



Brussels, February 2016  
EMPL.E.3

**Subject: New Skills Agenda for Europe: low skilled adults**

This note outlines the context for a proposed New Skills Agenda for Europe, highlighting the challenges that it aims to address and suggesting possible elements of solution. In your role, as national coordinators for adult learning, we would like to ask for your feedback especially on one of the major challenges identified, namely the significant share of low skilled adults in Europe. You are invited to respond, by 11 March, to a set of questions related to this challenge.

Concrete examples of policy and provision in your country that address the challenges outlined in this note would also be welcome.

We intend to discuss your feedback at the next Meeting of the National Coordinators Network in April.

## 1. GENERAL FRAMEWORK

### 1.1. Introduction

The future growth, resilience and prosperity of Europe lie with its people. As the workforce shrinks with demographic ageing, Europe urgently needs substantial increases in productivity. **Fostering and using talent and skills** will be essential to shape the future of our society and respond to challenges of technological progress, digitalisation, globalisation and the move towards a greener economy. The Commission is therefore preparing to launch an EU Skills Agenda to invite all Member States and stakeholders to join efforts and focus action on three main priorities:

1. Ensuring higher and more relevant skills for all;
2. Promoting better visibility and use of available skills, including of EU mobile workers and third-country nationals;
3. Reaching a better understanding of skills needs and trends in the labour market

### 1.2. Higher and more relevant skills for all

A minimum level of basic skills, especially **numeracy and literacy**, is at the core of people's ability to access work, perform well in most jobs and to play a full part in society. Yet 70 million European adults and one in five fifteen-year-olds have insufficient levels of literacy or numeracy, with a high risk of being locked in a “low skills-low job” trap.

**Digital skills** are essential to perform in all sorts of jobs, work processes and everyday life in a digitised economy.

**Transversal skills** (as opposed to job-specific skills) like communication, proficiency in foreign languages, entrepreneurship, working in a team, problem solving are in high demand in the labour market. Finally, **high-end skills** will, by 2025, characterise almost half of all job openings (including both new and replacement jobs) in the EU.

Given the above, it seems important to focus action on the following issues:

- 1) **Every individual should have an opportunity to attain at least a minimum level of skills** on which to build more complex and higher skills and access good quality jobs. Member States should provide alternative flexible pathways to individuals, including a combination of validation of skills acquired outside formal education and a relevant offer of education or training.
- 2) **Education and training should modernise what and how they teach**, while ensuring employers' involvement in designing curricula and delivering worked-based learning opportunities. Member States need to rethink the core skills to be taught and learned, and transversal skills need to be part of the curricula.
- 3) More joined up approaches between national public employment and business development services should be developed to **raise entrepreneurship skills** and help more job seekers become self-employed;
- 4) **Mobilising quality business-education partnerships** should become a priority at national and regional level to increase the number of "real-life" work experiences during education and training.
- 5) **Promote performance based funding in VET** with a view to stimulate VET providers efforts in raising quality and efficiency and increase the responsiveness of VET provision to labour market needs.
- 6) **Access to continuing VET (C-VET) must be improved for workers, particularly in SMEs.** Member States must support a more integrated approach to the planning and provision of CVET through equitable financial incentives. Stronger cooperation between trainers, companies and social service providers can lead to relevant and quality training outcomes.
- 7) **Efforts should be stepped up to inform students and their families about the labour market outcomes of education and training.** For example, showing evidence on employability and wages of IVET graduates can help young people to make informed career choices. Regarding Higher Education (HE), system-level graduate tracking, with data on graduate employment outcomes and feedback from graduates on their skills use, can generate valuable information for improving the relevance of HE.
- 8) **More opportunities for mobility periods abroad** have to be created given their real positive impact on employability, building on the success of Erasmus mobility programme.
- 9) **Education and training should be enriched with new research-based and industrial knowledge.** Interdisciplinary courses should be promoted and exploited to nurture innovation and cross-fertilisation. Interaction among higher education and training institutions, businesses and research institutes should be encouraged.

