

ROADMAP			
TITLE OF THE INITIATIVE	Skills Guarantee		
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ADDITIONAL INFORMATION			
This indicative roadmap is provided for information purposes only and can be subject to change. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.			

A. Context, Subsidiarity Check and Objectives
<p>Context</p> <p>Europe's economic and social success is to a large extent based on the skills¹ of its population. Skills provide the basis for active citizenship, innovation and competitiveness and must be acquired at all stages of education, long before people enter the labour market. High productivity and sustained competitiveness and growth depend upon a skilled and adaptable workforce and on making full use of the skills available. Countries that have high shares of adults with low proficiency in basic skills have lower levels of labour productivity and ultimately lower prospects for growth and competitiveness.</p> <p>The skills levels of the working age population are strongly linked to their success in the labour market and engagement and participation in society. Adults with high levels of proficiency in literacy, numeracy and digital skills have a much lower probability of being unemployed (4%) or inactive (18%) than those with low levels (9% and 36% respectively)².</p> <p>Even when they are in employment, low skilled people are exposed to higher risks of job loss. By 2025, of all job openings (including both new and replacement jobs) only 12.8% will be of an elementary nature. In the near future 90% of jobs will require some level of digital skills. Even 'elementary' jobs traditionally requiring no or low-level qualifications are expected to become more complex. The demand for low skilled workers will decrease by 2025, and the employment level of low skilled workers will fall by 22%, compared with an increase in employment across all skill levels of 3%.³ In addition, new ways of working, including collaborative economy models, increased independent and contract-based work, more frequent job changes (for necessity and opportunity), and changes in work organisation all have an impact on the types of skills needed. A high level of skills is the</p>

¹ In this document the term "skills" is used in a broad sense and refers to what a person knows, understands and is capable of doing, this encompasses knowledge and competences

² OECD PIAAC – the survey of adult skills 2013.

³ <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5526>

best way to prevent individuals becoming unemployed, reducing the risk of poverty and social exclusion and increasing engagement in society⁴.

Adults' low levels of basic and digital skills can, in large part, be attributed to earlier and current shortcomings of initial education and training systems that either allowed many to leave school before completing compulsory education or did not guarantee a sufficient quality of learning outcomes, as is evidenced by the PIAAC results and the uneven progress in reducing the share of early school leavers. There is also slow progress on key policy targets. The share of early leavers from education (18-24 year olds) should be below 10% by 2020 but is still 11.1%. The share of adult (15-64) participation in learning is still 10.7%, compared with the agreed target of 15% by 2020; and the share for low qualified adults is even lower with only 4.4% of them participating in learning.⁵ Limited progress has also been confirmed in the Joint Report on ET 2020 under the Renewed European Agenda for adult learning (EAAL)⁶.

This initiative is part of the New Skills Agenda initiative under the European Commission's first political priority⁷, "A New Boost for Jobs, Growth and Investment". The Commission Work Programme 2016 announced that the **new skills agenda** will promote life-long investment in people, from vocational training and higher education through to digital and high-tech expertise and the life skills needed for citizens' active engagement in changing workplaces and societies. It is an initiative that will strengthen the inclusiveness of the labour market and social investment and move Europe towards upward social convergence.

This initiative complements and reinforces the **Youth Guarantee and Long Term Unemployed** Recommendations; if an education and training offer is put forward under these instruments for low qualified individuals, the offer would be on a par with the upskilling pathways proposed in the present initiative. The current proposal would also contribute to implementing the Council Recommendation on early school leaving.

In the context of this initiative, the term "low skilled adult" refers to a person in the working age population (15-64) who has left the initial education and training systems and has low levels of proficiency in literacy and/or numeracy and/or digital skills. "Low qualified adult" refers to any individual, in the same age group, who has left the initial education and training system without an upper secondary qualification.

The initiative is not part of the REFIT agenda.

