training in Europe: Widening Access to Learning Opportunities. Eurydice Report, European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

⁵⁴ ET 2020 National Report of Finland, Ministry of Education and Culture of Finland, 30 June 2014, http://ec.europa.eu/education/policy/strategic-framework/doc/et2020-national-report-fi_en.pdf

The induction and orientation stages of access are critical for a prospective basic skills learner. Guidance as a one-to-one activity is an essential support at the access stage. In collaboration with the basic skills practitioner(s), the guidance practitioner guides the potential participant through needs analysis, assists him/her to identify the learning programme s/he wishes to follow and helps to clarify the requirements of that programme.

Guidance services can use ICT tools. In this context, **the United Kingdom** launched the National Careers Service in 2012, replacing and building on the former 'Next Step' service. The National Careers Service provides information and guidance on learning, training and work opportunities via its website, by email and over the telephone. **Greece** has also developed an interactive career guidance portal⁵⁵, which targets adults of all ages and provides services for career development as well as mobility information (e.g. digitized career tests, e-counselling, etc.).

Germany has carried out several research projects to evaluate the impact of guidance services provided within public employment services on the integration of unemployed people into the labour market. The outcomes of one of these projects indicate that frequent contacts between the placement officer and the unemployed person tend to have a positive impact on reducing unemployment.

3.2.2.3. Financial support measures

There are several types of costs that could be considered as affecting the individual's choice of engaging in learning, on the one hand costs directly associated with the service provided, be it in the form of skills assessment, training etc., such as fees for accessing these services, or costs indirectly linked to the provision, such as travel costs, materials, salary foregone etc. These may also determine whether an individual can participate. There is some evidence that financial assistance helps overcome this. For unemployed people possibilities to keep receiving unemployment benefits while learning, and to have access to travel allowances where necessary, could be considered. By the same token, Member States could dismantle disincentives to invest in skills and achieve higher earnings in their tax-benefit systems. The Thematic Working Group on Financing in Adult Learning⁵⁶ made the following recommendations in this respect:

- Effective planning and funding of literacy, numeracy and digital skills provision and education towards a qualification, which should be free of charge to disadvantaged groups, will require management of all the above stakeholders in terms of the flow of resources: the input they make; the resources they require; the synergies to avoid overlaps, etc.
- While the overall level of participation in adult learning is important, both public and private investment should focus on priorities for stable and sustainable development and on the achievement of high quality outcomes. Government-backed quality assurance systems provide consumer protection for learners as well as ensuring efficient use of investment. The use of cost benefit analysis techniques, recognising both economic and social benefits, can improve the efficiency of investment. Good practice and innovation from short term projects should be sustained through mainstream funding mechanisms.

⁵⁵ e-stadiodromia.eoppep.gr

⁵⁶ Thematic Working Group on Financing in Adult Learning, Final Report, October 2013, https://www.hm.ee/sites/default/files/thematic_wg_financing_report.pdf

- The responsibility for funding should be balanced between government, employers, individuals and other stakeholders – such as civil society organisations – to ensure there is sufficient investment in the development of basic skills. Government plays an important role in funding for disadvantaged groups and correcting market imperfections. Employers and individuals make investments based on their own perceived costs and benefits. Cost sharing, reflecting those who benefit, can bring about a more stable and sustainable funding environment. The involvement of social partnerships and civil society organisations can ensure equity in cost sharing arrangements and bring funding from new sources (such as foundations).

When developing financial support for the proposed Skills Guarantee, it is important to identify already existing instruments, and on this basis assess whether the new instruments are needed or existing ones should be reshaped. Although there are many different funding instruments in use across Europe, the majority of public funding is generally distributed through a limited range of instruments; each of which has potential advantages and disadvantages, depending on the needs of the target group and circumstances in the country or region (see Table 2).⁵⁷

⁵⁷ idem

Table 2: Summary of Advantages and Disadvantages of funding instruments

Funding Instrument	Advantages	Disadvantages
Funding formula	<ul style="list-style-type: none"> • Simplicity of application • Adjustable to meet policy priorities • Transparency • equity 	<ul style="list-style-type: none"> • complexity if used for multiple types of course • inflexible to local variations • variability in application
Programme funding	<ul style="list-style-type: none"> • provides continuity • facilitates system developments • ease of understanding 	<ul style="list-style-type: none"> • inflexibility • standardised coverage • lack of transparency
Project funding	<ul style="list-style-type: none"> • address short term needs • tailored to specialist circumstances • low risk experimentation 	<ul style="list-style-type: none"> • lack of continuity • replication and scalability • delay in starting
Direct grants	<ul style="list-style-type: none"> • explicit intervention • targeting towards end users • encourages cost sharing 	<ul style="list-style-type: none"> • deadweight risk • accountability may be poor
Tax incentives	<ul style="list-style-type: none"> • low cost of administration • automatic matched funding • simplicity for non-professionals 	<ul style="list-style-type: none"> • Only available to tax payers – individuals or organisations • Universal rather than targeted • retrospective
Levy Grant	<ul style="list-style-type: none"> • mobilise employer resources • cost sharing between training and non-training companies • tri-partite governance 	<ul style="list-style-type: none"> • Generally large companies receive levy funding • Potential for ineffective and expensive administrative costs
Training Leave	<ul style="list-style-type: none"> • shared cost between individual and other stakeholders • encourages personal responsibility 	<ul style="list-style-type: none"> • Difficult to implement for smaller organisations • Perceived costly by employers fearing learner leaving
Vouchers/ILA	<ul style="list-style-type: none"> • Targeted at specified individuals • Can be linked to guidance, job search and other supporting activities • Positive motivation for Individuals 	<ul style="list-style-type: none"> • Administrative costs in reaching target group only • Need to be of significant value to motivate
Loans	<ul style="list-style-type: none"> • overcomes short term financial barriers • beneficiary ultimately pays • encourages self-investment in learning 	<ul style="list-style-type: none"> • risk of delayed or non-repayment of loans • discourages those not used to paying for learning • administrative burden

Source: Thematic Working Group on Financing Adult Learning, Final Report, October 2013, https://www.hm.ee/sites/default/files/thematic_wg_financing_report.pdf

3.2.2.4. Non-financial support measures

The participation in education and training of low-skilled individuals can be boosted if complementing measures are in place to address non-financial obstacles to participation. To support employees' participation in training, training leave enables individuals to take time to attend adult learning of their own choosing. Generally the employer has the discretion to agree or disagree with a particular request; though in many countries there is legislation which

provides a legal framework setting out general entitlements. This framework may be based on agreements between social partners at national or local level.

