



# Study on mapping opportunities and challenges for micro and small enterprises in offering their employees up- or re- skilling opportunities

Country reports<sup>1</sup>

Vol.2

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<sup>1</sup> See Vol. 1 of the study for methodology and definitions at: <https://europa.eu/!KB34px>

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## 1 GERMANY

Overall, 105 companies replied to the survey in Germany. Of these, 29 are micro companies, while the remaining 76 are small companies. 48 companies, almost half of the sample, have no low-qualified employees, while in 43 less than half are low-qualified. In 9 companies, more than half of the employees are low-qualified while in 4 companies, all of them are. In addition to the survey, 10 interviews with employers and 10 with employees in micro and small companies were carried out. The sample consists of 18 distinct companies, of which 8 are micro companies. Moreover, 6 experts and stakeholders were interviewed.

### ***1.1 Up- and re-skilling patterns and features***

In Germany, most micro and small companies sampled do not have formal systems in place to record and track the qualifications and skills of their employees. However, these companies rely on basic procedures, such as recording of qualifications in staff files. In part, this is because formal systems are not seen as required to monitor skills and qualifications. Due to the low number of employees in companies, such information is available thanks to close cooperation in daily activities and remembered by memory. In some companies, however, skills tracking forms part of yearly or half-yearly appraisal meetings. The minutes of the meetings are used to document existing qualifications and skills, as well as agreements on steps for further development.

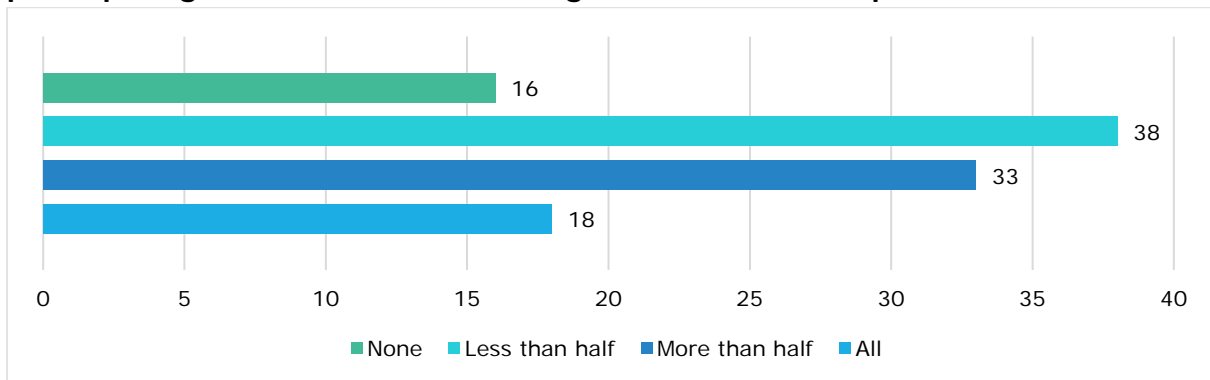
According to companies in the sample, where tracking is employed on a more regular and formal basis, it is usually not intended for long-term strategic planning but rather used when requirements arise out of specific projects or as a result of analysis after the completion of a project for a customer. Where results of projects or customer responses are deemed to be unsatisfactory, an impetus for training may arise. Monitoring of projects and customer satisfaction is also used for determining pay rises and career advancement of workers and this procedure is welcomed by both employers and employees. The responsibility for tracking usually falls on management or, where applicable, on HR departments, with external bodies only involved in rare cases.

Both employers and employees interviewed agree on the key role of up- and re-skilling to preserve the value of the company and its employees on the market. At the same time, it is also emphasised that the cost of education and training is an investment that needs to be recovered in order for the company to stay competitive. Thus, decisions on education and training spending need to be carefully balanced between costs and benefits. While the attitudes towards up- and re-skilling do not vary substantially by company size, there are certain sectors, such as IT, information and communication and consultancy services, where up- and re-skilling is considered particularly important, given the need to keep up with technological progress.

According to the survey, companies in Germany are almost equally distributed between those where less than half of the employees or none participated in education and training activities in the last three years and those where more than half of employees or all participated. Notably, 15% of the companies that responded to the survey indicated that no employee participated in education and training in the last three years (Figure 1.1). Interestingly, this percentage doubles when considering only micro companies.

Some difference is also registered between companies with different shares of low-qualified employees. Among companies where all or more than half of the employees are low-qualified, 23% indicated no participation at all of their employees in education and training in the last three years, while only 7% indicate the participation of all employees. For companies with no or less than half of the employees that are low-qualified, these percentages are respectively 15% and 18%.

**Figure 1.1 Germany: Number of respondents by share of employees participating in education and training activities over the period 2017-19**

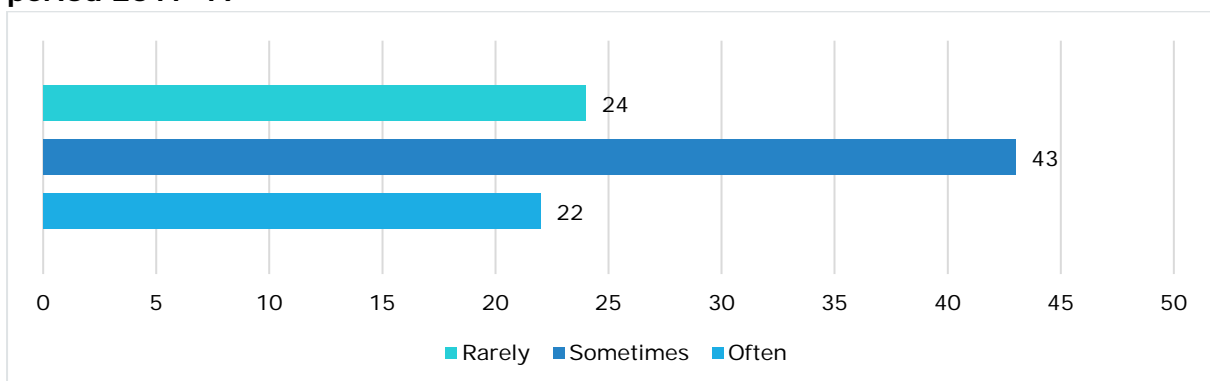


Source: Authors' formulation on survey results.

For those companies that indicate participation in education and training for at least some of their employees, on average, the frequency of participation in education and training activities in the last three years is intermediate (Figure 1.2). The frequency is relatively lower in companies that mostly or exclusively rely on low-qualified employees.

The interviews highlight that usually, the level and frequency of education and training participation are set by external requirements, such as customer demand, technological innovation or needs arising after analysis of completed projects, rather than strategic planning.

**Figure 1.2 Germany: Number of respondents whose employees participated in some education and training activities by frequency of participation over the period 2017-19**



Source: Authors' formulation on survey results.

Education and training activities are often paid for by the company and employees select such activities in cooperation with their employer in most cases (Figure 1.3 and Table 1.1). Approaches to select up- and re-skilling activities vary across companies. While some companies focus mostly on direct project needs, others allow their employees more freedom given that they know their needs best.

The generally high level of awareness of the need for education and training, incentivising employers to cover the cost partially or fully. Less often, although still with a considerable frequency, these activities occur during working hours or paid educational leave.

For almost half of the companies in the survey, employees' participation in education and training activities was, either often or always, due to legal requirements. Similarly, in most cases these activities result in the provision of a certification.

The organisation of education and training activities involves external companies for the delivery very frequently. Less frequently, some companies do have internal systems for providing up- and re-skilling opportunities. Due to the high degree of specialisation of many micro and small companies, it can be difficult to find suitable training externally.

Rather, external training may be used to complement job-specific skills with other courses on soft skills or languages, or when certain certifications are required.

Formal education and training is very rare in German companies, with the majority of up- and re-skilling pursued through non-formal education and training or informal learning, particularly self-learning and on-the-job learning. E-learning is in principle considered as an attractive option due to its flexibility and low cost, but the training requirements of micro and small companies are often too specific for it to be useful.

While some education and training activities are organised with other bodies such as the chambers of commerce, customers, enterprise associations or private bodies, this happens relatively rarely. Cooperation with other similar companies is limited, as the training required is considered too specific for each micro and small company. However, while existing company networks are rarely accessed for up- and re-skilling purposes, there is some interest in learning about the strategies of other companies to exchange information and recommendations on training providers. However, lack of trust, competition between companies and doubts about the usefulness of cooperation form barriers to learning from other companies.

When asked to provide details about the content of education and training that is most beneficial to their employees, German micro and small enterprises most commonly mentioned measures that convey job-specific knowledge, as well as health and safety training. Other popular education and training initiatives are those focused on IT skills and laws and regulation.

Very similar results were recorded in the subsample of micro enterprise surveyed. By contrast, companies with a relatively larger share of low-qualified employees show some different patterns. In these companies, according to the survey, employees obtained a certification as a result of education and training more often. Furthermore, relevant activities were organised by suppliers or customers slightly more often than in the rest of the companies and were significantly more often delivered by external companies, even if organised by the company itself. Finally, more often than in other companies, employees selected such activities in cooperation or agreement with the company, although they participated less often during working hours or paid educational leave.

Among companies where at least some employees are low-qualified, 74 companies reported that out of the employees that have participated in training in the last three years, less than half are low-qualified (Figure 1.4). In those companies where the number of low-qualified employees is relatively larger, also the share of low-qualified employees participating in education and training activities is higher. In principle, companies report that they do not differentiate between levels of qualification when making decisions on education and training provision. The interviews highlight that in companies with higher shares of low-qualified employees, the need for education and training may arise out of a need for updating certifications, such as in the transportation sectors (e.g. for driving licence). In addition, up- and res-skilling for low-qualified employees in German companies tend to be oriented towards short-term company needs such as using new equipment. Employers highlight that as a result of internal training, some low-qualified employees have become highly skilled. Indeed, in some companies, low-qualified employees are not perceived as such by employers, given that they master the skills needed to do their jobs. Low-qualified employees in particular are likely to make use of informal and non-formal training opportunities such as seminars or courses provided by suppliers or external consultants. Most frequently mentioned informal learning practices are self-directed learning and on-the-job experiences. There is mixed evidence on the benefits of online training for this group, where usefulness may be limited due to the nature of job tasks they perform.

**Figure 1.3 Germany: Features of education and training activities over the period 2017-19 (average frequency, left; number of respondents, right)**



Note: (1) never; (2) rarely; (3) sometimes; (4) often; (5) always.

Source: Authors' formulation on survey results.

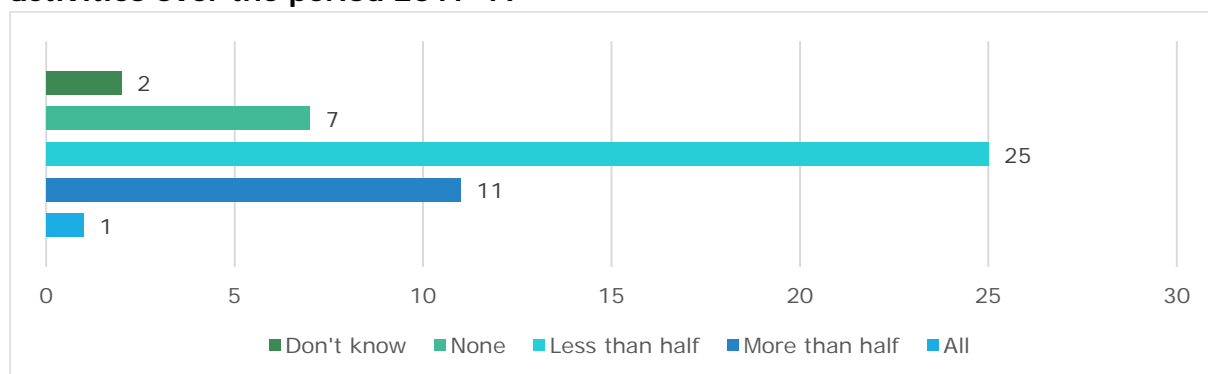
**Table 1.1 Germany: Features of education and training activities over the period 2017-19 (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
During working hours or paid educational leave	42.05	34.09
Costs covered by the company	90.91	3.41
Selected in cooperation/agreement with company	65.12	19.77
Organised by the company but delivered by externals	53.93	24.72
Delivered by the company's employees	19.10	51.69
Organised by suppliers/customers	20.45	53.41
Organised by chamber of commerce/business association/trade union	17.05	53.41
Organised with other companies	13.64	70.45
Providing certificates as a result	56.18	16.85
Required by law	47.67	29.07

Note: Top 2 boxes=always + often; bottom 2 boxes= rarely + never.

Source: Authors' formulation on survey results.

**Figure 1.4 Germany: Number of respondents by share of low-qualified employees out of total employees participating in education and training activities over the period 2017-19**



Note: The total number of respondents excludes those companies reporting that none of their employees is low-qualified.

Source: Authors' formulation on survey results.

## 1.2 Challenges

According to the survey, besides facing some difficulties in obtaining public support, German respondents do not face major challenges when providing or wishing to provide education and training activities to their employees (Figure 1.5 and Table 1.2). However, the interviews emphasise that employers are more likely to mention challenges than employees, though both describe the same types of challenges. While time constraints and lack of financial resources only emerge as a challenge to some extent for the majority of companies in the survey, these are the challenges companies are most concerned with, as stated by both employers and employees in the interviews. Time constraints are especially a concern given the high organisational burden and administrative costs related to organising education and training, particularly in companies without a HR department. This constraint increases the likelihood of providing only informal learning opportunities or none at all.

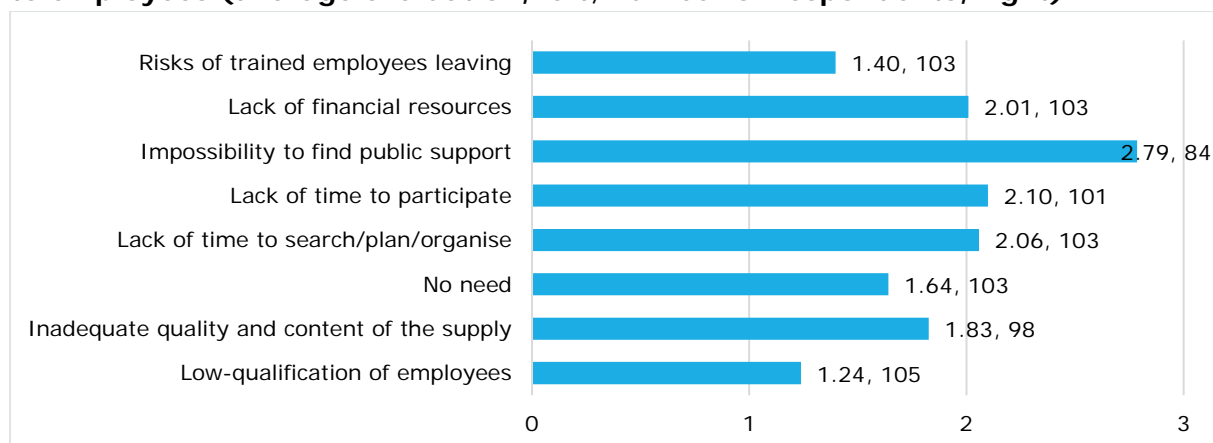
A further challenge for companies is the lack of information on available education and training opportunities, skills needs and public support. Both employers and employees report difficulties in finding public support for up- and re-skilling. Moreover, the quality of the training provided is an issue, particularly in terms of its relevance for small enterprises working in niche fields. The training available can rarely taken advantage of in practice. Thus, many companies opt for internal training. The interviews highlight that current training systems and curricula have not adapted to changing skills demand in the labour market, notably regarding skills related to the digital transformation.

Some companies in Germany perceive a lack of a need for training, particularly where there is already a large share of high-qualified employees. Moreover, almost 15% of companies in the survey with relatively high shares of low-qualified employees indicate that no need for training represents a reason for not participating in up- and re-skilling activities to a high or the fullest extent.

The risk of trained employees leaving the firm is not considered a challenge at all by employers. Moreover, employees do not perceive employers as restricting education and training provision due to it making employees more competitive on the labour market. Employees themselves do not generally indicate that it would make them more likely to leave their firm. However, this issue emerges as slightly more relevant for the group of companies with no or a lower share of low-qualified employees.

Micro companies show very similar results to the rest, however, they seem to be relatively more affected by the impossibility of finding public support and by time constraints when it comes to dedicating working hours to both participating in education and training and discussing, searching for, planning and organising these activities.

**Figure 1.5 Germany: Main challenges to the provision of education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 1.2 Germany: Main challenges to the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Risks of trained employees leaving	2.91	91.26
Lack of financial resources	8.74	63.11
Impossibility to find public support	34.52	41.67
Lack of time to participate	16.83	64.36
Lack of time to search/plan/organise	15.53	66.99
No need	2.91	77.67
Inadequate quality and content of the supply	7.14	75.51
Low qualification of employees	1.90	94.29

*Note: Top 2 boxes=to a high extent + to the fullest extent; bottom 2 boxes= not at all + to a limited extent.  
Source: Authors' formulation on survey results.*

### **1.3 Opportunities**

In general, there is awareness of the opportunities stemming from education and training. While employers focus more on opportunities at the company level, employees also emphasise advantages at the individual level. The survey highlights that by participating in education and training activities, current employees can acquire the skills they need to perform their work; in addition, they feel more rewarded and satisfied to work in the company (Figure 1.6 and Table 1.3). The increased satisfaction and confidence of employees, and better performance as a result, is indicated as opportunity by both employers and employees.