Issue

1. A high number of adults with low levels of basic literacy, numeracy and digital skills

The Skills Agenda identifies, as one of the three challenges it aims to address, the insufficient skills levels of Europeans. Under this general challenge, this proposal focuses on the high proportion of adults in Europe **with insufficient levels of basic literacy,**

⁴ European Commission, Annual Growth Survey 2016, COM(2015) 690 final

¹² Eurostat LFS 2014

⁶ OECD, Adults with low literacy and numeracy skills – A literature review on policy intervention (2015)

⁷ A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change, Political Guidelines for the next European Commission, 2014

numeracy and digital skills. A fifth of Europeans possess minimal or only rudimentary levels of proficiency in literacy and numeracy⁸; 40% of EU inhabitants have only low level or no digital skills⁹. As regards qualifications, in 2014, the share of EU28 population (aged 20-64) without at least an upper secondary education qualification (the level seen as the basic requirement for successful entry to the labour market and continued employability) was 23.2%, ranging from 55.05% in MT to 6.95 % in LT. Moreover, the education outcomes are not evenly distributed across population sub-groups. For instance, 43.6% of third-country immigrants residing in the EU lack an upper secondary education qualification¹⁰ and migrants are much more likely than natives to have at best basic skills¹¹. However, these skills deficits are not driven primarily by migration; in terms of absolute numbers, and across Europe as a whole, **the majority of adults with poor basic skills are native-born**, and speak the official national language at home.^{12,13,14}

Thus, whether we count people with low levels of skill, or low levels of qualification, there are between 65 and 70 million individuals who are at a significant disadvantage as regards employability and social inclusion because of their insufficient level of basic and digital skills¹⁵. This not only affects them individually, but also jeopardises Europe's economic and social success.

2. Limited engagement of low skilled adults in education and training

In 2011, 21.8% of low-qualified adults (25-64) had taken part in education or training in the preceding year; 78.2% had not taken part. 10.4% wanted to take part but encountered difficulties which were not due to personal reasons and 6% wanted to take part but encountered difficulties for personal reasons¹⁶. 38.8 % of low qualified adults indicated that they did not need (further) education and training.

The limited engagement in further learning is due to obstacles that can be structural or situational, with a close link between the two.

(a) The following **structural problems** prevent participation:

-limited outreach and guidance¹⁷ - in most countries structural guidance service focus on the unemployed, whereas also adults in employment need further learning and would

⁸ OECD PIAAC

⁹ Digital Scoreboard

¹⁰ Eurostat, LFS 2014 [edat_lfs_9911]

¹¹ OECD-EU, Indicators of Immigrant Integration, 2015. See indicator 7.2: in terms of literacy score as measured by PIAAC, 32.2% of foreign-born persons have at best basic skills (level 1 or below) compared to only 13.9% among native-born persons.

¹² National Agency to Fight Illiteracy (ANCLI) (2008) Illiteracy: the statistics. Analysis by the National Agency to fight illiteracy of the IVQ Survey conducted in 2004-2005 by INSEE. National Agency to Fight Illiteracy.

¹³ EU High Level Group of Experts On Literacy (2012) *Act now! Final report: EU High Level Group of Experts on Literacy*. Luxembourg: Publications Office of the European Union.

¹⁴ OECD (2013) OECD Skills Outlook 2013: First results from the Survey of Adult Skills. Paris: Organisation for Economic Cooperation and Development. http://skills.oecd.org/OECD_Skills_Outlook_2013.pdf

¹⁵ In this document the term “Qualification” refers to a formal outcome of an assessment and/or validation process (e.g. a diploma or a degree) which is obtained when a competent body determines that an individual has achieved “learning outcomes” (knowledge, skills and competences) to given standards.

¹⁶ Eurostat: Distribution of the will to participate, or participate more, in lifelong learning [trng_aes_175]. Extracted 05.02.16.

¹⁷ In 2011 only 30% of low qualified adults declared that they have access to information on formal and non-formal education and training opportunities. 81% of low qualified Europeans (age 15+) never used a career guidance service. (Adult Education Survey)

benefit from access to such guidance services.

- **limited opportunities for skills audit and validation**¹⁸ - adults engage easier into further training if they can obtain a validation and recognition of skills acquired outside the formal education system¹⁹. However, most countries still need to develop validation arrangements and, in 2014, 19 countries indicated that they do not have in place a skills audit system²⁰.

- **limited individualised support**—as low skilled adults represent a highly heterogeneous group, there is no one-size fits-all solution, hence the need for a tailored approach. However, individualised support tailored to the specific needs of individuals is unevenly available across the EU²¹.