As regards training leave, a Cedefop study⁵⁸ shows that quality target-group-specific paid training leave is the most effective type of training leave. However it should be integrated with other policy measures aimed at disadvantaged employees. Member States should play an active but mostly non-financial role by guaranteeing a favourable legal environment for universal training leave instruments (e.g. by providing a well-defined legal framework for payback clauses and underpinning the link with training leave instruments). Eligibility and preferential treatment criteria should be defined in a way that enables those groups of employees who need training leave most to benefit from it. Examples of such efforts are the **Hungarian**⁵⁹ preventive training instrument, under which low-qualified and ageing employees were entitled to longer periods of training leave, while disabled employees were eligible for both longer periods of leave and a higher level of funding. Training-leave-specific guidance and information services targeted at disadvantaged employees could be provided. For example, national governments could improve the use of training leave by providing model training leave contracts which could ease the administrative burden for companies (especially SMEs). They could also provide telephone hotlines and/or e-mail/web services managed by training leave practitioners to give support to both employees and employers in the practical implementation of training leave.

3.2.2.5. European Funds⁶⁰ projects on upskilling adults

When planning the financial investment for the Skills Guarantee good practice from the European Social Fund (ESF) for the financial period 2007-2013 can be taken into account.

For example the **Portuguese** New Opportunities Initiative (described in section II.1.a) was co-financed by the ESF.

In **Estonia** the EU-funded 'State-Commissioned Work-Related Training for Adults' programme, under the responsibility of the Ministry of Education and Research, mainly targeted low-qualified adults or adults with obsolescent qualifications. While employed people were the main target group, unemployed people represented around a quarter of all participants. The courses offered generally lasted around 50 hours, but could differ depending on type of school or course. The main providers were schools delivering initial education to young people. On completion participants received a non-formal certificate.

An ESF project in **Poland**, 'Lighthouse Keepers of Digital Poland', supported digital training for the 50+ generation (2012-2015) and it reached around 206 000 participants.

In **Latvia**, unemployed people were able to acquire a vocational qualification or improve their transversal skills within the ESF-funded project (2009-2015) 'Training for the unemployed and jobseekers in Latvia'. Another ESF-funded project (2010-2014) entitled 'Lifelong Learning Measures for the Employed' provided an opportunity for employed adults to improve their skills in various areas, including ICT, language, entrepreneurial, social and civic skills, and learning to learn. Both projects were coordinated by the State Employment Agency.

⁵⁸ Research Paper No 28, Training leave. Policies and practice in Europe, Cedefop 2012

⁵⁹ *idem*

⁶⁰ Based on Adult Education and Training in Europe: Programmes to Raise Achievement in Basic Skills. Eurydice Report, European Commission/EACEA/Eurydice, 2015, Luxembourg: Publications Office of the European Union.

In **Bulgaria**, since 2012, courses for mature learners (aged 16 and above) with limited prior school experience were co-financed by the ESF and learners, and made available to learners free of charge. They were developed under the Operational Programme 'Human Resource Development' adult literacy strand and targeted people who had not completed 'basic education', i.e. education up to the end of lower secondary level. They covered various fields, including Bulgarian language and literature; mathematics; English language; geography and economics; history and civilisation; chemistry, physics and biology; information technology; physics and astronomy; and biology and health. The courses were delivered by schools that also provide initial education for young people; their duration varied between 324 hours for courses covering the last three grades of lower secondary education and 12 hours for courses such as ICT or physics and astronomy, covering only the last grade of lower secondary education. Upon successful completion of lower secondary education, participants could follow upper secondary general or vocational programmes.

In **Ireland** adult literacy services include courses in reading, writing and numeracy, and ICT. The priority groups are low-qualified adults and those whose literacy and numeracy skills are below Level 3 on the National Framework of Qualifications. The provision is co-financed from European funds and is free for learners. In 2012, around 57 000 people participated in courses provided under the adult literacy framework.

In **Italy** (Sicily Region) training courses ("Cantieri scuola") which aimed to reduce the risk of social and economic exclusion and to foster the transition or the re-integration into the labour market of unemployed people aged 18-65, especially the long-term unemployed, received ESF support. 54% of the actual participants were at ISCED level 2 or below and 64% were economically inactive. In total, 56 097 people received support.⁶¹

3.3. Target groups

As the situation across Member States differs and as the heterogeneous group of low-skilled comprises several very different sub-groups, there is no 'one-size fits-all' solution. This section focuses on the main sub-groups that could be part of the adult low-skilled population and briefly explains the particular characteristics that may be taken into account in the context of the proposed Skills Guarantee. Member States will wish to prioritise certain sub-groups for support taking into account available resources and national circumstances. This decision may also be influenced in the light of the picture they gather about which sub-groups have the most pressing need and where they are located, for example.

Although each individual has specific needs, there are particular needs and circumstances that are common to people in these sub-groups, consideration of which will facilitate development of a tailored approach to their learning needs.

3.3.1. Unemployed people⁶²

Low-skilled Europeans face particular difficulty in finding jobs, both for the first time and after losing their employment. Their difficulties in returning to work have been accentuated both as a result of years of recession and of the fast evolving work patterns in the digital, global economy, which render their skills obsolescent. They may benefit from active labour

⁶¹ ESF 2007-2013 Ex-post Evaluation: Investment in Human Capital (VC/2013/1312), Final report, ICF for the European Commission, August 2015.

⁶² Based on European Employment Policy Observatory 2015. Thematic Review Synthesis: Upskilling Unemployed Adults (Aged 25 To 64). The organisation, profiling and targeting of training provision, <http://ec.europa.eu/social/BlobServlet?docId=14143&langId=en>.

market policies (ALMP) geared towards helping them return to work through job-related training offers. A number of countries target low-skilled workers via general measures for unemployed people, often involving vocational courses of relatively short duration. However, the 2015 European Employment Policy Observatory Thematic Review Synthesis: Upskilling unemployed adults (aged 25 to 64) found that provision of training for those farthest from the labour market can be variable and an underemphasised aspect of ALMPs in some countries, that the available evidence suggests that there is very little adaptation of education and training activities to the needs of different target groups and that it appears that specific groups of unemployed adults are not especially prevalent among the beneficiaries of training.

Active labour market policy in general aims to get people quickly into a job and, in general, offers job-specific skills despite the fact that many people would need to top up their literacy, numeracy and ICT skills before embarking on occupational training. For low-skilled unemployed people, strengthening their basic skills is a prerequisite for successful progression to job-specific programmes.