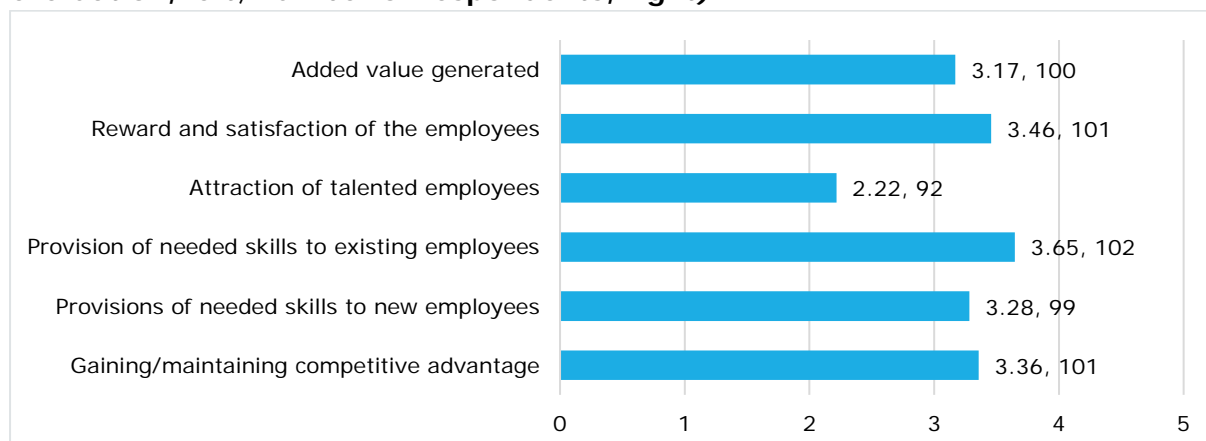
Education and training also contribute to providing new employees with adequate skills and, ultimately, to maintaining or creating a competitive advantage. This is particularly relevant in the context of the digitalisation, which has led to a strong perception of an urgent need for updating skills, particularly in the IT sector and others that are strongly affected, such as information and communication. As a result, after participating in education and training, employees are perceived as generating more value for the company, through higher client satisfaction and a rise in the volume of orders. Higher competitiveness is a benefit recognised by companies across all sectors. Employers highlight the improved quality of the services provided, and the signalling effect of trained employees towards clients. For these benefits to arise, however, it is important that training can easily be put into practice, by either directly relating to tasks carried out by employees or focusing on soft skills that can be applied transversally. Some respondents from all types of companies also state that including education and training activities in the 'salary package' may contribute to attracting more talented employees from the labour market in the context of skills shortages, though this potential benefit is less emphasised.

These results hold in the survey when controlling for company size; nonetheless, micro enterprises are less prone to acknowledge that trained employees generate added value and contribute to gaining or maintaining a competitive advantage for the company while they recognise education and training as a means for reward and satisfaction of the employees to a slightly higher extent.

Companies featuring low-qualified employees tend to be slightly more sceptical about the advantages of education and training activities. However, higher value added generated for the company and the provision of skills needed for both existing and new employees are considered advantages by these companies to the same extent of the rest of the companies. By contrast, these companies consider education and training as a means for reward and satisfaction of employees and for attracting talented employees to an even lower extent than other companies.



**Figure 1.6 Germany: Main opportunities experienced (or expected to experience) when providing education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 1.3 Germany: Main opportunities experienced (or expected to experience) when providing education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Added value generated	40.00	26.00
Reward and satisfaction of the employees	49.50	13.86
Attraction of talented employees	15.22	67.39
Provision of needed skills to existing employees	54.90	8.82
Provisions of needed skills to new employees	44.44	27.27
Gaining/maintaining competitive advantage	48.51	29.70

Note: Top 2 boxes=to a high extent + to the fullest extent; bottom 2 boxes= not at all + to a limited extent.  
Source: Authors' formulation on survey results.

## 1.4 Policy options and suggestions

In Germany, both employers and employees show little awareness of public measures to support education and training, despite the existence of important policies in the country. Only one third of German companies in the survey benefitted from at least one public support measure for provision of education and training in the past. This share is even lower in the case of micro companies (24%). Among companies with high shares of low-qualified employees, the share benefitting from support measures is also lower than in the overall sample (23%). No companies where no employees had participated in education and training in 2017-19 have ever benefitted from any support measures.

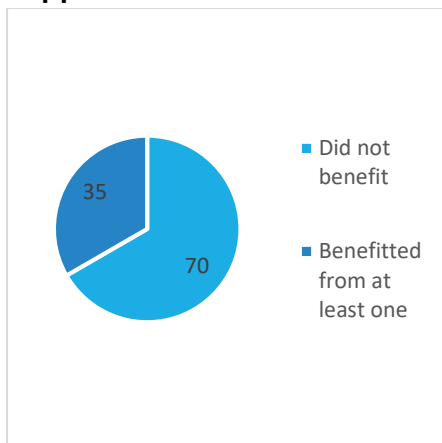
All support measures for the provision of education and training activities have involved only a limited share of companies in the German sample (Figure 1.8). However, at least 10% of the respondents have benefitted from public financial support for education and training or from provision of information about available education and training activities by public authorities. 9% of them have benefitted from organisation of education and training free of charge by public authorities. Public assistance in detecting needs for skills and relevant education and training appear to be the least accessed measure.

The number of beneficiaries decreases further when focusing on micro enterprises or on companies with a larger share of low-qualified employees. No micro company has benefitted from public assistance in detecting the skills needed and relevant training, from payback clauses for trained employees leaving earlier than agreed and from organisation of activities free of charge by public authorities. No company featuring low-qualified employees has benefitted from public reimbursement of time spent in education and training, from public assistance in detecting skills needed and relevant training, from

payback clauses for trained employees leaving earlier than agreed and from networks of companies for education and training.

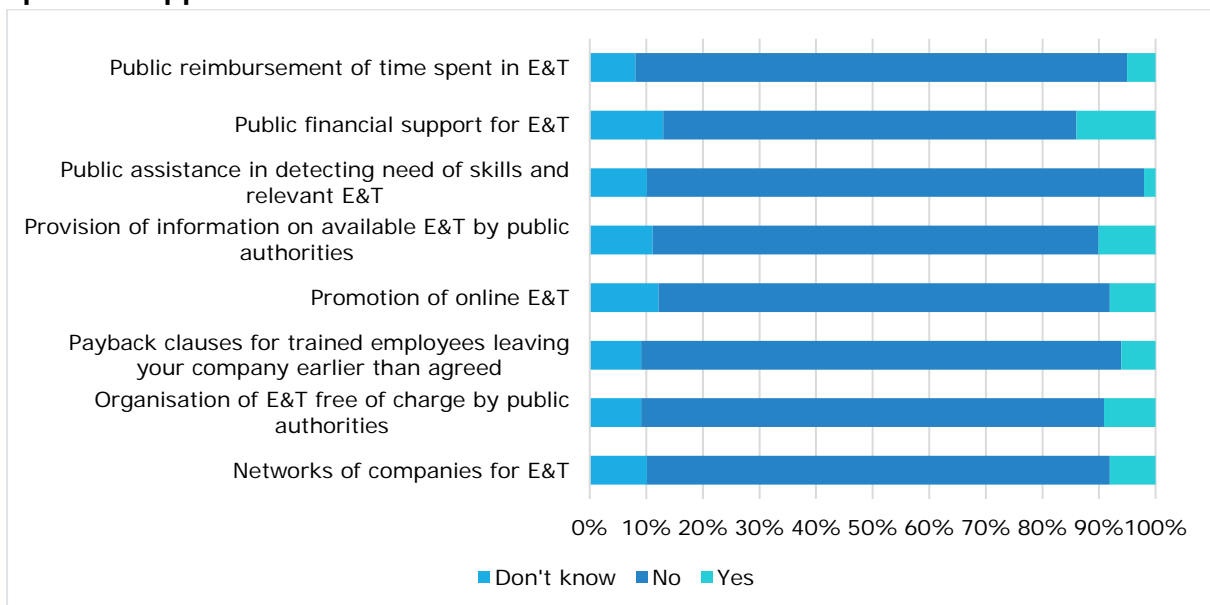
Specific support measures for up- and re-skilling that German employers mention in the interviews are varied. Most common are public financial support for education and training, in the form of paid educational leave (e.g. *Bildungsurlaub*) as well as support from networks of companies, such as the associations of enterprises. Other examples include training organised by public bodies or partner companies. However, with regard to public funding, some employers cite difficulties in accessing funding due to the administrative burden entailed.

**Figure 1.7 Germany: Share of respondents that benefitted from at least one support measure**



Source: Authors' formulation on survey results.

**Figure 1.8 Germany: Share of respondents that have benefitted (or not) from specific support measures**



Source: Authors' formulation on survey results.

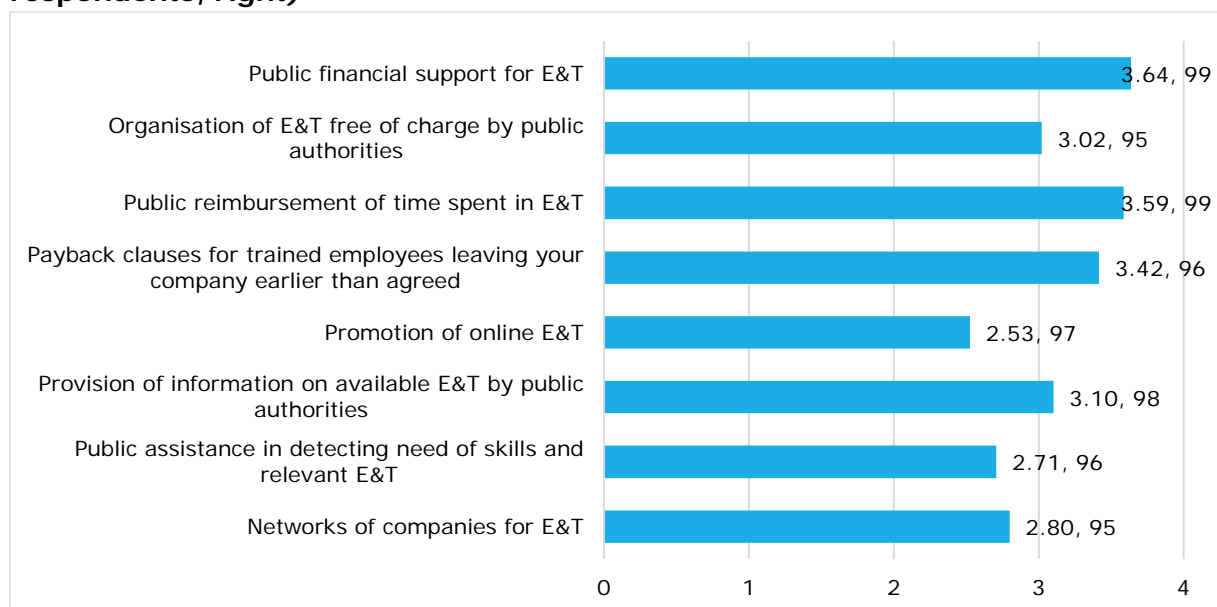
Public financial support for education and training activities, public reimbursement for educational leave or compensation of the time spent by employees in education and training are considered the most effective measures (Figure 1.9 and Table 1.4). With specific regard to financial support measures, grants to cover education and training costs are by far the most preferred option, being indicated by 55% of respondents to this question. Tax incentives follow, being indicated by 26% of them. Dedicated training

budgets to be used by any employee are indicated as the preferred measures only by 15% (Figure 1.10).

In the interviews, the impact of financial support is particularly emphasised by employers, while employees focus more on other measures, such as increasing the awareness of employers on needs for up- and re-skilling and making training compulsory by law. Other helpful measures would entail the introduction of payback clauses entitling the company to claim compensation from employees for education and training costs if they quit the job earlier than a certain period after participating in education and training activities or the organisation of education and training free of charge by public authorities. By contrast, the promotion of online education and training, public assistance to identify the skills needed by the employees and corresponding education and training services, as well as the participation in networks of companies cooperating in education and training activities are perceived as less effective measures. However, it was indicated that increasing information and awareness about policies and specific instruments available could be helpful. Interviewees highlight that in Germany there is a system with too many platforms, resulting in a lack of transparency. This is further compounded by the lengthy bureaucratic process associated with finding public support. It was also suggested that the promotion of the recognition of qualifications of employees could be beneficial, such as in pilot projects based on the Austrian model of qualification alliances. Finally, the inadequacy of publicly supported training courses should be addressed by tailoring them more to the needs of micro and small companies, especially when considering formal education and training.

Results for micro enterprises in the survey are very similar to that registered for the entire German sample. When it comes to companies relying on low-qualified employees, the public provision of free education and training activities is considered to play a more prominent role, but otherwise the results are comparable to the rest of the sample.

**Figure 1.9 Germany: Expected impact of measures supporting the provision of education and training to employees (average evaluation, left; number of respondents, right)**



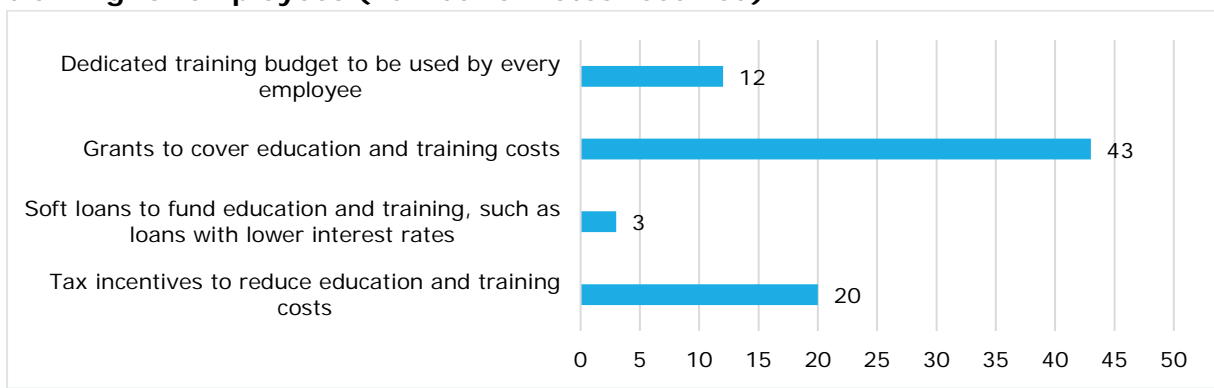
Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 1.4 Germany: Expected impact of measures supporting the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Public financial support for E&T	52.53	13.13
Organisation of E&T free of charge by public authorities	37.89	38.95
Public reimbursement of time spent in E&T	56.57	19.19
Payback clauses for trained employees leaving your company earlier than agreed	50.00	23.96
Promotion of online E&T	20.62	56.70
Provision of information on available E&T by public authorities	36.73	33.67
Public assistance in detecting the need for skills and relevant E&T	29.17	44.79
Networks of companies for E&T	28.42	45.26

Note: Top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

**Figure 1.10 Germany: Preferred public support measures to fund education and training for employees (number of votes received)**



Note: Respondents believing that public financial support measures would contribute at least to some extent to provide education and training to employees were requested to select the two most impactful measures.  
Source: Authors' formulation on survey results.

### **1.5 Policy Focus: The WeGebAu Programme and the Qualification Opportunities Act**

Germany has a complex policy framework due to the federalised structure of its public governance in education and training. While the national government and ministries are responsible for setting the foundations of policy, the Federal Employment Agency (*Bundesagentur für Arbeit*) is a central player in counselling and providing qualification opportunities. Moreover, PES are active at the federal level, while the business sector has increased investment in education and training due to a shortage of skilled workers.

Up- and re-skilling is gaining importance and being recognised as a priority for the future. In this context, Germany has recently launched its first national training strategy (*Nationale Weiterbildungsstrategie*), conceived of by the Ministry of Education and the Ministry of Labour. This is envisioned as leading to increases in and streamlining of resources and financing for education and training.

A significant policy for education and training identified in Germany is the WeGebAu programme, which aims to provide further training to employed workers, particularly the low-skilled and older workers, through subsidies. This was implemented as a response to changing labour market needs and structural changes in the workforce. In particular, WeGebAu was designed to address the low take-up of training opportunities by older and low-skilled workers in particular, who tend to see little need for training and have lower access to training measures through their companies.

WeGebAu (*Weiterbildung Geringqualifizierter und beschäftigter älterer Arbeitnehmer in Unternehmen*; In English: Further Qualification of low-qualified and older employees in

companies) is targeted at employees seeking new professional qualifications, employees no longer practising their learned profession and working in a semi-skilled or unskilled job, or employees in SMEs. Training takes place during working hours and allows for employers and employees to arrange training based on mutual agreement. Both employers and employees can initiate the training subsidy. Training must last at least four weeks, be certified, provide firm-specific skills and the workers must continue to be employed and receive wages throughout. The level of support varies by company size, with especially generous support for employees in micro companies, who can be refunded up to 100% of the costs of training.

In 2019, the Qualification Opportunities Act was launched in Germany as part of the new national training strategy in order to prepare employees for the digitised working world. This has formally replaced WeGebAu as the official government response to changing training needs, characterised by a widening of access to training to more workers and a particular recognition of the training needs caused by the digital transformation of the company. In particular, under the Qualification Opportunities Act all employees can receive subsidies for training, rather than only employees in SMEs. However, the level of support varies, with more generous support available for workers in micro and small companies, as well as low-skilled workers.