### 1.3. Better visibility and use of available skills

**Even when skills are available, they are not always properly identified or used.** Around 30% of highly-qualified workers are in jobs usually requiring medium to low-level

qualifications, with a clear under-utilisation of their skills. In some areas and sectors skills shortages could be partially filled by resorting to skilled workers from other EU/non-EU countries.

However, the lack of understanding and, to some extent, trust in the quality of qualifications acquired in another EU/ non-EU country remains an obstacle to workers mobility. The same goes for skills acquired outside formal learning, e.g. through work experience, volunteering or via online learning. These skills are often not properly documented and they are not sufficiently taken into account in the recruiting process or put to use in the workplace.

**The current influxes of migrants and refugees into the EU also call for a more sustained approach and share of information between Member States** on validation practices of skills and qualifications of third-countries nationals.

Given the above, it seems important to focus action on the following issues:

- A new impetus is needed to **improve the effectiveness of the European Qualifications Framework (EQF)** by opening it up to qualifications awarded by international sectorial bodies or multinational companies; by reinforcing the role of qualifications frameworks in recognition practices; and by boosting qualifications transparency between the EU and other parts of the world. It can also further promote more flexible qualifications by facilitating credit accumulation in different types of education and training, including non-formal and informal learning.
- The feasibility of **using the multi-lingual classification of European Skills, Competences, Qualifications and Occupations (ESCO) to provide automatic translations of individual qualifications** should be explored.
- Similarly, mechanisms should be developed to **support the validation in all Member States of skills already validated in one** – including validation of skills acquired through digital services. This is particularly urgent in regards to validation of skills of migrant population.

#### **1.4. Better understanding of skills needs and trends in the labour market**

Overcoming skills gaps and mismatches requires a **better understanding of labour market needs and trends, including at regional/local level and phenomena of brain drain**, which is essential to develop appropriate short, medium and longer term solutions to address national, regional, sectoral and occupational bottlenecks. Evidence is generated by the EU and national initiatives to monitor and anticipate changing labour demand, but it remains patchy. There is a lack of timely information on sectoral and regional needs and rare cases of systemic feeding into policy and decision making. New techniques like big data analysis and data mining are largely underexploited. Moreover, awareness and understanding of the existing EU tools and services geared towards transparency of skills and qualifications is rather low - thus limiting their effectiveness. This is largely due to the lack of interoperability among the different tools and services and them being frequently not up to date with the requirements of modern digitalised learners and workers.

Given the above, it seems important to focus action on the following issues:

- **Effective national and regional business-education partnerships** should seek a common understanding of skills needs and develop more accurate forecasts to benefit the local economy, ensure that investment in education and training is made where it is

most needed, foster better functioning local communities and retain and attract the talent needed in specific regions and industries.

- At EU level all the available **intelligence from European data sources and EU-funded initiatives<sup>1</sup> needs to be gathered and integrated with real-time companies' and employers' data** to fill the gap on skills intelligence. Modern tools like web-crawling instruments and big data analysis should be used to collect, at European scale, information skills required in vacancies, wage offered, duration of the vacancy and number of applicants per vacancy, thus diminishing costs for data collection at national level.
- **Gathering evidence on brain drain** in the MS and stimulate peer learning on the basis of identified best practices
- To further support individuals and companies, **EU tools and services on skills and qualifications need to be streamlined and simplified** in order to ensure, better-targeted and more user-friendly instruments.

### 1.5. Supporting National Reforms

Over the last few years, the European semester - the annual cycle for the coordination of economic policies at EU level – has identified skills related challenges as critical for a number of Member States. Yet, boosting skills levels does not rank among top priorities of national reform agendas.

**A stronger ownership and political pledge from all Member States and reinforced partnerships between all relevant stakeholders** (education and training providers, social partners, business, employment services, regional and local authorities) are essential to overcome the skills challenge. In order to support a coordinated approach at national level, the Commission intends to assist Member States in:

- **developing comprehensive national skills strategies and action plans** to aid with the implementation of skills related Country Specific Recommendations. Financial support will be available to countries wishing to involve all relevant stakeholders in this endeavour and agree on an all-encompassing national approach to skills development.
- **fostering strong coordinated operational arrangements at national level** to boost dissemination of information on funding opportunities for skills development and support a more coordinated approach to career guidance across different sectors (education, social services, PES). Partnerships and coalitions between local public and private employment services, businesses and education and training counsellors need to be equipped with up-to-date information on labour market opportunities, needs and trends, including on digital skills. Proper-functioning and better coordinated national networks (currently being financed through EU budget) could be a useful platform to better reach our target audience and achieve their goals more effectively.