Consideration should also be given to the fact that “the unemployed often face difficulties accessing employment, or the education and training that might lead to employment, which are not directly linked to the labour market: financial difficulties and other forms of social disadvantage can make it difficult for them to access childcare or transportation. Further, they may be not incentivised by a benefit system where being in certain types of employment is financially less advantageous than being unemployed and in receipt of benefits (Oesch, 2010)”⁶³.

Good examples exist in the ‘key competences’ programme, in **France**, in which the training offered to unemployed, and especially low-skilled unemployed people must be in line with their careers, and the content of training is personalised and adapted to each person’s professional ambitions. The programme can also tackle literacy issues. In Aquitaine, the programme is designed as follows: identifying training needs; measuring gaps between skills and the objective to be attained; designing an individual training programme; individual and collective workshops and evaluations. The programme is particularly directed towards people furthest from employment opportunities. The programme allows beneficiaries to continue their job search, since there is a maximum of 18 hours of training per week. It can be slowed down or suspended for professional reasons. The objective is then to obtain an apprenticeship or undertake skills training (e.g. a ‘professionalisation contract’ or Pôle Emploi measures).

The initiative “Erstausbildung für junge Erwachsene” in **Germany**, run by the PES, was established to motivate and support around 100 000 low-skilled young adults (aged 25–34) without a qualification to complete vocational training, or gain at least a partial vocational qualification. Faced with an increasing skills shortage, the aim is also to take into account the labour market needs of companies, in particular SMEs. The initiative is supported by PES and the social partners. The social partners are closely involved in selecting the right vocational training courses and in providing training facilities. Financial assistance is available both for the young adult and the company.

This target group is partly covered by the Council Recommendation (2015) on the Integration of the Long Term Unemployed in the Labour Market and the Council recommendation establishing a Youth Guarantee.

⁶³ Cedefop (2013) Return to work: Work-based learning and the reintegration of unemployed adults into the labour market, www.Cedefop.europa.eu/files/9082_en.pdf

While the Council Recommendation establishing a Youth Guarantee already foresees the possibility to receive an offer for education and training, this is not clearly spelled out in the Recommendation on the integration of the long term unemployed (LTU). The rate of LTU among the low-educated labour force has more than doubled during the crisis reaching 10.5% in 2014. Without effective measures to facilitate a return to employment, there is a risk that many people become permanently excluded from the labour market and abandon their job search efforts. Each year, one out of five LTU gives up looking for a job and becomes inactive⁶⁴. The proposed Skills Guarantee applied together with the Recommendation on LTU would reinforce the offer to low-qualified long term unemployed people who will have the possibility of engaging in further education and training allowing them to reach a minimum level of basic and digital skills or leading to a qualification as part of the job integration agreements. Skills audits should become part of active labour market policies with a view to identifying from the outset those people with serious weaknesses in basic skills so as to direct them early on to tailored learning opportunities.

3.3.2. People in employment

This is the target group that is the biggest⁶⁵ but has so far been targeted least, due in part to it being difficult to reach, especially by the state support. At the same time, continuing education and training is likely to be a self-sustaining policy, which upskills workers, boosts their employability and productivity and helps them to stay in the workforce. Employer participation in providing learning opportunities is of major significance: two thirds of all work-related non-formal learning is provided or sponsored by the employer. But this differs depending on the size of the company: big employers (250+ employees) provide training opportunities on average for half of their employees; medium size employers (50 – 250 employees) provide it for a third of their employees take part; while small employers (10-50 employees) provide it for only a quarter of employees. Added to this is the ‘Mathew Effect’, as most of the training goes to highly skilled workers.

Training funded by companies tends to be of very short duration and not ideally suited to low-skilled people: on average participants receives only 25 hours per year, compared to 65 hours per year for learners in non-formal learning programmes (including self or publicly funded programmes), and 374 hours per year for learners in formal learning. More importantly, employers are often reluctant to provide training in basic skills, which they see as the responsibility of public education system. However, employers could play a bigger role. In addition to providing more work-related training, and to encouraging their staff to go back to learning, they could open up the workplace to guidance services and to public authorities and third sector organisations that provide basic skills training. Another possibility would be to encourage in-service adult apprenticeships as part of which employees’ jobs form the practical, work-based training component and arrangements are made for them to attend theoretical training off-the-job.

The employers' role in encouraging and facilitating learning by their employees (through flexible working times, incentives or funding) is crucial and can be supported by trade unions. In the **United Kingdom**, trade unions contribute through Union Learning Representatives. In the public sector, UNISON⁶⁶ has over 3 500 active Learning Representatives. They are a major resource in helping to encourage lifelong learning at work. The role of the ULR is

⁶⁴ Tanay, F; Salanauskaitė, L: The long-term unemployed: the people that the economic recovery forgot? <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2445&furtherNews=yes>

⁶⁵ See Staff Working Document section 2.1.1.

⁶⁶ <http://www.open.ac.uk/choose/unison/develop/my-unison/union-learning-representatives-ulrs>.

recognised in law and attracts certain rights. They play a vital role in raising the profile and importance of learning with union members, providing support to members who are studying and negotiating with employers for facilities to enable workplace learning, and identifying and promoting relevant course and programme that will help members to return to learning.

Encouraging employers – especially smaller and medium-sized employers – to enrich the workplace with learning opportunities is a key approach to consider, especially in countries where employers are not engaged in training their employees. In countries where smaller companies are at a large disadvantage, measures could include skills needs and skills fit analyses or audits as well as training and career plans.

A successful example of a workplace programme is Basic Competence in Working Life (Basiskompetanse i arbeidslivet - BKA) in **Norway**. The Norwegian government considers that there is a need for more basic skills in all areas of the Norwegian workforce and has set aside funds to reduce the knowledge gaps of certain groups to better meet the requirements of the labour market and society at large. The Norwegian Agency for Lifelong Learning (VOX) runs the BKA programme which aims to facilitate increased participation in working life and society. BKA is designed to increase basic skills in reading, writing, numeracy and ICT of its participants and since 2014 has added oral skills. There are no costs to employers apart from releasing staff and providing a learning space. It aims to support employees with low levels of basic education through tailor-made courses. The goal is for more employees to participate in skills improvement, education and training so that the company can continue to be profitable and competitive in the long run. In the knowledge that basic education alone will not be sufficient for lifelong professional development, BKA courses contribute to both upgrading and developing participants' basic skills, and their own experiences are taken into account in planning and implementing such training. However, it is a practice supported by management and characterised by corporate ownership and commitment and by working on the planning and implementation of courses funded by the community.⁶⁷

3.3.3. Economically inactive people

Economically inactive adults (including social/disability benefit claimants or unregistered adults) are perhaps the most challenging group to encourage back into learning; the group comprises those who may choose to be at home caring for children or other family members, but also older people, prisoners, people who are sick or with disabilities. Possessing only low levels of skills may also contribute to their poor health, lack of participation in society, low income, etc., and a majority of them are not motivated to learn or take action to improve their skills.