In addition, this initiative strengthens the role of the Federal Employment Agency in counselling on qualifications. While it does not modify the conditions for financial support for SMEs, additional support is offered with a focus on the professionalisation of advice to employers on all aspects of qualification. Indeed, as part of the new law, all German employees now have a formal right to counselling on further education and training.

Furthermore, the types of training subsidised under the programme have been widened as compared to WeGebAu. Training subsidies can now be used for any training that addresses skills needed due to the process of the digital transformation of the economy.

## 2 DENMARK

Overall, 115 companies responded to the Danish country survey. Of these, 59 were micro companies, the rest being small companies. The large majority (73) had no low-qualified employees, whereas in 29 companies less than half of the employees were low-qualified, and in 10 companies more than half. In only two companies, all employees were low-qualified.

In addition, 10 employers and 10 employees in micro and small companies were interviewed. Interviewees came from 19 distinct companies, of which 8 were micro companies. Finally, 8 Danish experts and stakeholders were interviewed.

### ***2.1 Up- and re-skilling patterns and features***

In the Danish sample, there are not many structured or formalised systems for tracking skills and identifying training needs; most companies use unstructured systems or none at all. Some employers stated that tracking of skills is not necessary, due to the small sizes of companies, which enable employers to know skill levels even without formal systems in place.

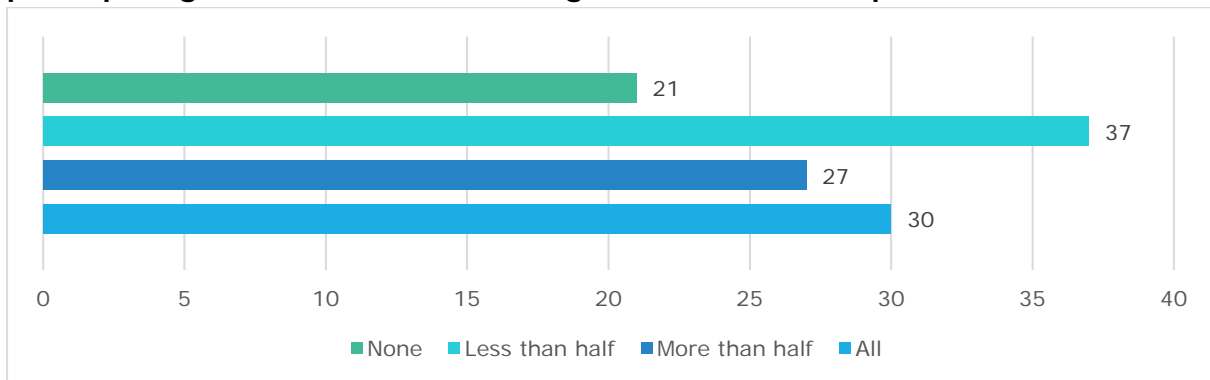
In some companies, informal but somewhat more structured systems exist, for instance the recording of employees' background, education and skills in digital files. This is employed to determine where employees can be deployed, for which tasks they are suited and how much they should be paid. Another method employed are (usually annual) meetings where skills development is tracked with input from the employer, employee, customers and colleagues. As result, training needs are, in principle, agreed on.

In some cases, it is required by law that employees update their knowledge and skills. Fully structured systems are then managed by trade unions, who ensure that employees keep track of their skills. These systems are not centralised in the company but instead employ a tracking system fully operated by the unions, meaning there is no administrative burden on companies.

There is a strong awareness of the importance of learning on the part of employers and employees, and a positive attitude towards participation in education and training. Yet, the focus on learning is stronger in companies with more highly skilled employees. Employers generally try to assign tasks within the company in a way that encourages learning. However, it is often the responsibility of employees to propose training. While employers will approve of this if training is relevant and not too costly, they do not actively seek out training opportunities for their employees. Many employers judge that proposing up- and re-skilling opportunities is employees' own responsibility, unless training is for basic skills such as IT that are absolutely required for the company. Employees are generally enthusiastic about seeking out training, particularly if they are in permanent employment. However, while thinking that they learn in their companies, employees do not necessarily perceive learning as being well structured by the employer. Motivation for education and training emerges as lower for low-qualified employees.

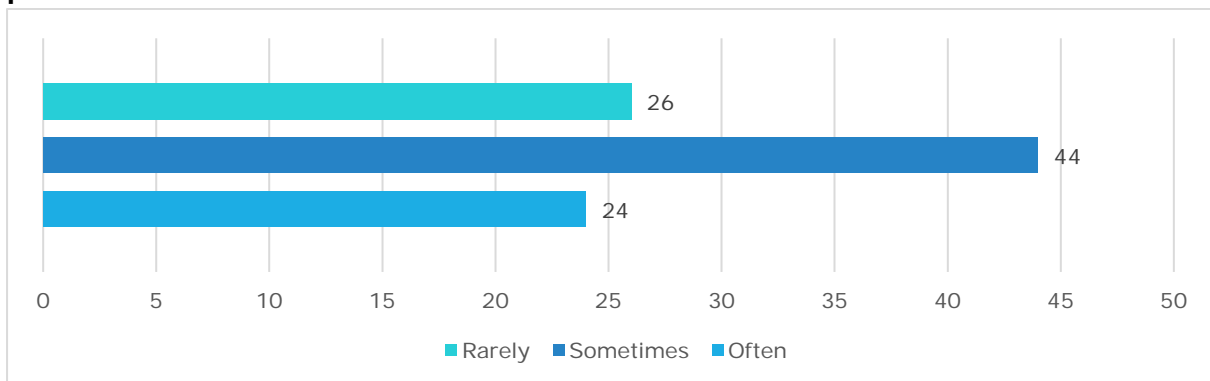
Looking at participation in education and training (Figure 2.1), companies are equally split between those where all or more than half of employees had participated in training and those where less than half or none had participated, between in 2017-2019. 18% of companies responded that no employees participated in education and training in the same period. In micro companies, a much larger share (32%) responded that none of their employees had participated in training. Similarly, in companies with a relatively larger share of low-qualified employees, 33% respond that none of their employees had participated in education in training, while in a further 25% less than half had participated. This compares with 17% and 33%, respectively, in companies where none or less than half of employees are low-qualified.

**Figure 2.1 Denmark: Number of respondents by share of employees participating in education and training activities over the period 2017-19**



Source: Authors' formulation on survey results.

**Figure 2.2 Denmark: Number of respondents whose employees participated in some education and training activities by frequency of participation over the period 2017-19**



Source: Authors' formulation on survey results.

Among companies where there had been participation in education and training, the frequency of participation in education and training in the last three years is intermediate on average (Figure 2.2). Among these companies, some indicated education and training activities that were particularly helpful. Companies most commonly indicate training that conveyed job-specific knowledge, such as product-related training, and personal development training, for example in management or negotiation skills. Other types of training judged to be very useful are IT-related training, as well as training on new laws and regulations, such as the General Data Protection Regulation (GDPR) and courses to obtain official certifications, particularly for specific types of driving licences. Finally, training on health and safety measures is mentioned by some employers as useful.

Figure 2.3 and Table 2.1 identify common features of education and training activities undertaken by employees in 2017-19. It is indicated that activities were frequently paid for by the company and often selected in cooperation or agreement with the company. It was also sometimes the case that education and training took place during working hours or paid educational leave.

49% of companies stated that education and training was often or always organised by the company but delivered by externals. The interviews show that workshops and conferences can be provided by the company either internally or externally, often mandatorily for employees. Training will usually only be formal if it is required by law, which is only sometimes the case, or when it is provided by public institutions, such as through AMU (see section on policies). Informal learning, by contrast, is common, facilitated for instance through side-by-side learning for new employees, and is seen by companies as more effective than formal training.

Around two thirds of the companies indicated that education and training was rarely or never delivered by company employees, organised by suppliers/customers, organised by chambers of commerce or social partners, or with other companies. However, sometimes cooperation with external actors, such as the Danish Business Authority, universities and partner companies does take place.

Patterns are similar in companies with a larger share of low-qualified employees. However, in these companies it was more frequently the case that training was required by law, and that it was organised by suppliers/customers or delivered by company employees. Companies with higher shares of low-qualified employees are more likely to make use of publicly available formal education and training to obtain official certifications. Conversely, education and training were less frequently delivered in cooperation/agreement with the company and only sometimes took place during working hours or paid educational leave.

In the Danish companies surveyed, 78% of companies with at least some low-qualified employees state that none or at least less than half of their employees participating in education and training activities in 2017-19 were low-qualified (Figure 2.4). In contrast, in companies with a relatively large share of low-qualified employees, 25% of companies state that less than half of their employees taking part in education and training are low-qualified.

The interviews highlight that, in principle, employers state that they do not differentiate between workers with different levels of qualification. Furthermore, low-qualified employees are not necessarily considered as such by their employers, as they are seen to master the skills needed for their jobs. Nonetheless, for low-qualified employees, take-up of formal and non-formal education and training tends to be rare, with these employees much more likely to participate in informal education and training. Training for low-qualified employees will often be relevant for job tasks and in this sense different from training opportunities for high-qualified employees. For instance, suppliers or external consultants may provide seminars or short courses to explain new tools. In this sense, education and training of low-qualified employees is more oriented towards short-term company needs.

**Figure 2.3 Denmark: Features of education and training activities over the period 2017-19 (average frequency, left; number of respondents, right)**



Note: (1) never; (2) rarely; (3) sometimes; (4) often; (5) always.  
Source: Authors' formulation on survey results.



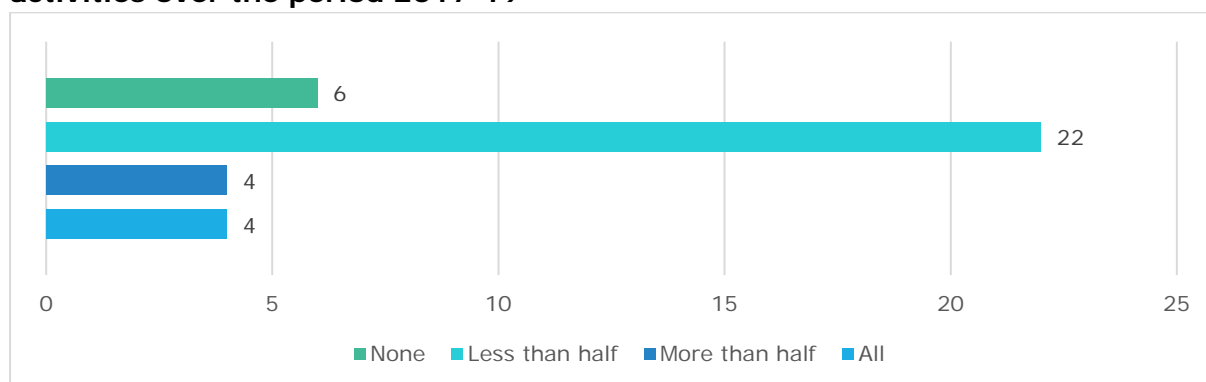
**Table 2.1 Denmark: Features of education and training activities over the period 2017-19 (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
During working hours or paid educational leave	38.46	23.08
Costs covered by the company	77.22	6.33
Selected in cooperation/agreement with company	74.68	8.86
Organised by company but delivered by externals	49.37	32.91
Delivered by company's employees	14.10	62.82
Organised by suppliers/customers	12.82	71.79
Organised by chamber of commerce/business association/trade union	13.92	68.35
Organised with other companies	11.39	68.35
Providing certificates as result	26.92	48.72
Required by law	25.97	51.95

Note: Top 2 boxes = always + often; bottom 2 boxes = rarely + never.

Source: Authors' formulation on survey results.

**Figure 2.4 Denmark: Number of respondents by share of low-qualified employees out of total employees participating in education and training activities over the period 2017-19**



Note: The total number of respondents excludes those companies reporting that none of their employees is low-qualified.

Source: Authors' formulation based on survey results.

## 2.2 Challenges

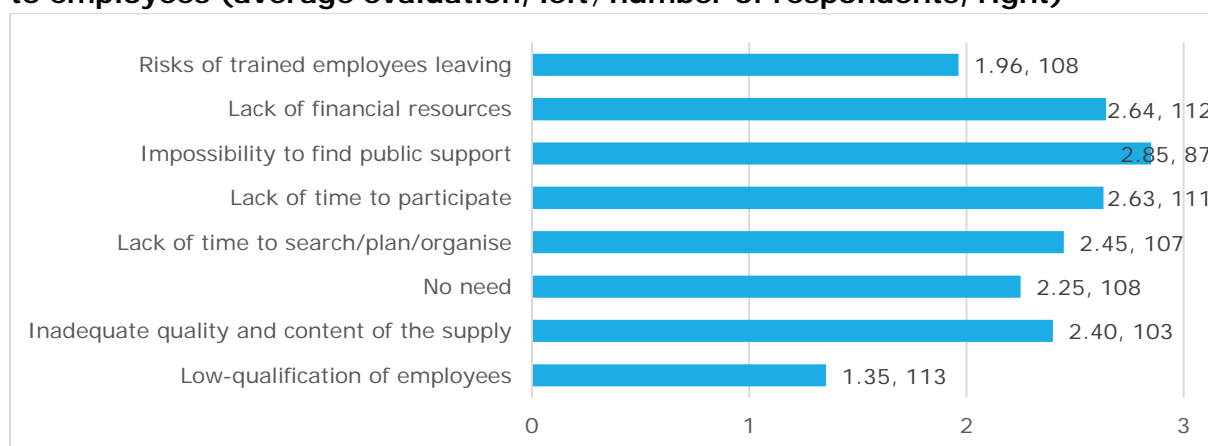
Both employers and employees are aware of challenges to provision of education and training, though awareness is somewhat higher among employers. Not many significant challenges are perceived, with most companies only identifying most challenges as applying to a limited or some extent in the survey (Figure 2.5). Challenges that Danish companies face to some extent include a lack of financial resources and lack of time to participate. The interviews show that, due to financial constraints being a significant barrier, sometimes employers rely on public bodies and trade unions to access free or subsidised training. Lack of time is considered as an even more significant challenge. In the context of a growing Danish economy, a fast pace of production needs to be maintained to meet market pressures and employees cannot be lost to training. While public provision can alleviate financial constraints, project-based work and tight deadlines leave little time for engaging in education and training, leaving Danish companies facing significant supply constraints. On their part, employees, especially female respondents, also show concern about lagging behind their colleagues if they participate in education and training, particularly if training involves travel.

Another challenge is the impossibility of finding public support and lack of information about existing opportunities. Employers do not know where to look for such information and state that they do not have the time to do so. Administrative practices and requirements form a further barrier to access public support, because policies involve many governance levels and different actors.

Other challenges are considered to exist only to a limited extent, such as the risk of trained employees leaving and the inadequate quality and content of supply, or not at all, such as low qualification of employees. There is very little evidence that employers do not provide up- and re-skilling opportunities out of fear that their employees will leave the firm. Employees equally do not express concerns that this discourages their employer from offering training or that being trained would enable them to leave their jobs. However, some employers of low-qualified employees express some reticence towards (particularly formal) training as employees may request a higher salary, expect different job tasks or ultimately leave the company as result of training.

In companies with a large share of low-qualified employees, some challenges are perceived to a larger extent than the rest of the sample. 50% of these companies indicate that lack of time to participate is a challenge to a high or to the fullest extent, while 44% selected inability to find public support and 36% perceive lack of time to organise training as a challenge to a high extent. Lack of financial resources is also cited as a more prominent concern than for the overall sample of companies. In micro companies with high shares of low-qualified employees, this pattern is similar. However, these companies identify inadequate quality and content of a supply as a challenge that apply to a high extent. Challenges, especially lack of financial resources, are perceived to a more significant extent in companies where no employees had participated in education and training.

**Figure 2.5 Denmark: Main challenges to the provision of education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent. Source: Authors' formulation on survey results.

**Table 2.2 Denmark: Main challenges to the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Risks of trained employees leaving	9.26	73.15
Lack of financial resources	19.64	42.86
Impossibility to find public support	34.48	40.23
Lack of time to participate	21.62	45.05
Lack of time to search/plan/organise	18.69	52.34
No need	13.89	58.33
Inadequate quality and content of the supply	20.39	59.22
Low qualification of employees	4.42	91.15

Note: Top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent. Source: Authors' formulation on survey results.

## 2.3 Opportunities

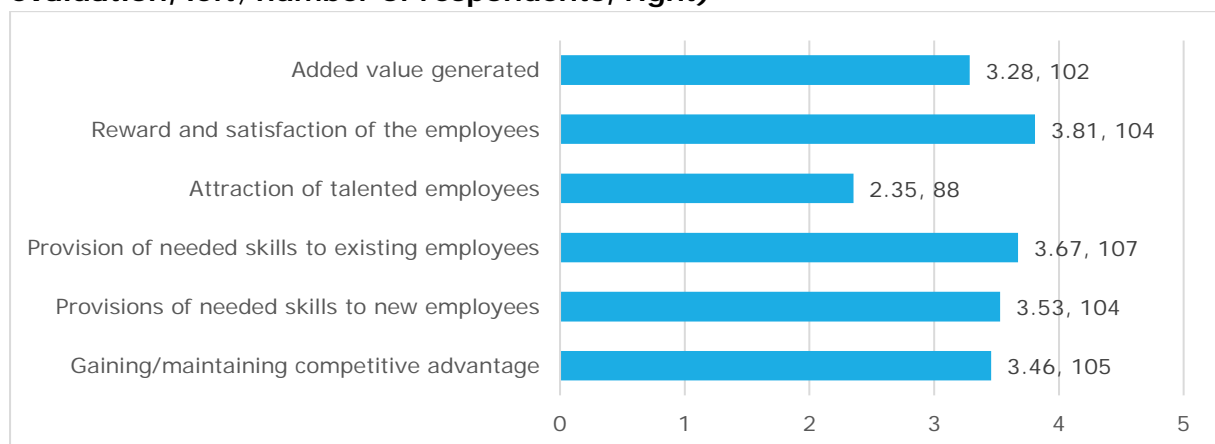
As regards opportunities that companies identify from education and training (Figure 2.6 and Table 2.3), several are recognised in the survey. The interviews confirm that both employers and employees are aware. Employers are more aware of opportunities for the company, while employees also emphasise individual benefits. However, there are some cases where education and training is considered more of a burden than an opportunity, in particular in companies who have not previously engaged in it.