A number of **EU funding instruments** support the development of skills (the European Social Fund, the Youth Employment Initiative, Erasmus+, etc.). They need to be fully exploited to tackle the challenges of skills anticipation, development and recognition and aligned with current priorities such as the need to integrate migrants and refugees.

Also, opportunities offered by the European Investment Bank (EIB) and other financial actors and products, e.g. the European Fund for Strategic Investments, need to be better

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<sup>1</sup> Such as the European Skills Panorama and the European Sector Skills Alliances.

exploited to **boost private sector investment in skills development**. To this end, the Commission intends to explore:

- possibilities to **extend the scope of the EIB 'Skills and Jobs - Investing for Youth' loan programme** to cover adults;
- possibilities to **increase the use of other instruments, such as training vouchers**, to promote training (especially in digital skills), including for low-skilled employees.

## **2. UPSKILLING ADULTS**

### **2.1. Challenges identified**

The Skills Agenda addresses the challenge of improving the skills of the European Union workforce in general. But amongst the group of adults whose skills would benefit from being improved, there is one very large group that presents a particular urgent challenge: those adults who struggle with basic skills. These skills are crucial both for long term employability and for active engagement in changing societies. The Commission is considering launching an initiative to address this challenge.

Data show that as many as a fifth of European adults possess minimal or only rudimentary levels of proficiency in literacy and numeracy; 40% of EU citizens have only low level or no digital skills. As regards qualifications, in 2014, the share of EU28 population (aged 25-64) without at least an upper secondary education qualification was 24.1%, with large divergences between Member States.

Despite Member States having adopted the European Agenda for Adult Learning in the context of ET 2020, and having received European financial support towards its implementation, progress is very slow. Progress has been very limited also towards reaching the ET 2020 benchmark of 15% adult participation in learning: the EU average adult participation in any kind of learning stands at 10.7%, but there are eight countries where the proportion of adults taking part in any kind of learning was at or below even 5% (three countries have over 25%). Despite the existence in most Member States of some form of 'second chance' for adults who left school without a certificate, still only 3.6% of adults obtained a qualification by this method.

This limited progress is driven by two specific problems: (1) limited provision for outreach, guidance, and individualised support to adults to engage into further training and (2) limited flexibility and quality of education and training provision, adapted to the particular needs of adults with low basic skills.

### **2.2. Limited provision for outreach, guidance, and individualised support**

The low levels of skill amongst adults can in part be attributed to the shortcomings of the initial education and training systems in previous decades. But these low levels of skill are also a sign that current education and training systems are ineffective: more work needs to be done to ensure that no-one leaves initial education and training without all the skills they need for life and work; current systems also need to do more to attract low-skilled adults back into learning, whether in formal or informal settings such as the workplace. Education and training systems that are conceived and implemented as a seamless whole can more easily ensure that no-one slips through the skills net.

Most low skilled adults do not return naturally to learning and training, unless outreach and support measures are in place, as well as arrangements enabling them to validate skills and competences acquired through prior experiences and non-formal and informal learning.

Some illustrations of the above:

- Of the 56.7 million (78.2%) low qualified adults who did not take part in education/training in the previous 12 months, 47.3 million (65% of total) did not want to take part in learning; this suggests deficiencies in Member States' programmes of outreach and awareness-raising about the benefits of learning and points to the need for better support and more flexible and accessible provision by Member States.
- For adults, in most countries, the main publicly subsidised career guidance services are located within public employment services (PES). While, theoretically they are open to all adults, in reality, the provision they ensure – including guidance services – is often restricted to unemployed jobseekers. However, a high share of low qualified and/or low skilled people is represented by adults already in employment. The guidance services for adults outside PES are limited in most European countries. In other words most countries do not have a structural guidance service that could be used by every adult, no matter whether in employment or not, enquiring about further education and training opportunities.
- Low skilled adults represent a highly heterogeneous group, including different specific groups which could also vary widely in terms of predominance, from one country to the other and even within different regions in a country. There is therefore, no one-size fits-all solution and support should be individualised to the specific needs of the concerned individuals. However, such individualised support is unevenly available across the EU and even within individual Member States.
- Furthermore, there is evidence that indicates that adults engage easier into further training if they have the possibility to obtain a validation and recognition of skills acquired outside the formal education system. However, only few countries currently offer adults a skills assessment or audit, that would enable on one hand recognition of skills previously acquired in non-formal and informal settings and on the other hand, an individualised offer for further education and training (in all possible settings, formal, non-formal and informal) taking into account the specific needs for upskilling.