Economically inactive adults who are not registered with the Public Employment Services could be reached through other channels, e.g. social workers or institutions dealing with welfare and social benefits, NGOs, care centres, libraries, religious centres, etc., since education may be part of a more complex set of needs. Economically inactive people living in rural communities may experience particular difficulties in accessing learning and support services. Developments in broadband provision will facilitate their access to distance learning and online support services. Other groups which could be singled out for specific action in this category include prisoners.

⁶⁷ <http://www.unesco.org/uii/litbase/?menu=4&programme=126>.

3.3.4. Early School Leavers and NEETs

This target group of young people is already covered by the implementation of the Council Recommendation on early school leaving (ESL) and the Council Recommendation on establishing a Youth Guarantee.

The Council Recommendation (2011) on policies to reduce early school-leaving provides a framework for comprehensive strategies including prevention, intervention and compensation measures, the latter being aimed at re-engaging people who have left education and training with only lower secondary education or less. Compensatory routes e.g. second-chance education or non-formal learning accompanied by validation of prior learning and opportunities to re-enter education and training help young people to complete their education.

The European benchmark defined early school leavers as those aged between 18 and 24.

The 2013 Council Recommendation on establishing a Youth Guarantee specifically addresses the needs of NEETs (young people not in employment or education and training) and provides that all young people under 25 — whether registered with employment services or not — get a good-quality, concrete offer within four months of leaving formal education or becoming unemployed. The offer should be for a job, apprenticeship, traineeship or continued education and be adapted to each individual need and situation. Thus, it specifically recommends that early school leavers and low-skilled young people are offered routes to re-enter education and training or second-chance education programmes, address skills mismatches and improve digital skills. The Skills guarantee will provide support to early school leavers, in a broader sense (everyone having left initial education without an upper secondary education, no matter the age), but it will not be available to those who are eligible for support under the Youth Guarantee. It will complement these existing instruments by targeting basic literacy, numeracy and digital skills and at the same time by offering the possibility for acquiring an upper secondary qualification to all low-skilled adults.

3.3.5. Migrants

Whether we talk about new migrants or those already in Member States, EU and national policies need to ensure that enterprises and society benefit from the skills potential and qualifications of the immigrant workforce. This requires measures that help better match supply of skills with demand and make it easier for people to integrate into, and move within, the European labour market.⁶⁸

Guidance services should be the first support that third-country immigrants receive on arrival; they are in a position to promote the autonomy of the newly-arrived and to empower those already living in the country. They should offer familiarisation with legislation and institutions, with issues relating to housing, healthcare and social protection and other aspects to develop skills and knowledge that allow migrants to cope with their new reality. Information about the equivalence of qualifications, assistance during recognition processes, and support to get professional experience and skills validated are also crucial for successful integration into employment and education and training. A skills audit on arrival can identify if and what qualifications have been obtained by a migrant in the country of origin and, where relevant, propose their validation. Likewise, enlarged capacity in adult education would

⁶⁸ Working Paper No 24, Valuing diversity: guidance for labour market integration of migrants, Cedefop, 2014, Luxembourg: Publications Office of the European Union.

facilitate migrants' effective acquisition of the language of learning and employment in the host country.

A number of interesting examples of counselling, advice and mentoring activities have been developed using trained practitioners and other participants with immigrant backgrounds, such as the meeting point guidance centre in **Austria**, mentoring by older students in **Belgium** or the training programme run by immigrant entrepreneurs developed in **Germany**. In **Estonia** guidance support aims at the development of basic skills, information on host country education, training and other social support systems. New immigrants are enrolled in an adaptation programme which comprises language studies, improvement of professional skills and civic studies.

Support in the initial stages can help reduce the time until immigrants can use their skills in enterprises, avoiding unnecessary duplication of previous training; it can increase the likelihood of smooth integration processes and improve future career prospects in the new country. One example is the Integration through Qualification network (IQ network) in **Germany**, which supports 16 regional networks (such as the one in the Berlin, or NOBI) bringing together labour market stakeholders to promote the occupational integration of migrants. Guidance also plays an important role in empowering women, who may face specific challenges in labour market participation, and in reducing the impact of migrant youth disengagement from training. Effective guidance can also help reduce the risk of social tensions.

3.4. Expected impact and costs – an investment approach

Given the rapidly falling number of jobs requiring only low levels of skills⁶⁹, societies can no longer afford the persistently high shares of low-skilled and low-qualified individuals, which result in high social and economic costs now as well as in the longer term future. While investing in skills development also carries certain costs, such investment actually brings long-term benefits and has the potential to outweigh the expenditure.

It is a well-recognised fact that investing in skills has high individual and social returns. Higher skills make people more employable, adaptable and resilient in the labour market. This tends to raise permanent income for households and revenues for government (tax and social contributions) while reducing the need for welfare outlays. In this way, education and training supports the sustainability of public finances, notably in countries most affected by ongoing demographic change (aging of the population). In addition, good-quality education raises people's productivity and innovativeness, thus contributing to sustaining the EU's competitiveness in global markets.

Estimating the precise cost of such an initiative is not a straightforward exercise. First of all, while there is a substantial evidence base on the positive economic and social impact of adult up-skilling at the micro (individual) level, evidence at the macro (national or supra-national) level is much scarcer⁷⁰. Secondly, the level of actual costs depends on several factors: concrete policy choices to be made as regards the level of support provided; the existing level of skills of the targeted population; the number of individuals targeted by policy measures; the specific population groups prioritised; and the existing provision within a country etc. Only if all these factors were well defined, could a precise cost estimate be developed.

⁶⁹ See Figure 1.

⁷⁰ An in-depth analysis of adult learning policies and their effectiveness in Europe, European Commission, 2015.

Nevertheless, by making certain assumptions about some of these key factors some likely estimates (scenarios) of the potential cost can be made.