- **limited flexibility** of adult education and training provision: flexible pathways (e.g. distance learning, blended learning, modular learning etc.) have been shown to lower barriers to adult participation²², yet in many instances provision is not sufficiently adapted to the needs of adults. Only half European countries have dedicated programmes or frameworks for the provision of basic skills to adults. The current ISCED 3 offer appears not to be attractive to the target group in several Member States given that on average only 3.6% of Europeans (25-64) gained their upper secondary qualification during adulthood (after age 25) and there are substantial differences between countries²³. Literacy and numeracy provision in the workplace benefits both employees and employers²⁴, but 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: 24% of enterprises perceive literacy and numeracy skills as important but employees of only 7% of enterprises are developing these skills²⁵.

(b) **Situational obstacles**, relate to the specific context of the individuals concerned. For example, lack of motivation is one obstacle; often, adults who have had negative experiences of schooling are unwilling to submit themselves to further distress, especially in societies where 'going back to school' carries severe social stigma; OECD research also shows that those with weak basic skills are often unable or unwilling to recognise their weaknesses and, because of this, see no need to improve skills²⁶. This is also corroborated by the evidence from the Adult Education Survey.

¹⁸ A Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning (2012/C 398/01) invites Member States to set up national arrangement to enable individuals to have their knowledge, skills and competences acquired via non-formal and informal learning validated by 2018 and to be able to obtain 'a full qualification, or, where applicable, part qualification on the basis of validated non-formal and informal learning experiences. It also invites Member States to provide skills audits to unemployed people and those at risk of unemployment within six months.

¹⁹ Eurydice, Adult Education and Training in Europe –Widening Access to Learning Opportunities(2015)

²⁰ European Commission; Cedefop; ICF International (2014).European inventory on validation of non-formal and informal learning 2014. Final synthesis report <http://libserver.cedefop.europa.eu/vetelib/2014/87244.pdf>.

²¹ ibid

²² For example, the few countries that organise provision for attaining an upper secondary qualification on a subject basis, allowing learners to take shorter courses in distinct curriculum areas, tend to be more successful in attracting adult learners to such pathways. Eurydice, Adult Education and Training in Europe –Widening Access to Learning Opportunities (2015)

²³ Idem.

²⁴ OECD, Adults with low literacy and numeracy skills – A literature review on policy intervention (2015)

²⁵ Job-related adult learning and continuing vocational training in Europe. A statistical picture. Cedefop 2015

²⁶ OECD, Adults with low literacy and numeracy skills – A literature review on policy intervention (2015)

<p>Other situational obstacles include family responsibility, conflicting time schedule, costs, lack of employer support, proximity concerns etc. Among these, the first two appear to be the most frequently cited obstacles in the Adult Education Survey.</p> <p>Stakeholders potentially affected by this initiative:</p> <p>Low qualified and low skilled individuals that have left the initial education and training system. Companies, social partners, public employment and career guidance services, existing European networks and contact points dealing with adult education and training, early school leavers, second chance education. Education and training institutions and providers, national authorities responsible for education and training.</p>
<p>Subsidiarity check</p>
<p>Legal basis: Education policy related articles 165-166 TFEU; employment policy related articles 145-150 TFEU.</p> <p>Reasons for policy action at EU level:</p> <p>Skilled and qualified citizens, workers and consumers are at the heart of a fair, democratic, resilient and prosperous Union.</p> <p>Political agreement has been established within the strategic framework for education and training 2020 that the share of low skilled is too high and that it is a challenge that needs to be addressed at EU level. Progress achieved so far is however insufficient. Therefore, additional and concrete action in the Member states is needed to reduce the share of low skilled adults and to increase the skills level in Europe. Setting priorities and sharing results at EU level will support effective action at the level of Member States. The proposal respects fully the competencies of Member states while focusing on a common interest in ensuring a highly skilled population that can contribute to and benefit from prosperity across the EU.</p> <p>The issues identified in this analysis are all of EU relevance; their vast scale means that urgent coherent and coordinated action is required. A lack of focused policy intervention and investment in upskilling adults will only increase divergence within the EU and have negative consequences for cohesion and growth. A joint action by all Member State is needed to raise this challenge up the policy agenda and focus both policy attention and investment on achieving a significant drop in the numbers of low skilled Europeans.</p> <p>A coordinated approach at EU level would ensure synergies and cooperation, maximising positive spill-overs. One study²⁷ has estimated that significantly reducing the proportion of low-skilled adults could bring medium-term economic benefits such as an annual increase in GDP of between 0.7 % and 2.3 %. Offering a common approach is a possibility of reducing costs in Member states related national reforms on upskilling adults.</p> <p>This proposal contributes to reaching the Europe 2020 education, employment and poverty rate targets.</p> <p>The proposal will help to focus and optimise expenditure under the ESF.</p>
<p>Main policy objective</p>