### **2.3. Limited flexibility and quality of education and training provision**

The needs of training for low skilled adults may be quite varied: strengthening basic skills, achieving a full qualification that gives better prospects on the labour market, job related training either for entering the labour market or for continuing and further training on the job. All these different types of provisions could be delivered in many different settings and by different types of providers. However, key elements in each of these cases, are, in addition to the support structures mentioned under point 2.1 above, the possibility to acquire the needed learning outcomes in flexible, non-school like settings and the quality and recognition of skills acquired through the further training. Flexible pathways have been shown to lower barriers to adult participation (e.g. distance learning, blended learning, modular learning...).

- When it comes to programmes focusing only on basic skills enhancement, only half European countries have dedicated programmes or frameworks for the provision of basic skills to adults, of these a few countries recognise dedicated basic skills programmes within their qualifications frameworks and structures. These programmes are most often at lower secondary education level (ISCED 2).
- The approaches to delivering upper secondary (ISCED 3) qualifications to adult learners include standalone 'adult upper secondary education' programmes, frameworks for adults that cover several levels of qualifications, or delivering adult upper secondary

programmes in mainstream upper secondary education and training.

As indicated above, adults benefit from non-school settings; this is because an approach which requires an adult to undergo the entire school curriculum – and school exams again – is often unattractive to people who have often had negative experiences of formal schooling. Indeed, the current ISCED 3 offer appears not to be attractive to the target group in several Member States: on average only 3.6% of Europeans (25-64) gained their upper secondary qualification during adulthood (after age 25); this is far from being sufficient, taking into account the overall size of the potential target group.

- For adults with low levels of skill, the most obvious place both to practise existing skills and to develop new ones is in the workplace. Although there are a few good examples, however, in most workplaces, a culture in which continued learning and training is the norm for all employees is still the exception rather than the rule. SMEs in particular seldom invest in staff training.
- When it comes to quality, a recent study on Quality in Adult Learning, found that only very few countries in the EU have elaborated quality systems in place on macro level for adult formal as well non-formal learning and that most of these countries are also performing better in terms of participation in adult learning and have higher educational attainment levels. Lack of quality translates into lower return on investment in upskilling as well as a lack of attractiveness to engage further in training.

#### **2.4. A flexible pathway approach**

In many ways, an ideal approach to enabling all low-skilled adults to reach at least a minimum level of literacy, numeracy and digital skills or reach an educational attainment that gives them better prospects on the labour market would be a flexible pathway approach. This might involve, for example, a range of provision including: outreach to attract hard-to-reach groups back into learning, an assessment of the individual's skills levels, the validation and recognition of any skills already acquired outside formal education, and a tailor-made offer of a package of education or training to bring the individual up to the desired level of literacy, numeracy and digital competence.

Quality of provision and efficient cost sharing arrangements would be needed. Equally important would be the effective coordination of the various types of intervention in this area and a clear political commitment to address the issue.

#### **QUESTIONS**

##### **Helping low-skilled and low-qualified adults**

1. Given poor employment and social prospects for low-skilled adults, what can be done at European level to help them attain higher levels of skills and qualifications?
2. Which are the critical factors for ensuring successful policy intervention for tackling the low skills gaps among adults of working age?
3. Of the specific issues identified in 2.2 and 2.3 above, which are most amenable to public policy intervention?
4. What kinds of obstacle stand in the way of implementing a 'flexible pathway' for low-skilled adults, as sketched out in 2.4 above?