3.4.1. Potential costs of a Skills Guarantee

3.4.1.1. Defining the costs

When considering the design and implementation of the proposed Skills Guarantee, a series of costs would have to be considered. However, it should be highlighted that depending on the individual starting point of a country, not all of these costs will be new, some of them will already be embedded in the national measures targeting low-qualified people. Table 3 below provides an overview of potential costs to be considered for the delivery of the Skills Guarantee.

Table 3

Type	Description
Direct	Costs of implementation/delivery. This will include: <ul style="list-style-type: none"> • Staff costs • Overheads • Materials and equipment • Infrastructure (delivery venues) • Other costs (training)
	Costs to individual participants (e.g. travel costs, lost earning, etc.)
	Costs to employers (e.g. co-financing, obligatory training leave, etc.)
Indirect	Costs to other public services associated with the intervention (e.g. identification of other support needs or referrals/signposting to other services)
	Transaction costs to employers (e.g. costs associated with recruitment and retention if those employees who benefit from upgraded skills decide to seek alternative employment)
	Costs to non-participants or wider society (including opportunity costs and other externalities not mentioned above)

Source: Advice about the financial implications for initiatives to upskill low-skilled adults (VT/2016/007)

A usual approach in cost estimation can consider both direct costs, i.e. costs directly related to the actual delivery of the provision (e.g. skills audit, training etc.) to the individuals or to the setting up and management of the intervention as well as indirect costs – costs that might be caused by the policy intervention but not directly linked to the activities of the intervention. However no clear evidence was found suggesting that such a policy initiative is likely to result in high indirect costs. Consequently, it is presumed that indirect costs, if generated, would likely be limited⁷¹ and thus the selected approach of cost estimation primarily focuses on estimating the direct costs.

⁷¹ Advice about the financial implications for initiatives to upskill low-skilled adults (VT/2016/007)

Other considerations when estimating the potential cost of the initiative at EU and national level include:

- estimating the size of the target group;
- estimating the cost per participant for the different types of provision that would be available to the target group;
- estimating the level of policy ambition, i.e. the share of the target group aimed to be reached, the types and intensity of services to be provided, the types of skills to be provided (minimum level of skills or wider set of skills, or even a full EQF level 4 qualification)
- estimating the distribution of the intervention over time;
- estimating the distribution of costs between public and private as well as national and European costs, ensuring compatibility with the existing resources and availability in the EU budget.
- estimating the costs difference due to different level of prices and cost of living in the different Member States and regions.

Each aspect of the initiative is substantially dependent on the actual design of the modalities of implementation. Nevertheless, some rule of thumb estimation is possible based on existing examples of similar initiatives (though all of them are on a smaller scale, while the direction of scale effects – whether it could be cost enlarging or cost saving - is hard to estimate at this time) and based on assumptions regarding the definition of the target group at national level as well as the likelihood for taking up such upskilling offers.

The target group is likely to have low motivation (or capacity) to take advantage of the measures proposed. For example, in statistical surveys⁷² up to half of adults indicate that they are not interested and /or willing to undertake learning activities; this is likely to be even more pronounced among low-qualified adults. This has to be taken into account when estimating the actual share of the target group that it is realistically feasible and meaningful to reach (for example as regards individuals near retirement, inactive, etc.) via the activities of the initiative. It is also equally relevant when planning outreach activities to increase motivation and take-up. Several take-up scenarios have been developed, as described in the next section⁷³.

3.4.1.2. Estimating costs

It is not possible to develop an EU wide estimate catering for all the different variables that may influence the actual costs of the initiative. However, an attempt has been made to develop some indicative scenarios based on several core assumptions:

- The target population is set as the total population who have not attained an upper-secondary level qualification in the age group 25 to 64 in the EU28⁷⁴;
- The number of adults actually reached through policy interventions is estimated using three different scenarios:

⁷² e.g. Adult Education Survey 2007, 2011.

⁷³ Based on the European Labour Force Survey (LFS), on average 4.3% of all low-qualified adults participated in learning in 2015, with substantial variation between different EU Member States.

⁷⁴ The Skills Guarantee proposal is addressed to all individuals who have left initial education and training without achieving an upper secondary education, no matter the age, as long as they are not already eligible for support under the Youth Guarantee. The reference to the age group 25-64 is made only in the context of developing scenarios for evaluating possible costs of the initiative.

- for the baseline scenario taking the current share (4.5% in 2014) of low-skilled adults participating in education or training;
- for the medium take-up scenario using the current European benchmark on adult participation in learning, aiming to reach a 15% rate of participation;
- for the high take-up scenario setting the coverage rate at 25% (i.e. almost 6 times higher than the current annual participation rate)
- The direct cost per participant is estimated using three different scenarios and calculating the cost using an average of per-person cost of a selected ESF interventions implemented during the 2007-2013 multi-annual financial framework and focusing on low-skilled people:
 - Low-cost/ low intervention intensity scenario, assuming that the beneficiary will only need to go through skills recognition and validation, with an estimated cost of €495 per participant⁷⁵;
 - Medium-cost/ medium intervention intensity scenario, assuming that the intervention will include short and medium duration training without leading to a full qualification, with an estimated cost of €2,370 per participant⁷⁶;
 - High-cost/ high intervention intensity scenario, assuming that the education and training would focus on progress to an upper-secondary qualification, with an estimated cost of €4,180 per participant⁷⁷.

An important caveat is that estimates of cost per participant for low and high cost scenarios are estimated in each case using a selected large scale intervention of very similar construction, implemented in both cases in Portugal. It could be argued that due to the fact that labour costs and price levels in Portugal are lower than on average in the EU, and the programmes were implemented some years ago, the estimated EU figures are lower bound (i.e. conservative) estimates of likely costs. On the other hand, the medium-cost scenario is likely to be more representative of the average costs at the EU level, as interventions covered in the assessment were implemented in a variety of EU Member States. The total target population and its distribution by labour market status in each country is presented in table 4.

Table 4: Total low-qualified population and its distribution by employment status in 2014

	Share of low-qualified adults	Total number of low-qualified adults	Share of employed amongst low-qualified	Total number of employed low-qualified	Share of unemployed amongst low-qualified	Total number of unemployed low-qualified
EU-28	24.1	66,607,912	52.6	35,035,762	17.4	7,273,861
Austria	16.1	759,762	53.0	402,674	10.8	48,697
Belgium	26.4	1,575,612	47.5	748,416	14.3	124,553
Bulgaria	18.9	771,114	40.0	308,445	27.5	116,215

⁷⁵ Based on the estimated per participant costs of the RVCC (Recognition, Validation and Certification of Competencies) initiative in Portugal

⁷⁶ Based on the data from European Commission (2015) ESF 2001-2013 Ex-post evaluation: investment in human capital. The cost is based on the estimated average cost per participant for the cluster of activity focused on upskilling adults (cluster 10), comprising a mix of different types/intensity of interventions implemented in the EU.