²⁷ Individual and social costs of low-skilled adults in the European Union Cedefop 2015 (forthcoming)

One of the objectives of the New Skills Agenda initiative is to promote higher and more relevant skills.

The objective of the 'Skills Guarantee' initiative is to improve skills levels for low-skilled adults. The specific objectives are a) to improve **literacy, numeracy and digital skills** for the target group and b) to raise the educational attainment to the equivalent of upper secondary qualification for the target group.

This initiative complements the work on reforming the initial education and training systems, by focusing on those who are already out of the system without having acquired the skills needed to access and progress in quality work, actively take part in society and to access to further learning.

B. Option Mapping

Baseline scenario: No new activities or measures but improving implementation of various existing activities and measures

1. Specific reforms to be carried out by the Member States as addressed in the framework of European Semester;
2. Follow-up on the 2015 Joint Report on ET 2020²⁸, and implement concrete action in line with the ET 2020 framework
3. Support Member States through existing EU funding, including European Social Fund (ESF), Erasmus+, European Regional Development Fund(ERDF).

Option 1: Strengthen further existing instruments on low skilled adults

1. Consider the possible adoption of a new ET 2020 benchmark focusing on the educational attainment of adults, aiming to decrease the share of adults without an upper secondary qualification. Whereas the current ET 2020 benchmark on participation in lifelong learning only measures the share of the adult population that has taken part in training, the new benchmark would measure levels of adult educational attainment, as a proxy for higher levels of skills.
2. Through ESF and Erasmus+ support national debates on tackling the low skills gap bringing together all relevant governmental actors, social partners, education and training providers and other stakeholders to achieve common commitment to tackling the challenge
3. National progress towards reducing the share of adults with insufficient basic and digital skills to be specifically reported in the Joint Report 2020.
4. Increasing focus on the low skills challenge in the **European Semester**;
5. Work with Member States to better **target ESF resources** under the lifelong learning thematic priority specifically at operational programmes that provide flexible pathways for improving skills levels, in particular basic (literacy and numeracy) and digital skills of specific groups; incorporate effective monitoring and evaluation mechanisms.

Option 2: Develop a targeted approach to promote opportunities for low skilled

²⁸ 2015 Joint Report of the Council and the Commission on the implementation of the strategic framework for European cooperation in education and training (ET 2020) New priorities for European cooperation in education and training (2015/C 417/04)

adults to reach a minimum educational attainment equivalent to upper secondary education, and to improve their proficiency in basic literacy and numeracy and digital skills

This option is incremental to some of the elements under Option 1 and goes one step further in setting at EU level a comprehensive framework of action for raising the skills levels of low-skilled adults.

Member States will be invited to have in place flexible pathways allowing low skilled people to improve their proficiency in basic literacy, numeracy and digital skills and/or to reach a minimum educational attainment, equivalent to upper secondary education, leading to the acquisition of a broader set of skills inspired by the Council Recommendation on Key Competences.

In order to address the structural and situational obstacles described above, adequate support structures should be made available, notably: targeted outreach to attract hard-to-reach groups, skills audits to identify skills acquired outside the formal system and assess skills gaps, validation to make the most of skills acquired through non-formal and informal learning, tailored education and training provision –formal and non-formal- to meet the specific skills needs of each individual, and clear, flexible learning pathways. The support should be tailored to the specific needs of different target groups (e.g. early school leavers, recently arrived refugees, unemployed or economically inactive people etc.). In the case of migrants, the skills audit would identify any need for opportunities to upskill, and language training should be made available.

Quality of provision and engagement of all actors, including efficient cost sharing arrangements would underpin the targeted approach to upskilling efforts.

Actions 2-5 in Option 1 would underpin the implementation of the comprehensive framework in a national context.

This action could be pursued through a Council Recommendation.