65% of companies identify reward and satisfaction of employees as an advantage that applies to a high or to the fullest extent. Employers mention that individual employees are likely to experience advantages such as pay rises, higher responsibility and a diversification of assignments. 60% of companies saw the provision of needed skills to existing employees as an opportunity to a high extent, while the provision of skills to new employees applies to some extent. There is a strong awareness of labour market transformations and the resulting need for maintenance and upgrading of skills, particularly in highly affected sectors such as IT. Employees also recognise the potential benefit of upgraded skills to the company. The benefits of training are noticed particularly when training is practical and can be applied directly, or where soft skills are acquired. Moreover, a domino effect is acknowledged: when one or some employees attend training, this benefits the whole company, through sharing of learning material or outcomes.

Other advantages, such as the gain of a competitive advantage and the generation of added value are seen as opportunities to some extent. The possibility of enhancing company and job performance is recognised in all sectors and across different types of firms. Indeed, often the reason to engage in education and training are client demand and requirements, particularly in innovative sectors such as IT and consultancy.

Patterns are somewhat different in the case of companies with larger shares of low-qualified employees, who tended overall to be more sceptical of the advantages of education and training. Except for the provision of needed skills to new employees and the gain of a competitive advantage, these companies evaluate potential advantages as existing to lesser extent than other companies. Companies where no employees had participated in education and training overall exhibit similar patterns as the rest of the sample. However, these companies judge some opportunities to exist to a higher extent than the rest of the sample, particularly the reward and satisfaction of employees and the provision of skills to both new and existing employees.

**Figure 2.6 Denmark: Main opportunities experienced (or expected to experience) when providing education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 2.3 Denmark: Main opportunities experienced (or expected to experience) when providing education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Added value generated	43.14	23.53
Reward and satisfaction of the employees	65.38	7.69
Attraction of talented employees	18.18	59.09
Provision of needed skills to existing employees	59.81	14.02
Provisions of needed skills to new employees	53.85	16.35
Gaining/maintaining competitive advantage	55.24	23.81

Note: Top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

## 2.4 Policy options and suggestions

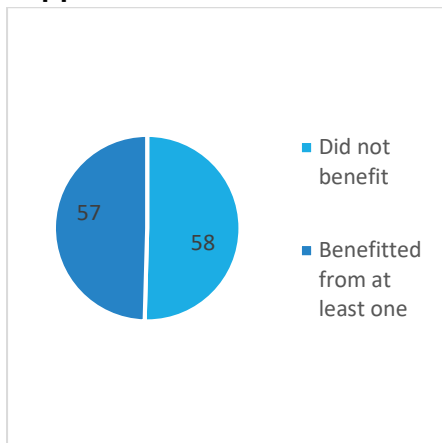
There is limited awareness of existing policies to support up- and re-skilling, and a relatively low level of uptake of policy measures, despite ample public support provision in Denmark. Nevertheless, employers in Denmark are generally interested in and enthusiastic about public support measures, though discontent is highlighted in some cases. Overall, half of the Danish companies surveyed had access to at least one measure to support education and training (Figure 2.7). These shares are similar when looking only at micro companies or companies with large shares of low-qualified employees.

The most common type of measure accessed is public financial support for education and training, of which 29% of respondent companies made use, and networks of companies for education and training, from which 26% benefitted. Further, approximately 15% benefitted from organisation of free education and training by public authorities, promotion of online education and training, the provision of information on available training by public authorities and public reimbursement of time spent in training. Less commonly accessed measures appear to be public assistance in detecting skills needs and relevant training.

For micro companies, access to public support measures is very similar. For companies with relatively large shares of low-qualified employees, take up of public support measures is relatively higher. 42% of companies had received public financial support for education and training and 33% made use of publicly provided information on available training and public reimbursement of time spent in education and training. 25% benefitted from training organised free of charge by public authorities and networks of companies for education and training. Companies where no employees had participated in education and training in 2017-19 made less use of public support measures in comparison to the other companies, although they indicated that they had benefitted from them in the past. Particularly, networks of companies for education and training (21%), public financial support (16%), the provision of information on available training by public authorities (11%) and promotion of online education and training (11%) are cited.

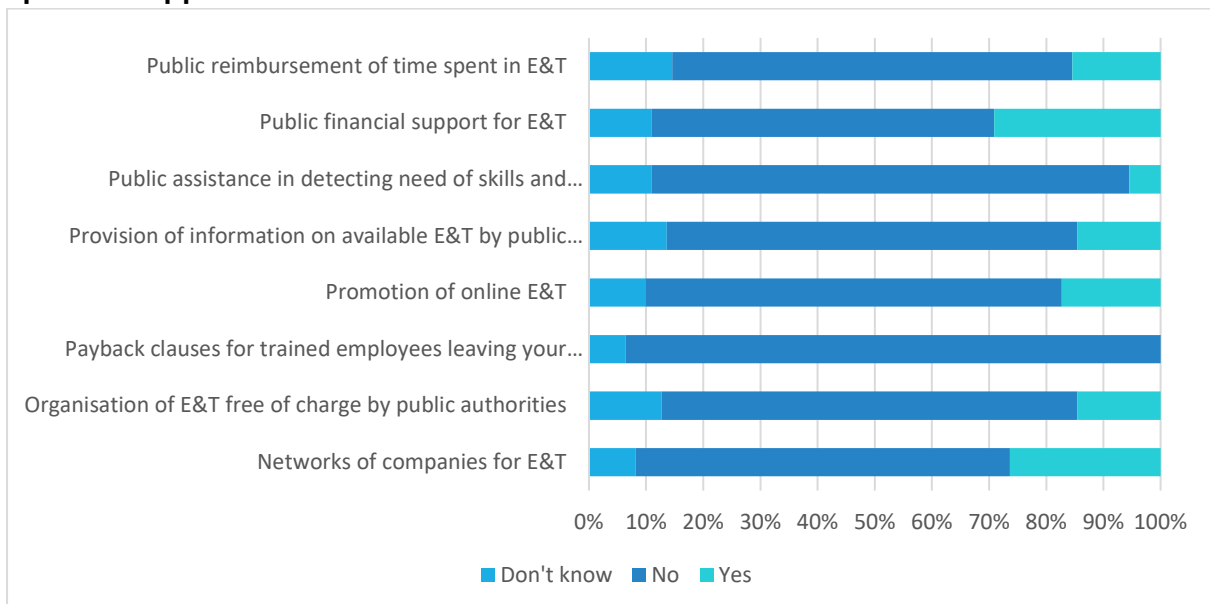
When asked to provide details on which type of measures are particularly beneficial, the creation of networks and associations with other companies in the same sector to exchange experiences and share training opportunities is most commonly referred to. Many employers also mention public funding for training, either through public subsidies such as the AMU, through collective agreements or through EU funding, naming Erasmus+. Some also recount collaborating on a local level with municipalities to arrange training.

**Figure 2.7 Denmark: Share of respondents that benefitted from at least one support measure**



Source: Authors' formulation on survey results.

**Figure 2.8 Denmark: Share of respondents that have benefitted (or not) from specific support measures**



Source: Authors' formulation on survey results.

Regarding public support measures considered most impactful (Figure 2.9 and

Table 2.4), companies indicate public financial support and public reimbursement of time spent in education and training. Regarding specific financial support measures, grants to cover education and training costs are seen by far as the best measure, with some companies also indicating tax incentives to reduce costs (Figure 2.10). In the interviews, employers are particularly likely to mention their desire for greater financial incentives, while employees more strongly emphasise awareness raising measures for companies. Other support measures that are considered helpful to some extent are the organisation of education and training free of charge by public authorities, provision of information on available training by public authorities and networks of companies for education and training. Increased information and awareness about policy programmes and the specific instruments available is seen as necessary to facilitate access.

Online education and training is also seen as a measure that could be helpful to some extent. Interviews highlight that these courses can be accessed easily, are often free or relatively cheap and can be used flexibly to fit employee needs, reducing company constraints in accessing education and training. This can be particularly helpful for

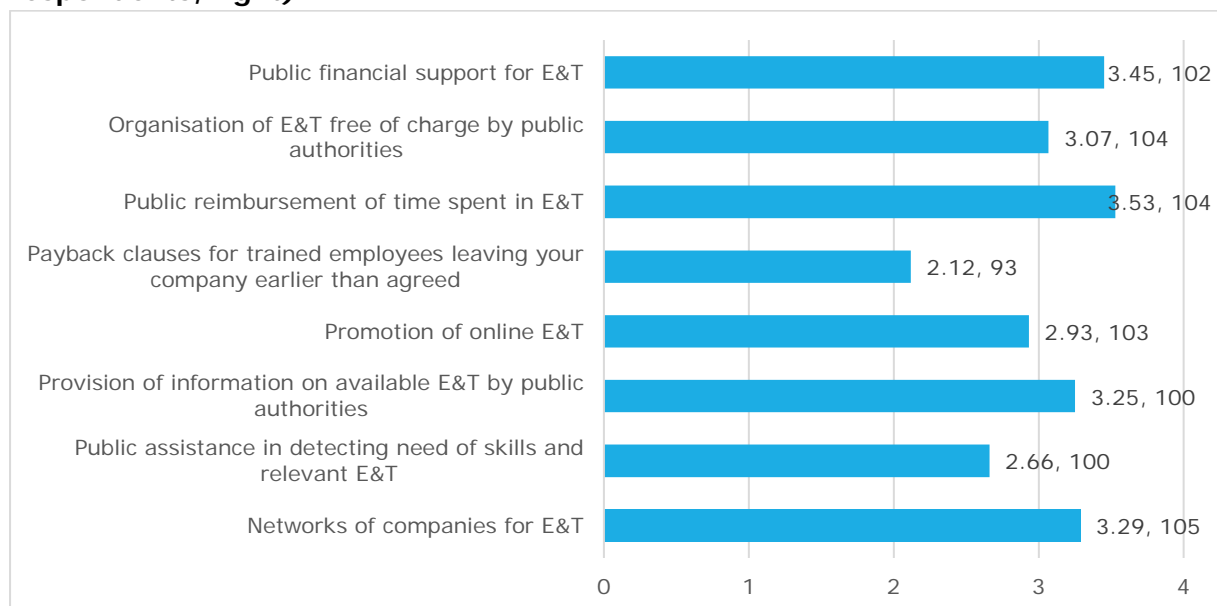
acquiring transversal skills such as in the field of IT. Employees also emphasise the ease in accessing online training and the generally high quality, though some prefer a physical setting where networking and exchange can take place. For low-qualified employees, evidence on the usefulness of online training is mixed, as it may not be relevant in all cases and not all low-qualified employees are able to use digital resources.

Companies are more sceptical of the benefits of public assistance in detecting needs of skills and relevant training, and particularly payback clauses for trained employees leaving their company early, which 67% of companies indicate would be helpful to a limited extent or not at all. Individual learning accounts are not a policy option that companies or employees are generally aware of, but, when prompted, this concept is perceived positively, with employers in principle willing to contribute.

These results are very similar for micro companies, and broadly also for companies with large shares of low-qualified employees. However, the latter are more sceptical than others of the promotion of online education and training, indicating that it would only be helpful to a limited extent. In contrast, these companies rate the organisation of education and training by public authorities as more beneficial compared to the rest of the sample. Results are also very similar for companies where no employee had participated in education and training in 2017-19. However, these companies estimate the benefit of public assistance in detecting skills needs and available training as higher.

For the micro companies with large shares of low-qualified employees, while overall patterns are very similar, generally all public support measures are evaluated as helpful to a higher extent than by the rest of the sample. These companies are especially supportive of the organisation of free training by the public authorities, which 83% perceive as beneficial to a high or the fullest extent. Conversely, the promotion of online education and training is seen as helpful to a limited extent or not at all helpful by 80% of these companies.

**Figure 2.9 Denmark: Expected impact of measures supporting the provision of education and training to employees (average evaluation, left; number of respondents, right)**



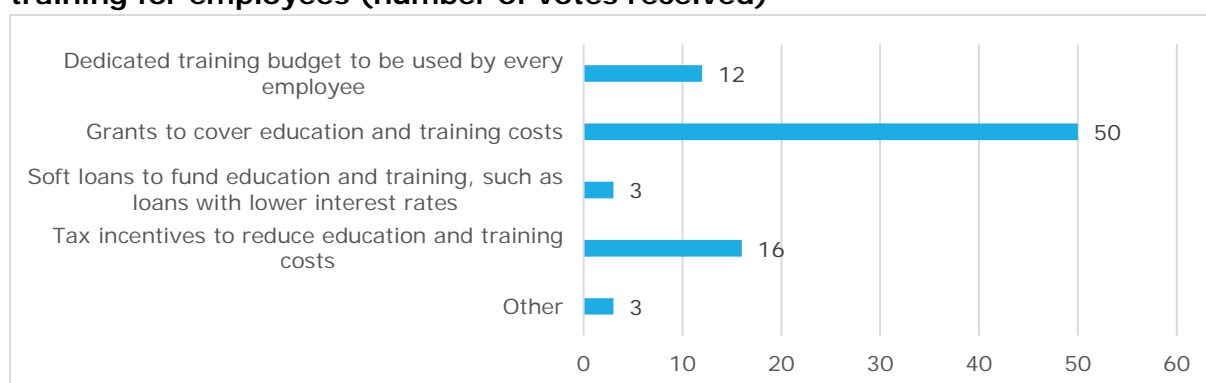
Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 2.4 Denmark: Expected impact of measures supporting the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Public financial support for E&T	51.96	18.63
Organisation of E&T free of charge by public authorities	36.54	31.73
Public reimbursement of time spent in E&T	55.77	23.08
Payback clauses for trained employees leaving your company earlier than agreed	17.20	66.67
Promotion of online E&T	35.92	37.86
Provision of information on available E&T by public authorities	47.00	28.00
Public assistance in detecting need of skills and relevant E&T	24.00	45.00
Networks of companies for E&T	45.71	23.81

Note: Top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

**Figure 2.10 Denmark: Preferred public support measures to fund education and training for employees (number of votes received)**



Note: Respondents believing that public financial support measures would contribute at least to some extent to provide education and training to employees were requested to select the two most impactful measures.  
Source: Authors' formulation on survey results.

## 2.5 Policy focus: The AMU System and the Adult Apprentice Programme

The Danish adult learning system involves many different actors. Decisions on policy focus are mainly taken at national level, with administration delegated to national authorities and agencies and implementation to local level through the PES. Policymakers generally have a high level of awareness of the need for up- and re-skilling needs, frequently collaborating with social partners to enable opportunities. In particular, policy tends to focus on the low- and medium-skilled, for whom many types of education and training are free charge or low cost.

One of the most significant policies in the Danish adult education system is the AMU system, short for *ArbejdsMarkedsUddannelse* (In English: labour market education), which has existed since 1960, when the government passed a law to provide more education and training for low- and medium-qualified adults. At the time, it was set up to answer a demand from the employers for more qualified employees with a better education. The education and training offered by the AMU system are practical up-skilling covering different sectors, both public and private.

The AMU system is considered a good example for up- and re-skilling in micro and small companies that hire low- or medium-qualified employees. Through the AMU system, three types of services are provided: a competence evaluation of individual employees and the company in general to identify skills needs; the provision of different AMU-courses focused on practical learning; and the provision of an official certification for employees. Many

different courses are offered based on employer and employee demand. The AMU system is divided into modules which makes it flexible and easy to adapt in all types of micro and small companies depending on what types of skills are demanded. The AMU-courses are offered by many education institutions throughout Denmark which makes it flexible to attend in sparsely populated areas.

The AMU system is developed, implemented and evaluated in a collaboration between the Ministry of Children and Education (before July 2019: The Ministry of Education), social partners represented in the education committee (EUU), the VEU-committee (Adult continuing education committee) and the public and private education institutions that provide AMU-courses.

The social partners are represented by different unions and employers' organisations and they represent their members. The members are the end users of the AMU system and have an impact on the policy through their union or organisation. The AMU system is financed by the central government and by the employers or the employees, who pays for the AMU-courses. The employers and employees can apply for subsidy at AUB (*Arbejdsgivernes Uddannelsesbidrag*). As a result of state financing and the availability of subsidies, the cost to employers is very low.

The AMU system has been evaluated many times by The Danish Evaluation Institute (EVA), the last time being in 2019. In 15 years, approximately 8,000 – 11,000 attended AMU-courses each year. In 2006, 29% of companies used AMU (i.e. 985 companies) and in 2019 31% did (i.e. 998 companies). The use of AMU is in general stable from 2004-2019 but the number of employees the companies send on courses is declining. The EVA report shows that there is a positive correlation between the use of AMU and company size. It also observes that the more low- and medium-qualified employees the company has, the more often it uses AMU (EVA, 2019, p. 29). Larger companies get more attention from the AMU-providers, because they can recruit more participants than a smaller one. Hence, 24% of the companies with more than 100 employees often use AMU for their low-qualified employees against only 7% of the companies with 5 to 19 employees.