⁷⁷ Based on the data from European Commission (2015) ESF 2001-2013 Ex-post evaluation: investment in human capital. The cost is based on the cost per participant of a large-scale (nation-wide) intensive intervention which offered the opportunity to obtain a qualification (Education and training courses for adults, Portugal).

Croatia	17.1	400,354	38.8	155,337	24.3	49,572
Cyprus	22.4	106,869	54.5	58,243	19.4	13,735
Czech Republic	6.8	406,948	43.0	174,988	20.7	45,685
Denmark	20.4	592,989	61.4	364,096	8.4	32,584
Estonia	8.8	63,276	60.9	38,535	11.9	5,2
Finland	13.5	384,114	53.5	205,501	12.5	29,275
France	23.3	7,915,496	53.3	4,218,960	14.8	720,967
Germany	13.1	5,838,630	58.0	3,386,405	12.0	457,908
Greece	31.6	1,880,609	46.9	882,006	27.6	335,892
Hungary	16.9	937,438	45.3	424,659	16.7	83,801
Ireland	21.2	526,988	46.6	245,576	18.7	54,492
Italy	40.7	13,570,338	49.6	6,730,887	15.2	1,199,265
Latvia	10.5	115,438	51.3	59,22	23.6	17,983
Lithuania	6.7	105,886	43.2	45,743	28.6	18,333
Luxembourg	18.0	56,446	60.9	34,375	7.7	2,749
Malta	57.8	134,753	52.6	70,88	7.7	5,86
Netherlands	24.1	2,169,462	58.8	1,275,644	10.1	140,259
Poland	9.5	2,084,021	39.3	819,02	18.0	171,828
Portugal	56.7	3,245,922	63.0	2,044,931	14.8	353,113
Romania	27.2	3,066,954	55.5	1,702,159	6.4	116,269
Slovakia	9.0	285,402	32.7	93,327	39.3	60,797
Slovenia	14.3	170,375	48.5	82,632	15.5	15,082
Spain	43.4	11,496,676	49.4	5,679,358	31.4	2,576,496
Sweden	16.3	800,491	63.6	509,112	13.9	82,497
United Kingdom	20.8	6,976,855	59.6	4,158,206	8.4	374,783

Explanatory note: The study used EU Labour Force Survey data for 2014.

Source: Advice about the financial implications for initiatives to upskill low-skilled adults (VT/2016/007)

Taking into account that it is unlikely that every low-qualified individual could be involved in education or training activities, the estimates of the likely take-up scenarios have been made based on current and possible participation rates in adult learning. The estimates per country for the total low-qualified population are presented in Table 5. In countries where the current rate of participation of low-qualified adults has reached the 15% benchmark (i.e. in Denmark and Sweden); the numbers for baseline and medium take-up scenarios are equal.

Table 5: Take-up scenarios among total low-qualified population

	Baseline scenario (4.5% of the target population)	Medium take-up (reaching 15% of the target population)	High take-up (reaching 25% of the target population)
EU-28	2,997,356	9,991,187	16,651,978
Austria	37,988	113,964	189,94
Belgium	48,844	236,342	393,903
Bulgaria	n/a	115,667	192,778
Croatia	n/a	60,053	100,088
Cyprus	1,496	16,03	26,717
Czech Republic	8,953	61,042	101,737
Denmark	137,574	137,574	148,247
Estonia	2,088	9,491	15,819
Finland	49,935	57,617	96,028
France	625,324	1,187,324	1,978,874
Germany	198,513	875,794	1,459,657
Greece	7,522	282,091	470,152
Hungary	18,749	140,616	234,359
Ireland	12,648	79,048	131,747
Italy	298,547	2,035,551	3,392,584
Latvia	2,54	17,316	28,86
Lithuania	n/a	15,883	26,472
Luxembourg	4,177	8,467	14,111
Malta	3,908	20,213	33,688
Netherlands	195,252	325,419	542,365
Poland	14,588	312,603	521,005
Portugal	139,575	486,888	811,48
Romania	12,268	460,043	766,738
Slovakia	n/a	42,81	71,351
Slovenia	5,282	25,556	42,594
Spain	448,37	1,724,501	2,874,169
Sweden	159,298	159,298	200,123
United Kingdom	537,218	1,046,528	1,744,214

Explanatory note: The study used EU Labour Force Survey data for 2014.

Source: Advice about the financial implications for initiatives to upskill low-skilled adults (VT/2016/007)

Based on the assumptions and data detailed above, the estimated cost scenarios targeting the whole low-qualified population and targeting only the low-qualified unemployed are presented respectively in Tables 6 and 7.

Table 6: Estimated cost scenarios targeting all low-qualified population

	Low cost (€495 per participant)	Medium cost (€2,370 per participant)	High cost (€4,180 per participant)
Baseline scenario (4.5% of the target population)	€1.48 billion	€7.10 billion	€12.53 billion
Medium take-up scenario (reaching 15% of the target population)	€4.95 billion	€23.68 billion	€41.76 billion
High take-up scenario (reaching 25% of the target population)	€8.24 billion	€39.47 billion	€69.61 billion

Source: Advice about the financial implications for initiatives to upskill low-skilled adults (VT/2016/007)

Table 7: Estimated cost scenarios targeting only low-qualified unemployed population

	Low cost (€495 per participant)	Medium cost (€2,370 per participant)	High cost (€4,180 per participant)
Baseline scenario (4.5% of the target population)	€0.16 billion	€0.78 billion	€1.37 billion
Medium take-up scenario (reaching 15% of the target population)	€0.54 billion	€2.56 billion	€4.56 billion
High take-up scenario (reaching 25% of the target population)	€0.90 billion	€4.31 billion	€7.60 billion
All unemployed scenario (reaching 100% of the target population)	€3.6 billion	€17.24 billion	€30.4 billion

Source: Advice about the financial implications for initiatives to upskill low-skilled adults (VT/2016/007)

When estimating the cost for targeting only low-qualified unemployed adults, a fourth scenario was developed, estimating the cost of covering the total (100%) population of low-qualified unemployed adults, showing the potential total cost of such action at €30.4 billion. However this estimate is likely to be less realistic to be achieved, as it would imply a 100 % take up in this target group and would require to involve in training the least motivated and hardest to reach adults.