Option comparison

The **baseline scenario** consists in the continuation of a number of different actions, already in the planning. Without any further EU intervention, it is expected that the trends observed in the latest years (see 2015 Education and Training Monitor, ET 2020 Joint Report, PIAAC analysis) will continue, namely uneven performance across the EU Member States with large gaps in basic skills proficiency between different countries but also within countries. Continued investment in upskilling programmes, not necessarily delivering the required quality and impact and not necessarily being well adapted to the heterogeneous target group. Therefore this option is unlikely to address the issues in a sufficiently targeted manner and to trigger the systemic changes that are needed for addressing the problem.

Option 1 The first action under this option would have the advantage of focusing policy attention at European level on the low skilled challenge. However, given the weak progress in the implementation of the current ET 2020 benchmark on lifelong learning, it may be questioned whether a new benchmark may have a greater impact. Actions 2-5 would have the advantage of placing a greater emphasis on action at national level, where intervention is mostly needed in order to bring a change.

Option 2 will have the advantage of generating European commitment but also action at national level based on a strong political commitment to address the low skills challenge for adults of working age, setting out a comprehensive and systematic framework for upskilling pathways. 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 when there is strong political commitment. By offering learners the choice between simply upgrading one or other skill, or going on further to achieve a qualification, it is hoped to attract even those learners who have had negative experiences of learning: they may start slow and build up their skills and or qualifications gradually. Elements of action under Option 1, would reinforce impact, by securing commitment of all involved actors at national level and better targeting of financial resources.

Under this option, countries will have to take into account costs on two levels:

- system level costs: Outreach, information, advice and guidance services, set up or extension of validation and skills audits arrangements, human costs associated with strategic coordination and monitoring of the initiative at national/regional levels
- direct costs for learning provision, assessment and recognition of skills acquired through the provision;

It is to be underlined however, that not all of these costs will be new, as countries already have in place some systems or elements of the systems needed to successfully deliver on the upskilling objective. Efforts should be made 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.

Proportionality check

The actions proposed under the three options are proportional to reaching the objectives. The choice of instrument for options 1 and 2 - a Council Recommendation - is proportionate and builds on existing acquis.

C. Data collection and Better Regulation instruments

Data collection

There is evidence available on the relationship between qualification and employment status in the OECD surveys of PISA and PIAAC which provide data on basic skills, and the Labour Force Survey contains evidence on the relationship between qualification and employment status. The annual "Education and Training Monitor"²⁹ takes stock of the progress achieved towards a set of indicators and benchmarks in the field of education and training, set by the Council.

A comprehensive ET 2020 stocktaking, including an independent evaluation, was carried out in 2014 addressing many of the issues covered by the present initiative.³⁰

In 2015 the European Employment Policy Observatory did an in-depth analysis of funded training provision across Member States aimed at raising the skills of adult unemployed people (25-64) with low levels of qualification or inadequate basic skills.

In the area of digital skills: i) the Digital Skills Indicator; ii) a recently launched study on ICT for Work: Digital skills in the workplace; iii) a recent CEDEFOP pilot employer survey on skills needs in 9 European countries; and iv) the updated report on e-Skills for Jobs in Europe – Measuring Progress and Moving Ahead (2015).

²⁹ http://ec.europa.eu/education/tools/et-monitor_en.htm

³⁰ http://ec.europa.eu/education/policy/strategic-framework/index_en.htm

Option 2 would require data collection on the take up of the opportunity for upskilling or gaining an equivalent upper secondary education qualification, which could be mainstreamed through the European Semester and processes set up in line with Education and Training 2020.
Consultation approach
<p>The general public was consulted on the European Area of skills and qualification (see previous section).</p> <p>A wide range of education and training stakeholders were consulted as part of the ET 2020 stocktaking.</p> <p>Recent consultations took place in the Advisory Committee on VET, the Meeting of Directors General for VET, and targeted consultations with social partners. Ongoing discussions with national authorities, social partners and other stakeholders are taking place in the meetings of relevant committees, advisory and working groups. Consultations with representatives of regional and local authorities will also take place.</p>
Will an Implementation plan be established?
Not applicable. A specific Implementation Plan will be developed.
Will an impact assessment be carried out for this initiative and/or possible follow-up initiatives?
Not applicable. An analytical Staff Working Document will be published.