Companies may struggle to access AMU because they do not have resources to search for education and training or because relevant courses are not offered. To tackle this issue, the AMU-providers offer a free competence evaluation that will guide the employee and employer to choose the up-skill they/their company need. However, studies show that contact between AMU-provider and employers are declining over the time with 34% of the companies contacted by an AMU-provider in 2007 but only 23% in 2019. In future, dissemination of information about the AMU system should be improved, especially towards micro and small companies, and administrative processes should be reduced.

In addition to AMU, a further significant policy for up- and re-skilling is the *Voksenlærlingeordning* (VLO) (In English: adult apprentice programme), which was established in 1997. Through VLO, the unemployed person will attend education at a local education institution combined with an internship in a company. When the unemployed person is attending the education programme, they get 80% of the unemployment benefit and when they work as apprentices, they get an adult apprentice payment. The company/employer receives a €5 refund from the state for every hour the apprentice is working, which makes the labour costs for adult apprentices equal to those for a normal apprentice. The final objective of VLO is also that the company hires the unemployed person after the internship has ended, which happens in 70% of the cases.

The policy is conducted by The Ministry of Employment and administrated by the Danish Agency for Labour Market and Recruitment (STAR). VLO is presented to the companies and the unemployed person by the Regional Labour Force Agency (RAR - *De Regionale Arbejdsmarkedsråd*). However, it is the municipalities that are responsible for the financing administrated by the unemployment centres. The subsidy is provided within the EU's de minimis support.



VLO is considered a good example in Denmark of how to educate unemployed people and to encourage companies to hire adult apprentices. It also has a significant effect on later employment – turning 70% of the unemployed into employed after VLO and allowing employees to obtain a higher salary after the education. The VLO programme allows companies to employ a more experienced apprentice at no extra cost. Nowadays, the policy is aimed primarily at low- and medium-qualified unemployed persons over the age of 25 who have been unemployed for at least two months and who need to up- or re-skill to get a better chance in the labour market

In 2013, Deloitte evaluated VLO (Deloitte, 2013). Since 1997, 48,000 individuals started an education under the VLO policy. However, since 2007, the number of attendees has dropped significantly. The evaluation shows that the main target group of VLO is low- and medium-qualified people between the ages of 25 and 39. 60% of the people who started an education were low-qualified. In addition, interviews with stakeholders and especially the unemployment centre show that a lot of micro and small companies do not know about the VLO. If they do, they think the administrative constraints are too high. In general, a lot of companies associate the unemployment centre and the municipality with a lot of paperwork and many difficult rules. It was also pointed out that the decrease in participants could be explained by the fact that the low- or medium-qualified are more motivated to get a job instead of an education through VLO. The payment during the education is 80% of their unemployment benefit and that is too low for many unemployed people, as they are over 25 years and might have another life situation than younger apprentices, according to the stakeholders.

VLO has been evaluated and changed many times since its implementation and lessons have been learned from regular monitoring of the programme to improve it. Hence, in 2013, the size and duration of the subsidy were modified to include more industries in the programme and not only specific industries in need of a bigger work force as was the case previously. In 2018, a simpler version of the VLO programme was implemented in all Danish municipalities. The goal of the simplification is to encourage more companies to use the policy. The target group for apprentices has also shifted from employed to unemployed people.

The main strength of VLO is that it helps unemployed low- or medium-qualified individuals to obtain an education, while keeping costs to companies relatively low and allowing them to train an apprentice in the specific skills they require. VLO is a significant policy for up- and re-skilling which, in a simplified format, could be up-scaled to other countries, keeping in mind that providing it might be a financial burden on some. However, to make the programme more effective in the future, a reduction of the administrative burden on employers should be considered. The number of stakeholders and administrations involved could similarly be reduced.

### 3 FRANCE

Overall, 42 French companies responded to the survey. Two thirds were small companies (27) while 15 were micro companies. The majority had no low-qualified employees (60%, i.e. 25 companies) and in 29% (i.e. 12 companies) less than half employees were low-qualified employees. The minority of companies (10%) had higher shares of low-qualified employees. In addition to the survey, 10 employees and 10 employers were interviewed in 9 micro and 10 small companies. 6 experts and stakeholders were also interviewed on the policy background of the country.

#### ***3.1 Up- and re-skilling patterns and features***

According to the survey results, companies do not use a formal system to keep track of the skills and qualifications of employees and how they develop. It seems that there is no strong will to monitor skills evolution in a formal manner because of administrative burdens and a lack of understanding of the concept. Besides, even though annual performance interviews are mandatory in France subsequent to legislation enacted in 2004, the interviewees rarely mentioned them.

However, most owner-managers show a satisfactory knowledge of their employees' qualifications and skills. Since they work closely with their employees, they declare being able to track and monitor skills development on a daily basis. Thus, also for this reason, they do not perceive any additional advantage from putting in place a more formal or structured system. Indeed, tasks are allocated according to the manager's knowledge of the skills of each employee.

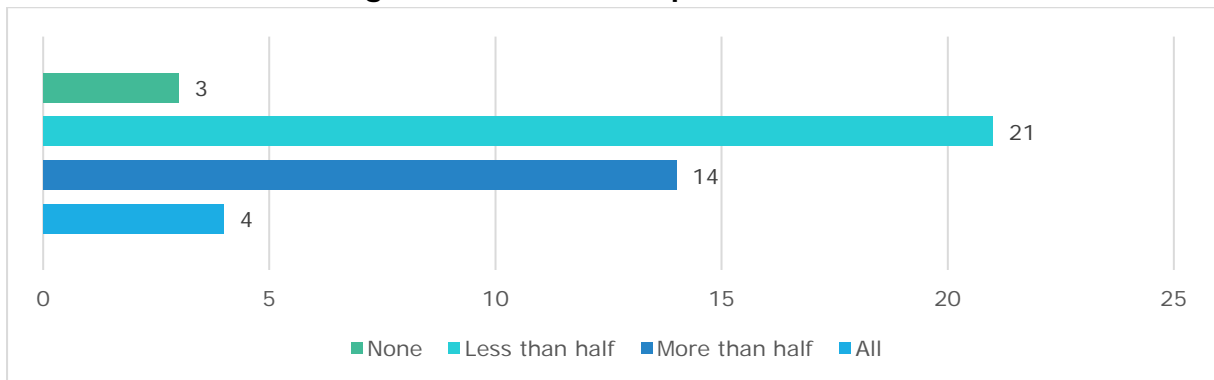
Informal procedures also seem to determine career progressions. Criteria related to skills development do not appear to be explicitly related to promotions. The owner-manager decides according to personal attributes ('motivation') or perceptions of job performance. However, jointly defined indicators and objectives are barely mentioned as tools to evaluate the performance. Therefore, employees often perceive monitoring, pay rises and career progression as a 'black box', especially in the accommodation and catering sector.

Overall, the survey and interviews with employers and employees highlight a fairly positive attitude towards up- and re-skilling in France. However, despite a majority considering that learning at the workplace is essential, some employers show a passive attitude towards setting up learning practices. A dichotomy exists between employers for which training is useless, costly and a waste of time, and those considering training as an investment for the future. However, despite the declared interest, the latter tend to care little about the specific content of the training. Diversity in attitudes exists also among employees: for some, training is irrelevant to their daily tasks or to increase their skills. Some employees see training as an indication they are not skilled enough, while others are more positive and see training as a sign of recognition from their employer.

Participation in education and training activities appears higher in the survey results than in the interviews. Among French companies surveyed, the majority indicated that at least some of their employees had undertaken some training in 2017-19, but generally involving less than half of employees (50%) (Figure 3.1 and Figure 3.2). Notably, only 7% of companies stated that none of their employees had undertaken training, and 10% indicated that all employees had undertaken training.

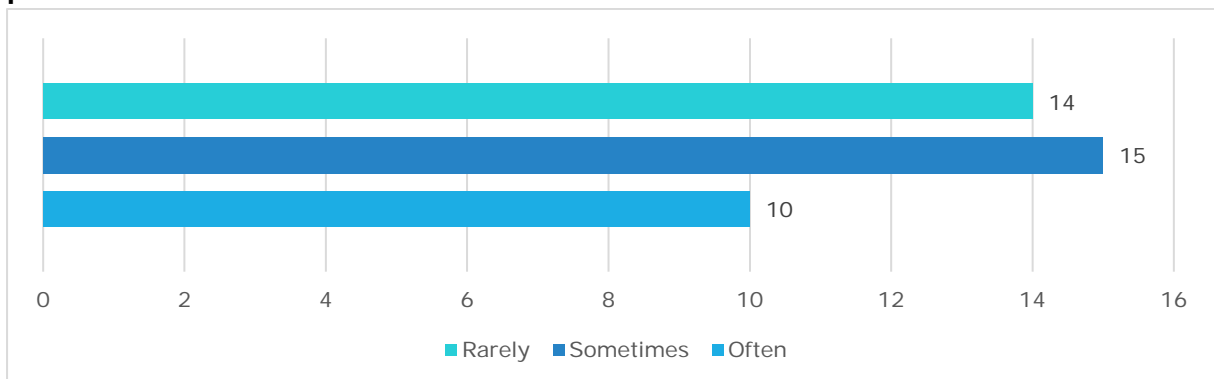
Companies that had at least some employees participating in training in 2017-19 preferred job-specific training such as product-related or IT-skills training. Training aimed at obtaining specific certifications, language training, health and safety measures, personal development and training aimed at understanding recent changes in legislation or regulation were also sometimes mentioned.

**Figure 3.1 France: Number of respondents by share of employees participating in education and training activities over the period 2017-19**



Source: Authors' formulation on survey results.

**Figure 3.2 France: Number of respondents whose employees participated in some education and training activities by frequency of participation over the period 2017-19**



Source: Authors' formulation on survey results.

Lack of training is more acute among micro companies as 20% of these companies said that no employee had participated in education and training in 2017-19. The issue is also more serious among companies where more than half of employees are low-qualified. Among these, 20% of companies had no employees participating in training and 60% had less than half of employees participating in training.

In the overall sample, training frequency appears to be quite low, since only 25% of companies surveyed indicated that employees often participate in training (Figure 3.2). Frequency seems to be higher in micro companies and companies with a higher shares of low-qualified employees.

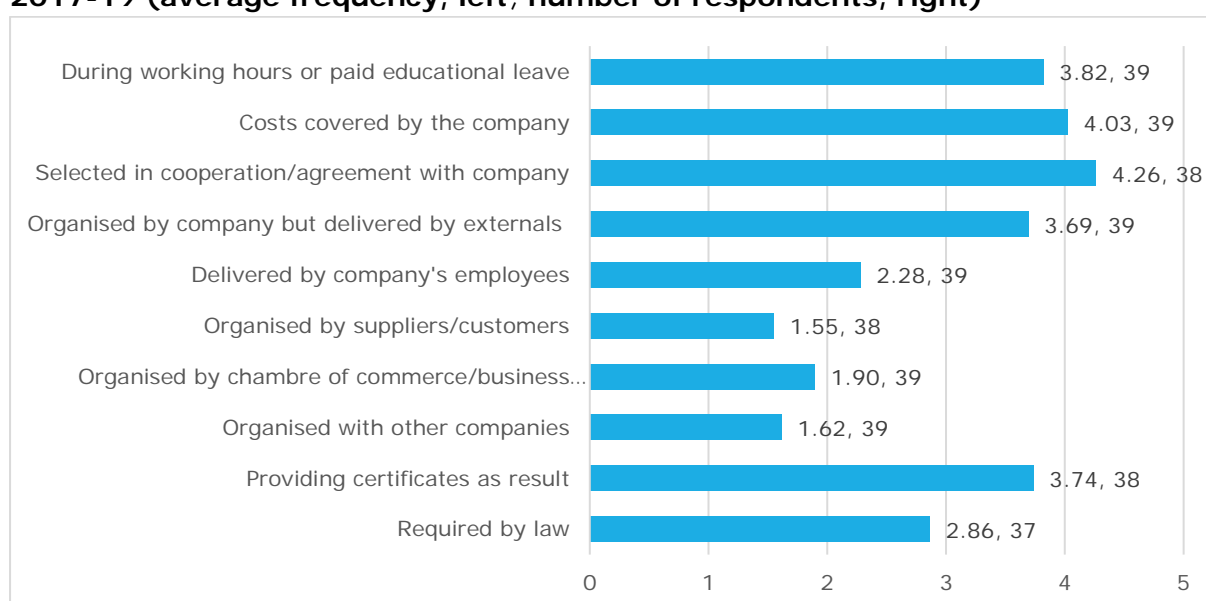
Interviews with employees and employers confirm this trend and show an even more negative outlook of participation in education and training. Up- and re-skilling seems to take place mostly through single and short training courses. Two broad groups of companies emerged, one organising no training at all and one implementing only mandatory health and safety training. In addition, informal learning practices are regularly mentioned but not precisely described by respondents.

The survey results indicate that training is often selected in cooperation with the company and frequently leads to obtaining certificates (55%). In the majority of cases, training is funded by the company and takes place during working hours or paid educational leave (54%) (Figure 3.4 and Table 3.1). These patterns are consistent across company size. However, for surveyed micro companies, education and training is less frequently required by law or covered by company funding. Moreover, for micro companies training was almost always selected in cooperation or agreement with the company. The interviews provide evidence that decisions on training and management of skills development in the firm tend

to be handled by the owner-manager. This is explained by the lack of HR departments in small and micro companies. Consequently, skills development in the company depends to a great extent on the attitude of the owner.

External services of training provision through private providers (67%) appear as the dominant mode of provision according to survey responses (Figure 6.4 and Table 6.1). Internal systems (through company employees) and other kinds of external providers (universities, chambers of commerce, partner companies and suppliers) were only rarely mentioned. The joint collection body (OPCO, *Opérateur de Compétences*) managing the levy scheme financing continuous vocational training is also rarely mentioned by employers. In some cases, cooperation with larger companies in the value chain give employees access to more structured training opportunities. In other cases, networking with other companies is not considered as an interesting option because of the specificity of their production systems or interests.

**Figure 3.3 France: Features of education and training activities over the period 2017-19 (average frequency, left; number of respondents, right)**



Note: (1) never; (2) rarely; (3) sometimes; (4) often; (5) always.

Source: Authors' formulation on survey results

**Table 3.1 France: Features of education and training activities over the period 2017-19 (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
During working hours or paid educational leave	53.85	17.95
Costs covered by the company	69.23	12.82
Selected in cooperation/agreement with company	81.58	10.53
Organised by company but delivered by externals	66.67	17.95
Delivered by company's employees	15.38	51.28
Organised by suppliers/customers	5.26	89.47
Organised by chamber of commerce/business association/trade union	10.26	66.67
Organised with other companies	5.13	79.49
Providing certificates as result	55.26	15.79
Required by law	37.84	35.14

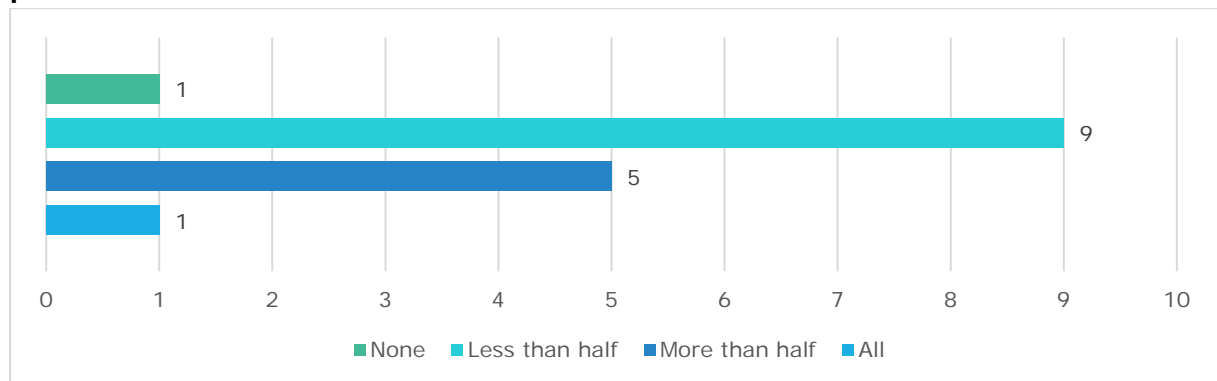
Note: Top 2 boxes = always + often; Bottom 2 boxes = rarely + never.

Source: Authors' formulation on survey results.

Looking at companies with at least some low-qualified employees, in most cases low-qualified employees made up less than half of the share of employees having undertaken education and training (Figure 3.3). This is the case in companies of all sizes. The share

of low-qualified employees participating in education and training increases in companies with larger shares of low-qualified employees. Moreover, interviewees do not indicate significant differences between access to training for low-qualified and other types of employees. Nonetheless, for companies with a larger share of low-qualified employees, the reason behind undertaking education and training was more often because it was required by law, and certificates were more frequently provided as a result.