The overall estimation exercise implies that the most likely, medium level take-up scenario with medium level cost would imply a total cost of €23.68 billion reaching out and up-skilling 15% of the total low-qualified population – i.e. around 10 million adults.

To put these figures into the perspective, existing European financing programme, i.e. ESF already reach-out to comparable (or larger) number of people targeted by its interventions.

In the new financial period of the European Social Fund, 2014-2020, funding under the thematic objective 'Investing in education, training and vocational training for skills and life-long learning' could be redeployed to support the implementation of the Skills Guarantee.

For example, during the 2007-2013 multiannual financial framework (MFF), the total amount allocated for ESF human capital development interventions was €51 billion. By the end of 2013 the actual spending was 33 billion (2 additional years were left for implementing and reporting the interventions from 2007-2013 MFF) which allowed to achieve some 49.7 million individual participations (some participants possibly participated in more than one activity, thus the number of unique individuals reached is likely to be smaller). Out of those, 2.7 million participations results in qualifications that have been attained partly or fully co-financed by the ESF.

For the MFF 2014-2020, there are three different ESF priorities, through which initiatives targeting low-skilled people could be supported:

- Social inclusion investment priority, with total allocated financing of €21.2 billion;
- Sustainable and quality employment investment priority, with total allocated financing of €30.8 billion;
- Education and vocational training investment priority, with total allocated financing of €27.1 billion.

Examples of similar interventions, implemented in different EU member states are presented in Table 8.

Table 8: Selected examples of relevant interventions

Skills for Life (UK, 2004-2007)	Training in basic skills (adult literacy, numeracy and ESOL from pre-entry to level 2 according to need).	Adults (16+): unemployed, low-skilled employees, groups at risk of exclusion.	Overall cost estimated at £5 billion since 2001. Programme engaged 5.7 million learners on 12 million courses with 7.6 million achievements. Cost per participant = £880. Cost per achievement = £660. Cost per qualification varied according to type (from £460 for numeracy to £1,030 for ESOL) and level (from £400 for L2 to £960 for entry level)
New Opportunities Initiative (PT, 2005-2010)	Adult education strand aimed to increase level of basic skills. This involved: - Recognition and validation of competences (RVC) - Education and training equivalent to upper secondary education	Adults (18+) who had not finished upper secondary education. Primarily unemployed/inactive but courses in evening also available for the employed.	Part funded by ESF (RVC). 70% of an € 800 million budget was allocated to adult education. At December 2010: there were over 167,500 enrolments; over 422,000 adults obtained a certification (362,588 had obtained RVC and 58,984 had completed courses), the number at secondary level was 113,000. Number of RVC centres increased from 98 in 2005 to 453 in 2010.

	Decentralised delivery approach which involves enrolment, diagnosis and undertaking the agreed plan (validation or enrolment in training).		
ESF Portugal - Education and training courses for adults	Its key aim was to provide adults with no or with inadequate qualification the opportunity to obtain adequate school education and professional training with the respective double-certification. It delivered training and additional learning assistance (advice, guidance, and certification).	Adults with low educational attainment. 95% of participants were at ISCED level 2 or below.	Cost per participant was €4,180, for 269,919 people. The total actual budget reached €1.12 billion.
ESF – France National OP Support to job mobility and employees outplacement	It aimed to support people in their retraining/return to job at local level. It delivered trainings and created networks between stakeholders.	It targeted workers in precarious situations.	Cost per participant was €6,390 for 102,975 participants, reaching an actual budget of €658 million.
Further vocational training (Germany)	<p>Further training in the format of initial vocational training; continuing training to up/re-skill in own occupation/sector.</p> <p>Duration varies strongly depending on the type of training and whether or not it leads to a recognised VET qualification. The duration of the intervention is 5.3 months on average.</p>	Unemployed and low-skilled adults, i.) not holding any formal qualification and work experience of at least 3 years or ii) holding a recognised qualification, but has not worked in the profession but instead worked in a job for unskilled workers for more than 4 years.	<p>In 2013, training costs to the Federal Employment Agency were €4,400 on average per capita. This excludes unemployment benefits the participants receive. The total budget was €1.54 billion.</p> <p>Effectiveness: 46.5% of participants were integrated in the labour market 6 months after participation</p> <p>151,000 individuals took part in 2013.</p>

Source: Advice about the financial implications for initiatives to upskill low-skilled adults (VT/2016/007)

Member States can also apply for the Erasmus+ funds in order to build institutional capacity, to exchange good practice and organise peer learning/counselling together with other countries.

The projects of the National Coordinators responsible for implementing the European Agenda for Adult Learning, also financed by the Erasmus+ Programme, can be used to build or strengthen cooperation between all stakeholders and develop frameworks within which all stakeholders can work to support the Skills Guarantee.

All the evidence presented above confirms that the scope of the initiative, while ambitious, is feasible to implement and corresponds in terms of scale and ambition to some existing or previously implemented interventions in different EU Member States.

3.4.2. Potential Benefits

As mentioned before, low skills come with a high cost to society, economic growth and cohesion, as well as to individuals. They also have a correlation with the skills level of future generations and as such can perpetuate a low skills trap to the individual and to the society as a whole.

DG EMPL evidence shows that skills and capital investment are complementary. A better skill mix will therefore lead to higher better endowment of workers with capital. Both higher investment and better skills increase labour productivity – which is important as both labour demand and the development of wages crucially depend on higher productivity. Higher demand for labour will result in higher employment. As a result, with labour productivity and employment increasing, higher potential growth will be the outcome of investment into skills and education.⁷⁸ One can expect that in the course of the forthcoming demographic change (i.e., the projected decline of working-age population by some 0.4% every year over the next four decades), potential employment growth will slow down to some extent. The pressure to generate economic growth will hence increasingly rely on much higher productivity gains in the future.⁷⁹ It is therefore inevitable to invest in human capital now in order to pave the way for economic growth in the long run.