**Figure 3.4 France: Number of respondents by share of low-qualified employees out of total employees participating in education and training activities over the period 2017-19**



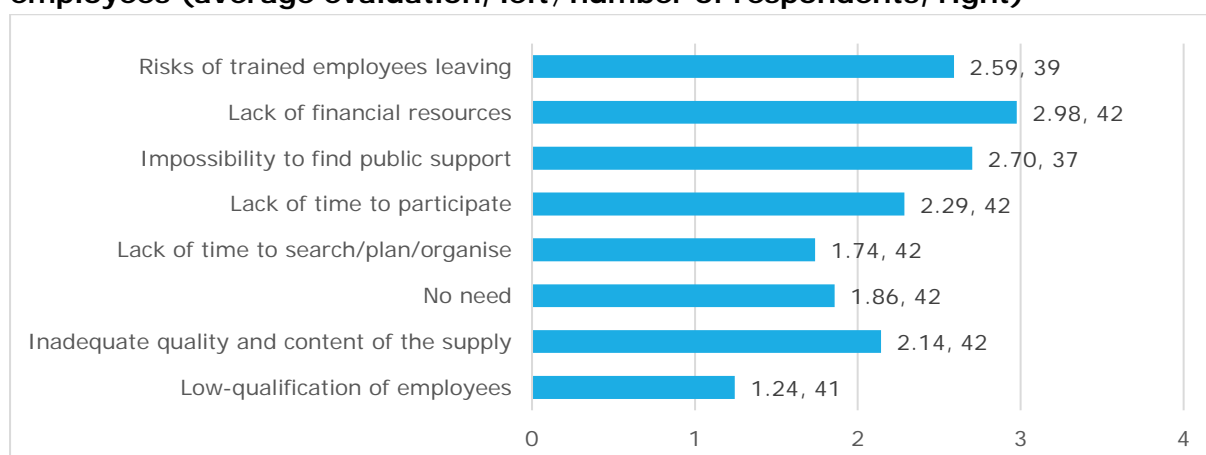
*Note: The total number of respondents excludes those companies reporting that none of their employees is low-qualified.*

*Source: Authors' formulation on survey results.*

### 3.2 Challenges

French companies in the sample do not face major challenges regarding training provision, according to survey results. Lack of financial resources appears as a serious challenge. Moreover, difficulties in finding public support and the risk of trained employees leaving can be a challenge to some extent (Figure 3.5 and Table 3.2). Other challenges are not seen as very relevant: 76% of survey respondents indicated that lack of time poses a challenge only to a limited extent, or not at all, as for low qualification of employees (93%). Interviews confirmed that in France, time does not emerge significantly as a constraint to up- and re-skilling. However, the administrative burden of education and training carried out by companies is mentioned as a barrier. Regarding inadequate quality and content of training supplied, 64% of companies perceive this as a challenge only to a limited extent or not at all. Only a minority (2%) indicate that no need for training represents the reason for not engaging in education and training. These patterns are robust across company size but companies with a larger share of low-qualified employees indicated lack of financial resources as a more salient challenge than the rest of companies.

**Figure 3.5 France: Main challenges to the provision of education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 3.2 France: Main challenges to the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Risks of trained employees leaving	17.95	46.15
Lack of financial resources	35.71	26.19
Impossibility to find public support	27.03	37.84
Lack of time to participate	14.29	54.76
Lack of time to search/plan/organise	14.29	76.19
No need	2.38	69.05
Inadequate quality and content of the supply	21.43	64.29
Low qualification of employees	2.44	92.68

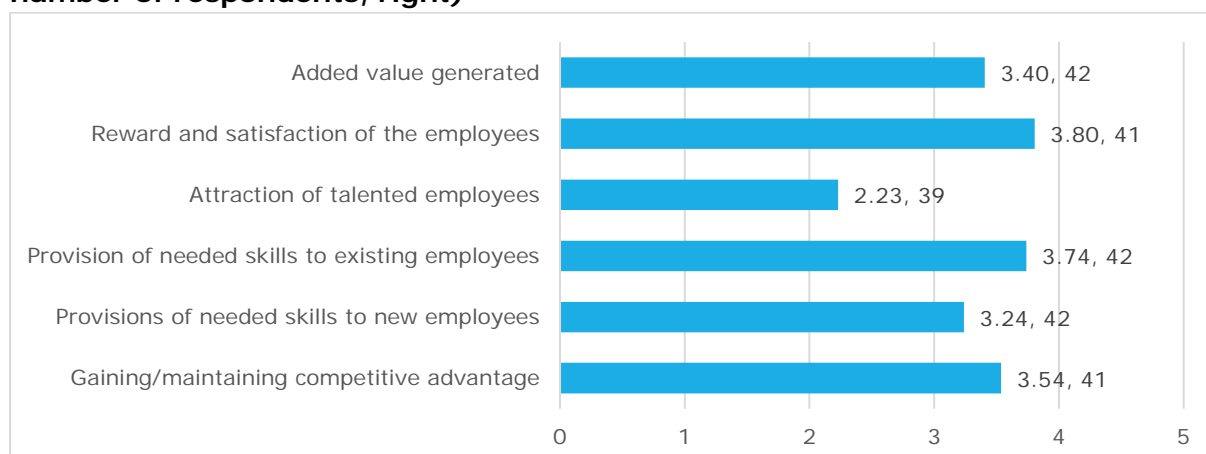
Note: Top 2boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

### 3.3 Opportunities

The French companies surveyed recognised the opportunities offered by education and training at individual and company level, but only to some extent. Reward and satisfaction of employees as well as provision of skills to existing employees are opportunities acknowledged by the majority of companies (Figure 3.6 and Table 3.3). Furthermore, about half of the French companies surveyed see training and education generating higher added value for the overall performance of the firm (45%) and increasing its competitive advantage (54%). Certain benefits of education and training are stressed in the French survey, such as the provision of better services to clients, higher employee motivation and higher rates of employee retention. Other benefits mentioned are increased knowledge sharing and the possibility of accessing new markets by widening, for instance, the language skillset. On the other hand, in the survey, offering training opportunities is seen as a way to attract talented employees only to a limited extent.

These patterns are consistent across company size and across companies with different shares of low-qualified employees. This changes however when focusing on companies where no employees participated in education and training. These tend to be more sceptical about potential benefits stemming from training provision.

**Figure 3.6 France: Main opportunities experiences (or expected to experience) when providing education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 3.3 France: Main opportunities experienced (or expected to experience) when providing education and training to employees (top/bottom two boxes)**

	Top 2 Boxes	Bottom 2 boxes
Added value generated	45.24	16.67
Reward and satisfaction of the employees	73.17	4.88
Attraction of talented employees	17.95	69.23
Provision of needed skills to existing employees	57.14	2.38
Provisions of needed skills to new employees	42.86	26.19
Gaining/maintaining competitive advantage	53.66	14.63

Note: Top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

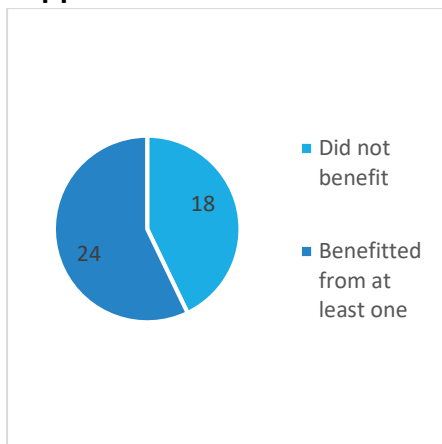
### 3.4 Policy options and suggestions

Regarding access to public policies to support up- and re-skilling, the majority of French companies (57%) benefitted from at least one public support measure for the provision of education and training, according to survey responses (Figure 3.7). Among companies with a high share of low-qualified employees, access to public support is especially high. 80% of these companies had benefitted from at least one public support measure. This result is consistent across all company sizes; however, this does not reflect into a high level of awareness of policies among the interviewees. Only a few respondents mentioned relevant support measures for up- and re-skilling.

Almost half of the companies surveyed (48%) benefitted in particular from public financial support for education and training (Figure 3.8). Other commonly accessed measures are the provision of information on available education and training by public authorities (20%), networks of companies for education and training (23%), public reimbursement of time spent in education and training (18%) and the organisation of free training by public authorities (15%). Companies made use more rarely of online education and training, payback clauses for trained employees leaving their firm and public assistance for identifying skills needs and appropriate training. Companies in the survey and in the interviews, mentioned frequently the system of *Organismes paritaires collecteurs agréés* (OPCA) for financing vocational training through joint contributions from enterprises, which has recently been replaced by the *Opérateurs de compétences* (OPCO). Other measures cited by employers are public subsidies, such as the annual training budget, as

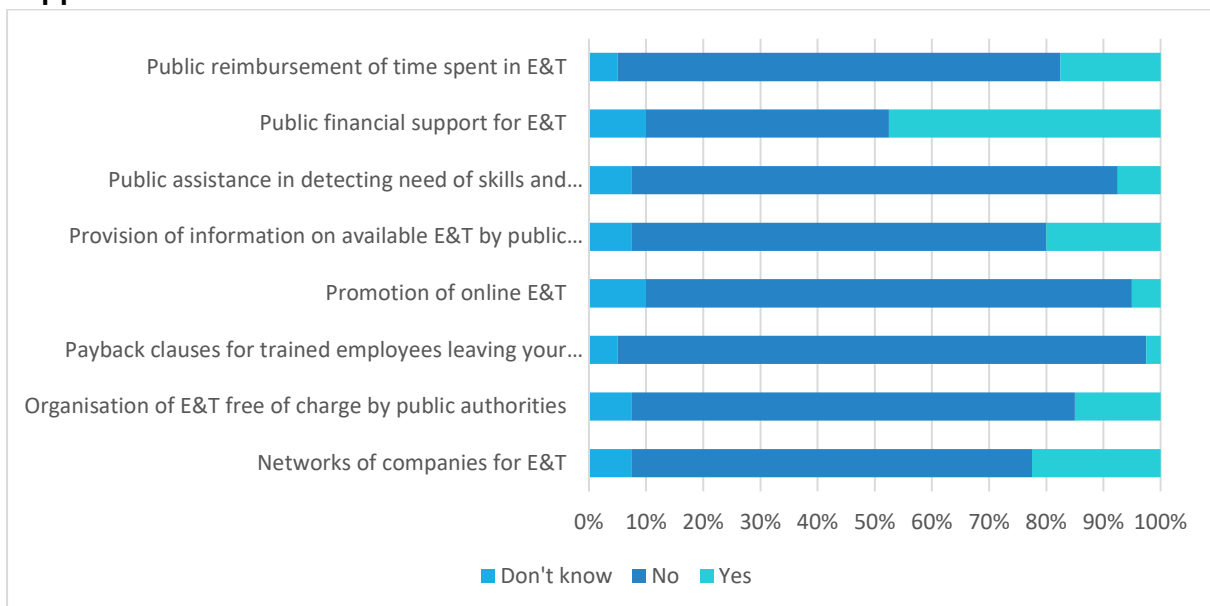
well as training provided through associations of enterprises or through social partners. Knowledge exchange through networks of companies is mentioned and highly valued.

**Figure 3.7 France: Share of respondents that benefitted from at least one support measure**



Source: Authors' formulation on survey results.

**Figure 3.8 France: Share of respondents that benefitted (or not) from specific support measures**



Source: Authors' formulation on survey results.

Among micro companies, public financial support for education and training and reimbursement of time spent in education and training were the most accessed public support measures, followed by free training organised by public authorities. Micro companies made less use of the other measures, and none benefitted from payback clauses or measures to help identify skills needs and training available. Most companies with large shares of low-qualified employees benefitted from public financial support and networks of companies for education and training. A fifth of these companies benefitted from public reimbursement for time spent in training, publicly provided information on training, online education and training and free training by public authorities.

According to French companies in the survey sample, the most impactful measures to support up- and re-skilling are public financial support and public reimbursement of time spent in education and training (Figure 3.9 and Table 3.4). 51% of companies considered grants as the most impactful financial support, followed by tax incentives (26%) and a

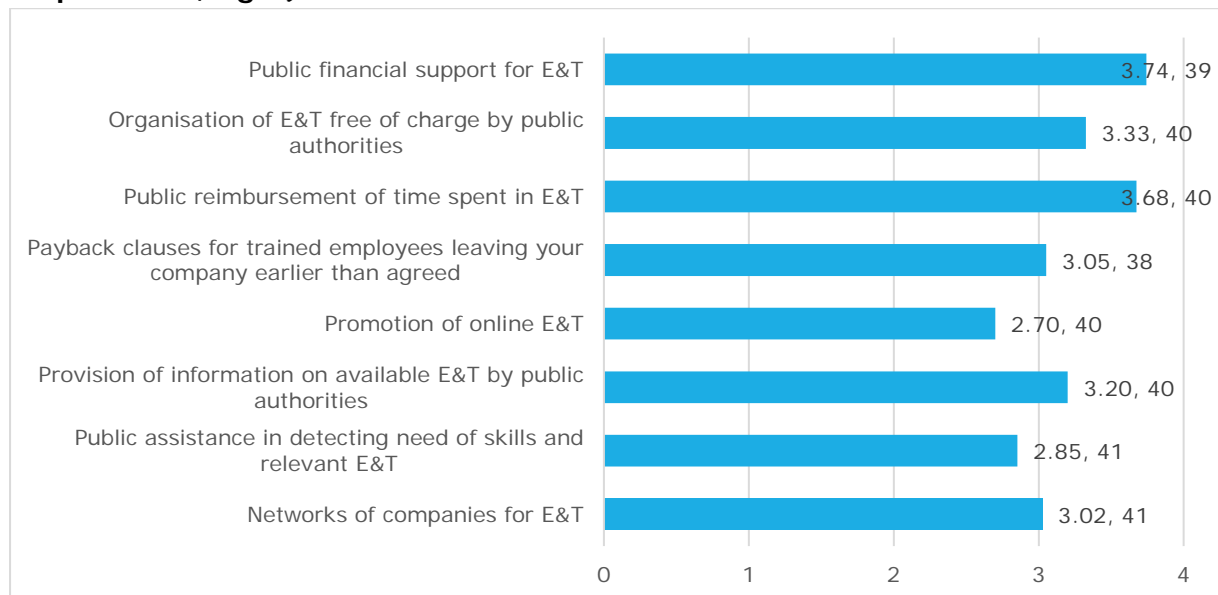


dedicated training budget for every employee (23%) (Figure 3.10). Other preferred measures include organisation of free training by public authorities, payback clauses for employees leaving early after being trained, information on available training by public authorities and networks of companies for education and training. Less impactful measures, according to companies, are promotion of online education and training and public assistance in detecting skills needs and available training. Suggestions for further policies include mentoring schemes, subsidies, training that is more specifically tailored to companies' needs and partnerships with universities and other educational bodies to improve the quality of the training content.

Micro companies consider public financial support for training and public reimbursement of time spent in education and training as the measures that would support them to the highest extent, similarly to the provision of information on available education and training by public authorities. Companies with higher shares of low-qualified employees appear more optimistic about the potential benefits of support measures, rating most initiatives as impactful to a high extent. Nonetheless, 60% of these companies rated the promotion of online education and training as impactful only to a limited extent or not at all. Companies where employees had not participated in education and training in 2017-19 appeared more sceptical on impact of public support.

Furthermore, to enhance access to public support for education and training, many companies in the interviews mention an intensive proactive action to inform micro and small companies about existing policy opportunities. According to these companies, action should also be taken to make public training courses more tailored to the needs of small and micro companies, especially for formal education and training. Individual learning accounts, in particular, were not spontaneously mentioned but generated enthusiasm when the concept was presented, especially among French employees.

**Figure 3.9 France: Expected impact of measures supporting the provision of education and training to employees (average evaluation, left; number of respondents, right)**



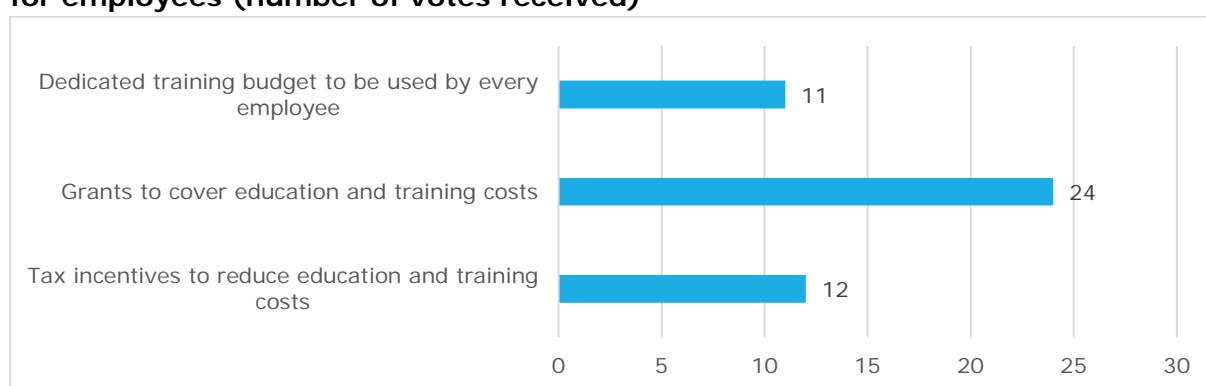
Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 3.4 France: Expected impact of measures supporting the provision of education and training to employees (top/bottom 2 boxes)**

	Top 2 boxes	Bottom 2 boxes
Public financial support for E&T	79.49	12.82
Organisation of E&T free of charge by public authorities	52.50	25.00
Public reimbursement of time spent in E&T	65.00	10.00
Payback clauses for trained employees leaving your company earlier than agreed	47.37	36.84
Promotion of online E&T	20.00	47.50
Provision of information on available E&T by public authorities	42.50	32.50
Public assistance in detecting need of skills and relevant E&T	26.83	39.02
Networks of companies for E&T	36.59	29.27

Note: Top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

**Figure 3.10 Preferred public support measures to fund education and training for employees (number of votes received)**



Note: Respondents believing that public financial support measures would contribute at least to some extent to provide education and training to employees were requested to select the two most impactful measures.  
Source: Authors' formulation on survey results.