When reviewing the benefits of investing in second chance education and training programmes, the following types of benefits should be considered:

Table 9

Type	Description
Direct	Economic benefits to individual participants
	Social benefits to individual participants
	Economic benefits to employers
	Fiscal benefits to the state (such as the reduced need for other training/support, lower welfare payments and higher tax receipts related to those who gain employment or increase their wage as a result of the intervention)
Indirect	Wider economic benefits
	Wider social benefits
	Spillover effects on third parties

Source: Advice about the financial implications for initiatives to upskill low-skilled adults (VT/2016/007)

⁷⁸ The following articles provide model-based evidence on this transmission path:

European Commission, Employment and Social Developments in Europe 2015 (ESDE 2015), Chapter II.2 (p. 185-187) with a focus on the impact of labour migration of different education-levels:

<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7859&furtherPubs=yes>

European Commission, Employment and Social Developments in Europe 2014, Chapter 2 (pp. 126ff) with a focus on the return on investing in human capital: <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2172&furtherNews=y>

European Commission, Employment and Social Developments in Europe 2013, Chapter 1 (LMM on pp. 104-109), where we focus on skills and training vis-à-vis demographics: <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7684>

⁷⁹ Peschner, J., Fotakis, C., Growth potential of EU human resources and policy implications for future economic growth, DG EMPL Working Paper 3/2013: <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1970&furtherNews=yes>

OECD showed in its PIAAC report, hourly wages are strongly associated with skills proficiency levels, with an average median hourly wage of workers scoring at level 4 and 5 (PIAAC levels) 61 % higher than that of workers scoring at or below Level 1. Skills proficiency is also positively associated with other important aspects of well-being, notably health, beliefs about one's impact on political process, trust in others, and participation in volunteer or associate activities⁸⁰.

As to the wider economic and social benefits, Cedefop is currently finalising a study on the economic and social consequences of Europe having too high a proportion of low-skilled adults, especially in the workforce (Cedefop 2016, forthcoming). The ultimate aim of this study is to understand - and when possible measure in monetary terms - the benefits for society of re-engaging out-of-work adults in the labour market.

The study clearly confirms the positive consequences for individuals of being higher-skilled, as well as the positive impact of higher skills for individual employers:

- People with higher skills have a lower probability of experiencing spells of unemployment and inactivity and they are less likely to get trapped in low-skilled occupations when employed. Not only does a higher level of education matter, but also higher cognitive and digital skills play a significant role in reducing the probability of being out-of-work as well as experiencing wage penalties.
- Being higher skilled tends to be associated with a set of additional positive conditions for individuals, including better quality of health and lower crime rates compared to those with lower level of education.
- Finally, when it comes to the benefits of higher skills to businesses and employers, there is evidence of productive gains and higher return on investment related to higher level skills that benefit the individual firm, both directly and indirectly along the supply chain.

All these factors are inevitably associated with the benefits of investing in skills not only for individuals but also for economies and societies as a whole, including the reduced need for public expenditure on unemployment and social benefits, public health and security.

Due to the existence of the external costs and benefits of skills investment, which cannot be factored in when undertaking analysis at the individual level (microeconomic analysis), a further aggregate approach, macroeconomic analysis has been undertaken to estimate the benefits of up-skilling for the European economy.

Based on macroeconomic growth models, Cedefop has estimated the potential impact of higher level of skills on GDP growth per capita, using observed market data (GDP/GDP per capita) and other relevant macroeconomic variables from the European Commission's AMECO database and the Total Economy database of the Conference Board. The estimate shows that a one percentage point increase in the intermediate skills of the adult population (ISCED levels 3-4), could boost the GDP per capita growth rate by 0.99 percentage points. Since the estimate comes from cross-country regressions, it takes account of general economic conditions and unemployment levels, which affect returns to skills and the micro-economic decision to invest, as well as externalities resulting from diffusion and spill-over effects.

⁸⁰ OECD Skills Outlook 2013, First results from the survey of Adult Skills

Using this empirical evidence, Cedefop has simulated the long-term output growth based on higher level skills. This simulation was developed taking into account CEDEFOP's scenarios as to the decrease of the share of low qualified adults by 2020 and by 2025.

The share of low-qualified people has been falling continuously by about 0.73% percentage points per year during the last decade (this is also referred to below in the Cedefop research as “baseline scenario”). This is primarily due to the fact that up until now cohorts entering the labour force have on average higher level of education and skills as compared to cohorts who leave the labour force for retirement. However this natural increase in the level of education/skills among the labour force will not in any near future solve the underlying challenge of having a large number of adults with only low level of skills, for these reasons:

- A substantial share (20.8% in 2015, based on EU LFS) of low-qualified adults belong to prime-age group 25-54;
- A substantial share (17.3% in 2015, based on EU LFS) of young adults (i.e. aged 20-24) also still enter the labour force with only a low level of qualification;
- The rate of up-skilling of the labour force is slowing down as the difference in educational attainment between cohorts leaving the labour force and cohorts entering the labour force get smaller.

If no additional action is taken, based on the latest available Cedefop skills forecasts, the share of low-qualified adults within the working age adult population in the EU would still be 18.6% in 2020 and 16.6%.in 2025.

By measuring the economic benefits of higher skills to the European economy in terms of increased output growth, CEDEFOP analysis shows that, compared to a baseline scenario of the continuously decreasing share of low-qualified adults, a further reduction in the share of low-qualified people in the working age population by 4 percentage points (so that, for example, in 2020 the forecast share of low-qualified adults would fall from around 18% to around 14%), would result in an increase of EU annual GDP of around € 350 billion.

The estimated reduction by 2020 in the share of low-qualified adults in the working age population from 18% to 14%, as quoted above in the Cedefop research, at the same time means a reduction in the absolute number of low-qualified adults of around 20%. This number can be compared to the number of low-qualified adults to be targeted in the cost - estimation scenarios. Up-skilling 20% of the low-qualified adult population would correspond to a mid-point between the medium (upskilling 15% of all low-qualified adults) and the high (upskilling 25% of all low-qualified) take-up cost-estimation scenarios.

The evidence presented above shows that, whichever scenario is adopted, and whichever level of intervention is chosen, the cumulative benefits would vastly outstrip the costs. Thus, as compared to any of the cost scenarios, evidence seem to suggest that any investment in skills would very likely result in a substantial positive net return on such investment.

Conclusions

In conclusion, the proposed Skills Guarantee is intended to bring significant benefits to individual, to society and to the economy. As is pointed out by the OECD, “investments in improving adults’ proficiency in literacy, numeracy and problem solving in technology-rich environments may have significant benefits. Independent of policies designed to increase participation in education and training, improvements in the teaching of literacy and numeracy in schools and programmes for adults with poor literacy and numeracy skills and limited familiarity with ICTs may result in considerable economic and social returns for individuals and for society as a whole.”⁸¹

⁸¹ OECD Skills Outlook 2013, first results from the survey of adult skills. p 246. OECD, Paris. 2013