### **3.5 Policy focus: Individual learning account (CPF) and AFEST**

In France, up- and re-skilling is high on the policy agenda. Low-qualified people, micro and small companies are primary target groups. In 2017, the Ministry of Labour launched the national skills investment plan (PIC: *plan d'investissement dans les compétences*). A new law was also enacted in 2018 to develop the autonomy of employees and individualisation of vocational training measures. In 2019 important reforms of the adult learning system were introduced, towards a simplification and individualisation of up- and re-skilling. Indeed, the efficiency of the French vocational training system is hampered by its complexity. National, regional and sectoral stakeholders develop policies that often overlap and target the same groups. Another characteristic of the vocational training system and the management of training funds is the tripartite decision-making.

A remarkable policy for education and training identified in France is the *Compte Professionnel de Formation* (CPF) (In English: Professional Learning Account) established in 2014 and overhauled in 2019. The French individual learning account was designed as a way to provide individual rights to adult learning, independently of the employer and the situation of the individual on the labour market. The CPF enables employees or job seekers to undertake, on their own initiative, a training course accredited and listed by official skills providers. Until 2019 the account was credited with a number of hours *per* year, up to the maximum of 150 hours of training over 8 years. Since 2019, the account is credited in Euros: €500 a year (€800 a year for low-qualified people) with a ceiling of €5,000 (€8,000 for low-qualified people). The CPF is funded by levy on salary paid by employers. To use a CPF, an individual may ask his employer to further co-finance the training action or may ask the

sectoral skills operator (one of the 11 "OPCO"). The skills operator is in charge of managing training funds and offers guidance for individuals and companies. The CPF target audience are people in employment aged 16 or older or people in unemployment registered or not at the PES. So far, the CPF has mainly benefitted job seekers and qualified people, while it has not achieved its goal of specifically targeting low-qualified employees. Small and micro companies tend to find it difficult to use the CPF due to the complex administrative process. Furthermore, since it is an individual right, companies are not legally obliged to ensure that the CPF is used by their employees and this can be seen as a way to avoid the implementation of skills development plans in the firm. Its effectiveness also depends considerably on the level of information that individuals have on the CPF.

In addition, the AFEST (*Action de formation en situation de travail*; In English: Learning at the workplace) is an interesting experiment aimed at increasing up- and re-skilling in small and micro companies. Initially conducted by COPANEF, replaced by *France Competences*, this initiative covers costs linked to informal learning actions in addition to formal and non-formal training costs. Its aim is to give more structure to on-the-job learning and to include it in the range of training funded by the levy. The launch of the experimentation was decided in 2014 by the General Delegation for employment and vocational training (DGEFP, *Délégation Générale à l'emploi et à la formation professionnelle*) of the Ministry of Labour, following the reform of the vocational training system in 2014. AFEST targets medium, small and micro companies, as well as low-qualified people who are frequently excluded from formal training. Before starting, the employee and the employer are asked to determine objectives and the skills they would like to develop. An OPCO can be involved at this stage to help the employee and the employer determine the objectives and the skills to acquire. This has proved in practice to have a positive impact on skills development. Its impact on decreasing barriers to training provision in small and micro companies is substantial, especially to address challenges such as lack of time, financial cost and inadequacy of training. AFEST also has a positive impact on low-qualified employees by providing tailored training. These beneficial effects led policymakers to upscale the experimentation in France with the law enacted in 2018.

## 4 IRELAND

In total, 20 Irish companies responded to the survey, among them 4 are micro companies and 16 are small companies. Half of the participating companies have no low-qualified employees, while 8 have some but less than half. In 2 companies, more than half the employees are low-qualified.

In addition, 10 employers and 10 employees in a totality of 13 micro and small companies were interviewed for the study. These interviews were complemented by a further 12 interviews with experts and stakeholders.

### 4.1 Up- and re-skilling patterns and features

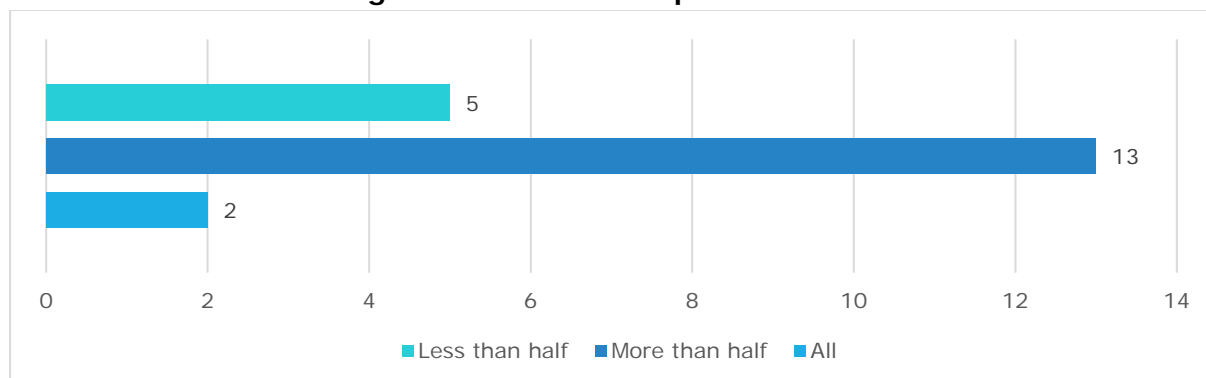
There are different approaches towards identification and tracking of skills in Irish micro and small companies sampled. In most companies, such tracking is unsystematic and informal. This is deemed sufficient as employers are aware of general skills levels due to the small size of companies.

Some companies perform skills tracking and planning, when employees request participation in an activity or during the annual performance appraisal that include decisions on training. While there are companies where skills are not recorded at all, in others there is a record of skills and strategic training plans are developed. These plans contain skills needs and decisions on training or hiring of new employees is based on these.

In general, employers have a positive attitude towards training of employees. They either actively promote up- and re-skilling activities or are generally in agreement with if employees make requests in these regards. While some employers prefer training that makes a direct contribution to the company, others also encourage training aimed at the general development of employees. With regard to employees, training is generally seen as important for career development, particularly in the context of changing skills demand. However, some employees also state that the skills required for their job are not changing and that therefore they do not perceive education and training as necessary. Some employees state that it is their role to proactively propose training to employers, while others indicate that training is usually suggested by the head of the company. Low-qualified employees exhibit a somewhat more passive attitude to education and training, partially because previous training was not adequate for these employees in the past.

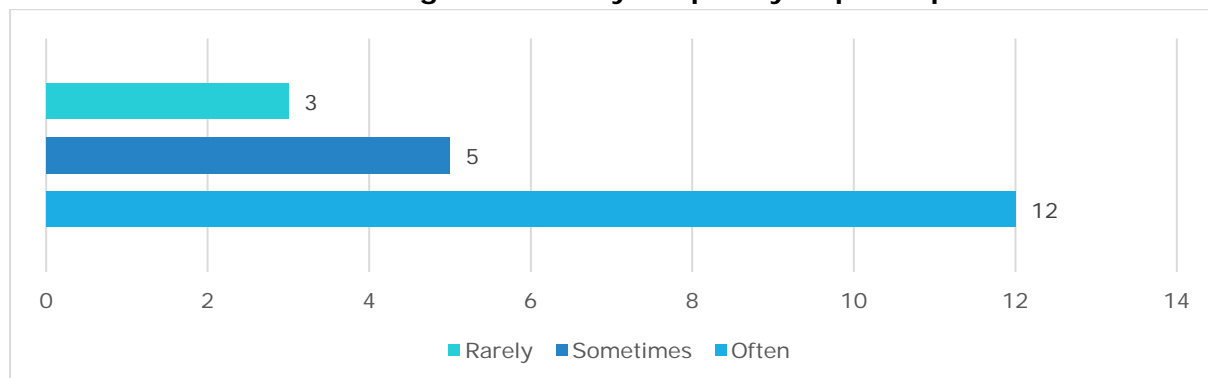
Irish companies involved in the survey indicate a high participation in education and training. There are no companies where no employees had participated in education and training in 2017-19 (Figure 4.1). In 65% of companies, more than half of employees had participated in training, while in a further 10%, all employees had. Figure 4.2 shows that the frequency of participation in education and training in the companies surveyed is high. Most companies indicated that employees had often participated in education and training. These results are confirmed for the subsample of micro companies.

**Figure 4.1 Ireland: Number of respondents by share of employees participating in education and training activities over the period 2017-19**



Source: Authors' formulation on survey results.

**Figure 4.2 Ireland: Number of respondents whose employees participated in some education and training activities by frequency of participation**



Source: Authors' formulation on survey results.

Figure 4.3 and Table 4.1 show common features of education and training activities undertaken in Irish companies between 2017 and 2019. Often, education and training was selected in cooperation/agreement with the company, who also covered the cost. The interviews reveal that only a small share of micro and small companies have a HR department or a training policy. While mandatory training is chosen by the company and required for all employees, voluntary training is organised on a more individual basis based on agreement between the employer and the employee. A specific training policy is not seen as necessary as companies are small and communication lines between employer and employees are short. Usually, training is chosen based on informal discussions, with the owner-manager. Most often employers indicate that relevant training is on job-specific skills, IT skills, leadership skills and law and regulations (e.g. GDPR).

Other features that most companies indicated as occurring often or always were that education and training took place during working hours or paid education leave (70%), that certificates were provided as a result (60%), that training was required by law (60%) and organised by the company but delivered by externals (55%). Less frequently, training was delivered by employees or organised by suppliers, with other companies or by institutions such as the chambers of commerce. According to the interviews, Irish companies most commonly collaborate with external actors, often funded through the government in programmes such as SOLAS, Skillnet or the Education and Training Board. Sometimes, other institutions such as universities, HR companies or other training providers are also involved. Collaboration in company networks occurs through Skillnet. Through this agency, companies can propose training, meet with providers to evaluate training and propose new courses, and influence decision by sitting on boards.

Among companies with at least some low-qualified employees, low-qualified employees make up a lower share of the total employees receiving education and training (Figure 4.4). This is consistent across company size. In principle, employers state that they do not differentiate between employees with different levels of qualification. It is strongly emphasised that employees with lower educational attainment are not considered as low-qualified, as they master the skills needed to do their job. For low-qualified employees in Irish companies interviewed, formal and non-formal training is common. Often, it involves practical training, such as the use of new equipment, that can be directly applied. In this sense, training for low-qualified employees is more often directed towards short-term company needs.

**Figure 4.3 Ireland: Features of education and training activities over the period 2017-19 (average frequency, left; number of respondents, right)**



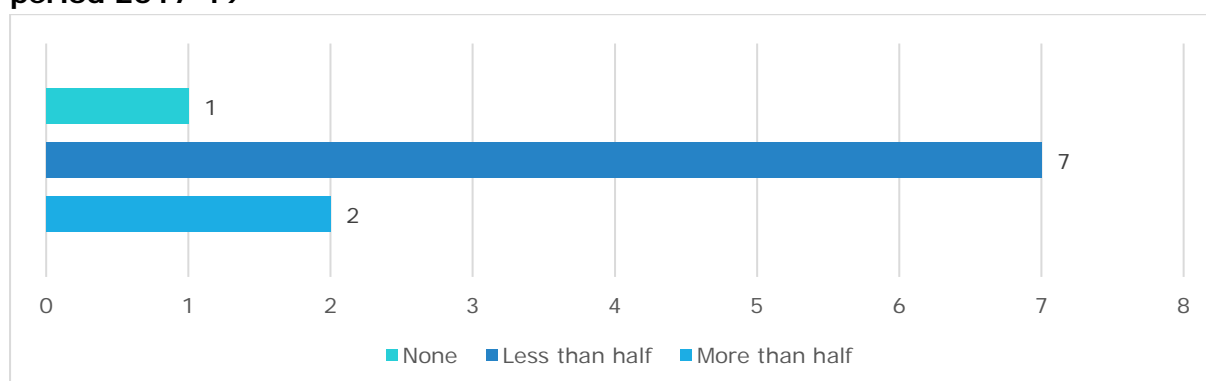
Note: (1) never; (2) rarely; (3) sometimes; (4) often; (5) always.  
Source: Authors' formulation on survey results.

**Table 4.1 Ireland: Features of education and training activities over the period 2017-19 (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
During working hours or paid educational leave	70.00	10.00
Costs covered by the company	85.00	5.00
Selected in cooperation/agreement with company	75.00	5.00
Organised by company but delivered by externals	55.00	10.00
Delivered by company's employees	30.00	25.00
Organised by suppliers/customers	15.00	50.00
Organised by chamber of commerce/business association/trade union	20.00	65.00
Organised with other companies	25.00	35.00
Providing certificates as result	60.00	15.00
Required by law	60.00	15.00

Note: Top 2 boxes = always + often; bottom 2 boxes = rarely + never.  
Source: Authors' formulation on survey results.

**Figure 4.4 Ireland: Number of respondents by share of low-qualified employees out of total employees participating in education and training activities over the period 2017-19**



Source: Authors' formulation on survey results.

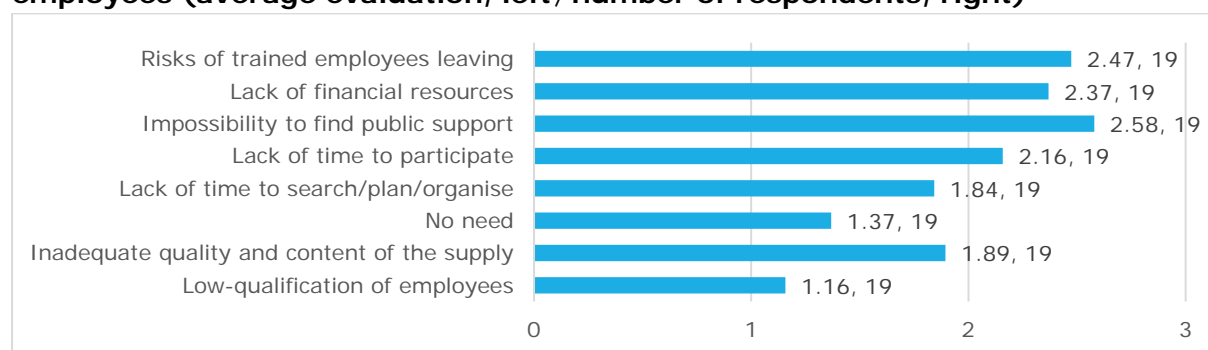
## 4.2 Challenges

Both employers and employees in the interviews perceive challenges to provision of education and training, though challenges are more strongly emphasised by employers. Based on survey results, Figure 4.5 and Table 4.2 indicate which challenges Irish companies perceived to exist to varying extents in inhibiting provision of education and training. Irish companies do not perceive any challenges to training provision to a high or full extent. The most significant challenge perceived is difficulty in finding public support, however only 21% of companies indicate that this was a challenge to a high or to the fullest extent. Employers do mention lack of information about opportunities and public support. However, interviews highlight administrative barriers, as there are a lot of offers and it is difficult to find appropriate support measures. All other challenges are seen to only exist to a limited extent, or even not at all.

However, financial and time constraints emerge in interviews as relevant challenges in the Irish case. The organisation of work is highly affected by employees leaving to take up training, particularly in small companies. This cost is exacerbated as training often requires travel. Therefore, the cost of releasing the worker for training to attend courses or replacing them is significant. This concern is also mentioned by employees, who are wary of education and training clashing with their work commitments.

In particular, the lack of a need for training and low qualification of employees are not at all seen as challenges to training provision by companies. There is no evidence of employers not providing up- and re-skilling opportunities because of fear of employees leaving. Employees do not mention this as a reason for their employer not providing training or consider that training would allow them to leave their jobs. The exception are employers speaking about low-qualified employees, who do mention concerns about these employees leaving once they are more qualified.

**Figure 4.5 Ireland: Main challenges to the provision of education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 4.2 Ireland: Main challenges to the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Risks of trained employees leaving	5.26	47.37
Lack of financial resources	21.05	57.89
Impossibility to find public support	21.05	57.89
Lack of time to participate	10.53	73.68
Lack of time to search/plan/organise	5.26	73.68
No need	0.00	94.74
Inadequate quality and content of the supply	10.53	78.95
Low qualification of employees	0.00	100.00

Note: Top 2 boxes = to a high extent + to the fullest extent; Bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

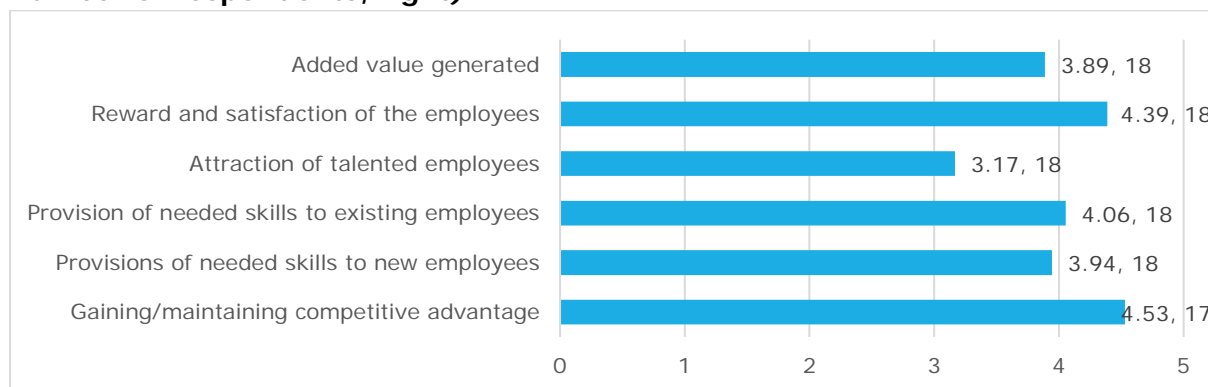
### 4.3 Opportunities

Both employers and employees are aware of opportunities arising from education and training. While employers are more cognizant of opportunities at the company level, employees strongly emphasise benefits to their career progression. In general, as regards opportunities arising from provision of education and training, Irish companies are rather optimistic (Figure 4.6 and Table 4.3). In particular, opportunities identified as arising to a high or to the fullest extent were reward and satisfaction of employees (94%), gaining or maintaining a competitive advantage (94%), and providing needed skills to existing or new employees (72%). The generation of added value may also be experienced to a high extent, as well as, to some extent, the attraction of talented employees.

Employers see education and training as necessary to provide needed skills to new employees but also to maintain and upgrade skills in the existing workforce. There is a strong recognition of the process of labour market transformation and the resulting need for up- and re-skilling, particularly in strongly affected sectors such as IT. Skills gained are seen as particularly useful when they are practical and can be directly applied in the company, or when they are soft skills. The acquisition of skills is seen as benefitting company performance by both employers and employees. The improvement of company and job performance as well as increases in competitiveness are emphasised as an opportunity across sectors and company sizes. Often, up- and re-skilling is pursued due to client requirements and shifts in customer demand. It can also be an effective signal when pursuing public sector tenders.

These patterns are generally consistent across company size. However, the four micro companies are especially sceptical of the opportunity to attract talented employees through provision of education and training, saying it only applied to a limited extent.

**Figure 4.6 Ireland: Main opportunities experienced (or expected to experience) while providing education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 4.3 Ireland: Main opportunities experienced (or expected to experience) when providing education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Added value generated	66.67	5.56
Reward and satisfaction of the employees	94.44	0.00
Attraction of talented employees	44.44	27.78
Provision of needed skills to existing employees	72.22	5.56
Provisions of needed skills to new employees	72.22	5.56
Gaining/maintaining competitive advantage	94.12	0.00

Note: Top 2 boxes = to a high extent + to the fullest extent; Bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.



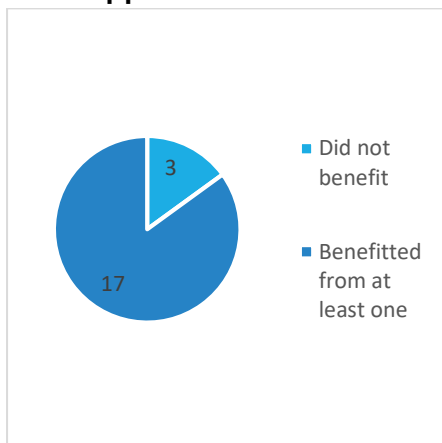
#### 4.4 Policy options and suggestions

In general, there is a broad awareness of policies to support up- and re-skilling in Ireland, particularly among employers. As such, a relatively large number have previously benefitted from support and have had positive experiences with it. 85% of companies in the survey sample have previously benefitted from at least one public support measure for training provision (Figure 4.7). This was also the case for the majority of micro companies.

In particular, measures that at least half the companies had benefitted from included public financial support for education and training (78%), promotion of online education and training (61%), networks of companies for education and training (61%), training provided free of charge by public authorities (56%) and information provision on available training by public authorities (56%). A range of companies comment that they had benefitted from help from their local Skillnet organisation in identifying training needs, obtaining funding and organisation of training opportunities. Some companies also made use of public assistance in detecting skills needs and relevant education and training (39%). A range of companies had benefitted from help from their local Skillnet organisation in identifying training needs, obtaining funding and organisation of training opportunities. Other organisations that helped with organisation of training were the Local Enterprise Office (LEO), the Explore Programme and Enterprise Ireland.

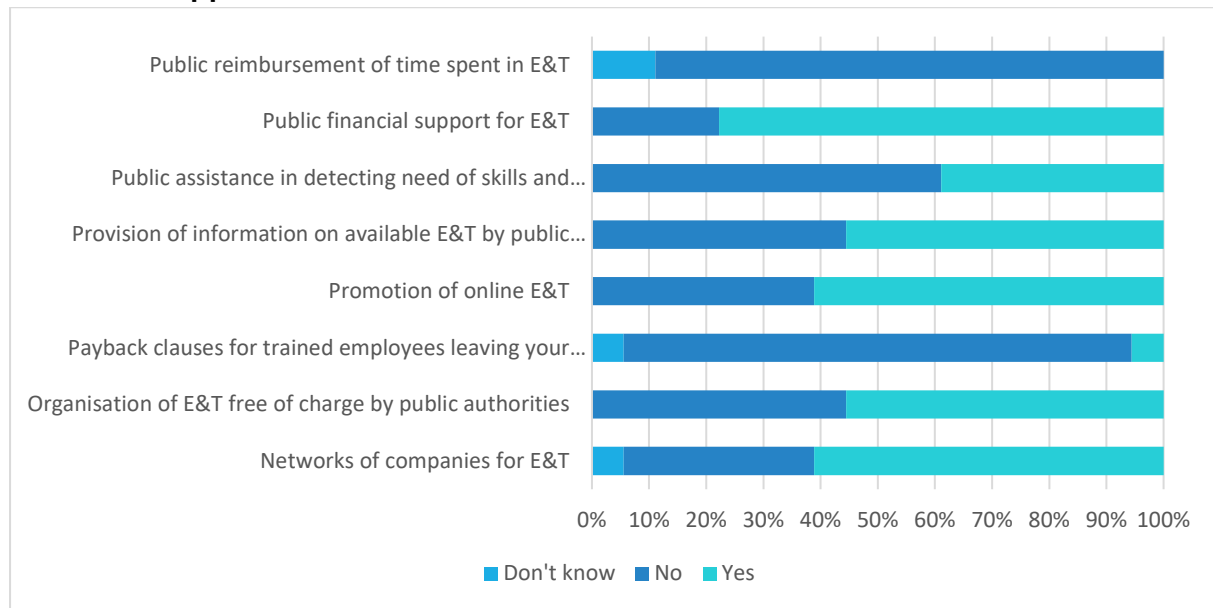
A small proportion of companies used payback clauses for employees leaving the company early, while none benefitted from public reimbursement of time spent in education and training (Figure 4.8). The micro companies had all made use of company networks for education and training; two of them also benefitted from public financial support, information provided by public authorities and online education and training. One company participated in education and training organised free of charge by public authorities.

**Figure 4.7 Ireland: Number of respondents that have benefitted from at least one support measure**



Source: Authors' formulation on survey results.

**Figure 4.8 Ireland: Share of respondents that have benefitted (or not) from at least one support measure**



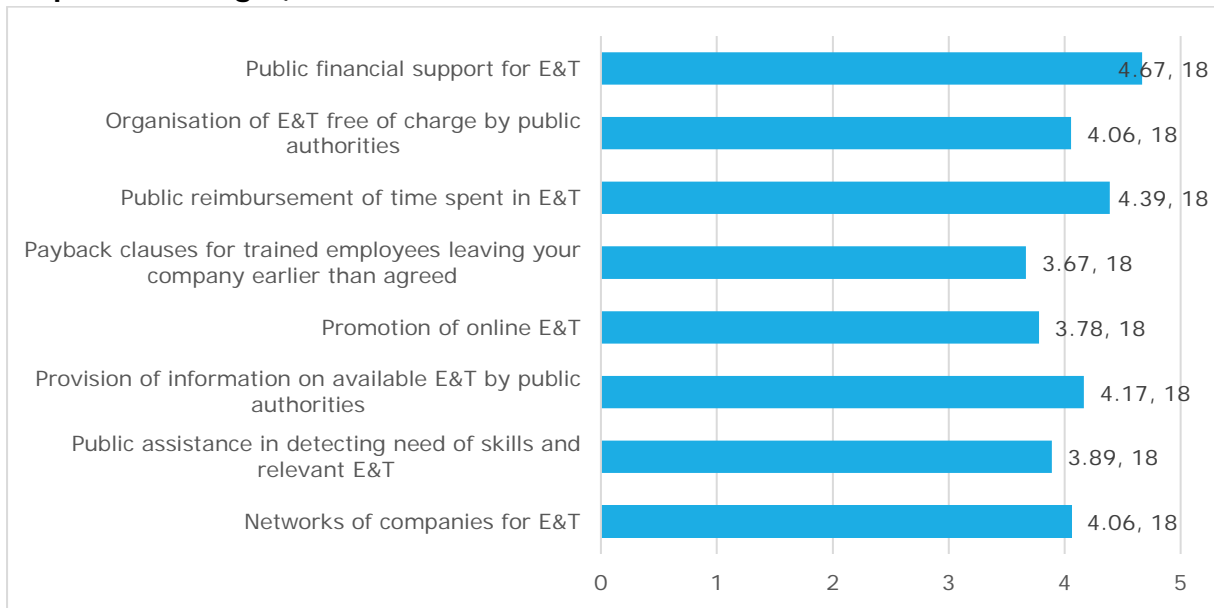
Source: Authors' formulation on survey results.

Respondents were also asked to identify the extent to which they would expect specific support measures to help them in providing education and training to employees (Figure 4.9 and Table 4.4). All measures are judged to be beneficial to either a high or to the fullest extent. In particular, the measures that most companies think would be beneficial to either a high or to the fullest extent are public financial support for education and training (100%) and public reimbursement of time spent in education and training (89%). Asked to provide detail on what type of public financial support would be most helpful (Figure 4.10), the large majority prefer grants to cover the costs of education and training, with some companies also supportive of tax incentives. All other measures are also thought on average to be beneficial to a high extent. In particular, employers are in favour of financial support measures. While they are also interested in increased information and awareness campaigns about policy programmes and specific instruments available to facilitate access, this aspect is particularly strongly emphasised by employees.

As regards online education and training, existing experience is limited but the field is growing in importance. While it is generally regarded as a good addition due to added flexibility and the ability to educate one's self on one's own time, there are also sceptical opinions, with an emphasis on reduced engagement compared to traditional courses, arguing that online education and training should not replace physical training. Online training may be particularly beneficial for companies who struggle to participate in education and training due to high travel costs, as is the case in several cases in Ireland. Some employees have tried out online education and training, but so far experience is limited. The usefulness for low-qualified employees in particular is contested, as they may lack the digital skills required.

As regards the four micro companies in the survey sample, public financial support for education and training and training organised free of charge by public authorities are seen as measures that would be helpful to the highest extent. Micro companies are somewhat more sceptical of other support measures compared to the rest of the sample. In particular, networks of companies and payback clauses for employees leaving the company early are seen as only helpful to some extent.

**Figure 4.9 Ireland: Expected impact of measures supporting the provision of education and training to employees (average evaluation, left; number of respondents, right)**



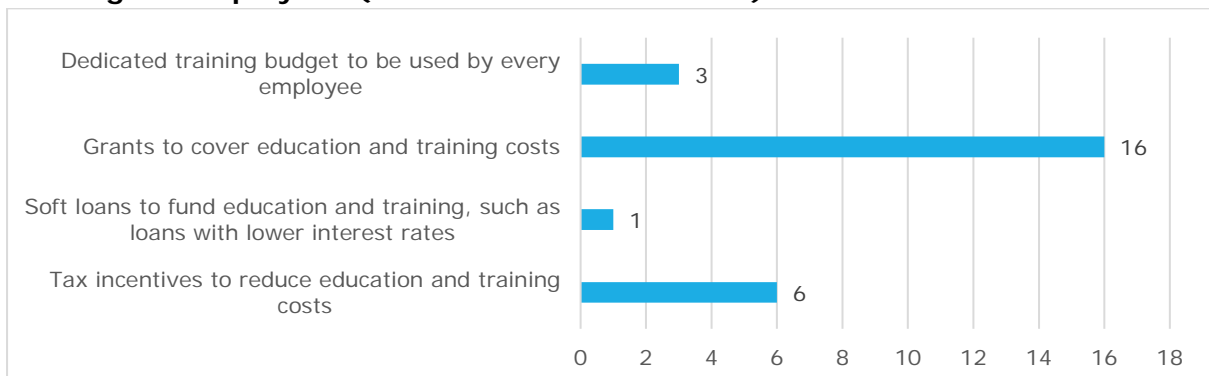
Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 4.4 Ireland: Expected impact of measures supporting the provision of education and training to employees (top/bottom 2 boxes)**

	Top 2 boxes	Bottom 2 boxes
Public financial support for E&T	100.00	0.00
Organisation of E&T free of charge by public authorities	72.22	11.11
Public reimbursement of time spent in E&T	88.89	0.00
Payback clauses for trained employees leaving your company earlier than agreed	55.56	22.22
Promotion of online E&T	66.67	11.11
Provision of information on available E&T by public authorities	77.78	5.56
Public assistance in detecting need of skills and relevant E&T	61.11	16.67
Networks of companies for E&T	77.78	11.11

Note: Top 2 boxes = to a high extent + to the fullest extent; Bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

**Figure 4.10 Ireland: Preferred public support measures to fund education and training for employees (number of votes received)**



Note: Respondents believing that public financial support measures would contribute at least to some extent to provide education and training to employees were requested to select the two most impactful measures.  
Source: Authors' formulation on survey results.

#### **4.5 Policy focus: SOLAS and Skillnet**

In general, there is a growing awareness of the necessity for up- and re-skilling in Ireland. After pressure on public finances during the financial crisis, new efforts have been made by the government to increase investment in lifelong learning. In particular, government focus has shifted from supporting those in unemployment to up- and re-skilling for the employed. This is essential as Ireland currently has one of the lowest rates of ongoing workplace training and re-skilling in the EU. However, policymakers face uncertainty as to what skills are being demanded, as ongoing labour market changes take place.

The national government and the PES are the primary actors in education and training policy, responsible for setting national priorities and providing funding. The Department of Education and Skills and its agencies play a key role. Regional Skills Fora play an important role in ensuring that skills training matches local demand. Funding is frequently provided through the National Training Fund, which is financed by a levy on companies (Department of Education and Skills, 2019). Social partners also play a role, with employer organisations in particular focused on skills development.

A significant policy institution for education and training in Ireland is SOLAS, established in 2013 as an agency of the Department of Education and Skills. It is governed by a board consisting of training institution representatives, business representatives and experts. It has the objective of overseeing the provision of further education and training in Ireland. This aims to ensure that training is sufficient for the different sectors in the Irish economy and the necessary pool of workers is available to the industries. More specifically, the further education and training programme has six targets, including focus on employment; progress to other education and training opportunities; general skills; lifelong learning; meeting the national skills target; accepting new forms or traineeships and apprenticeships. SOLAS identified the main training needs and then outsources training to private or public bodies, while ensuring that they respond to changing skills demand. For this purpose, SOLAS conducts policy research on future skills needs and provides direction.

SOLAS provides funding for professional training, with eligibility conditions depending on the characteristics of workers or companies. For example, for employees to be eligible they need to be either in a low-skilled job or over 50 years of age. Moreover, they need to be active in a sector at risk of displacement. For employees, lower level trainings are free of charge, whereas others are available at a reduced fee (i.e. subsidised). For companies, the contribution depends on the government funding they receive and their size. The employers submit the training needs of their members to SOLAS.

SOLAS works closely with the national educational institutions to execute training and design courses. SOLAS has specific individual agreements with each of the Education and Training Boards (ETB) on policy and strategies, so that differences in regional needs can be addressed. The agreements are based on dialogue between SOLAS, the respective ETBs and external experts (SOLAS, 2019).

SOLAS had a total income of €621 million in 2018, which was almost entirely contributed by the national government, particularly the National Training Fund. All programmes of SOLAS are co-funded by the Irish Government, while some programmes are co-funded by the European Union under the Programme for Employability, Inclusion and Learning 2014–2020. The vast majority of the SOLAS funds are used for grants to the ETBs that provide training. The 16 ETBs received a total of €569 million in 2018. Grants to Voluntary Secondary and Community and Comprehensive Schools (€0.7 million) and Organisations in the FET sector (€9 million) account for a small minority of the expenses to education and training institutions. A very small share of the income (ca. 0.2%) goes to EU-related projects.

In 2018, SOLAS provided further education and training courses across more than 33 skills clusters. In total there were about 308,000 beneficiaries of further education and training in 2018, including about 199,000 part-time beneficiaries and about 109,000 full-time beneficiaries. The large majority of these beneficiaries were new entries with about

232,000 or 75% of the beneficiaries. SOLAS delivered more than 13,000 certificates for transversal skills development (literacy, numeracy, ICT, etc.), more than 6,500 qualifications related to national skills requirements and more than 3,000 new apprenticeships.

The Further Education and Training Strategy 2014-2019, in which SOLAS and the Department of Education and Skills are the main partners, has been subject to external review. The review published in June 2018 indicated that the strategy has been successful in establishing a new infrastructure to provide further education and training. This includes the creation of new apprenticeship and traineeship models, transversal skills development strategy, dialogue between SOLAS and ETBs, advanced data management (SOLAS and Prospectus, 2018). However, according to the evaluators is there a need for a more robust system to ensure responsibility and accountability on both the strategy and implementation. In the same vein, the data infrastructure of SOLAS should be improved to allow for a better assessment of the impact. They also advised to clarify the position of further education and training compared to secondary education and higher education. Finally, there is also room to improve the effectiveness of the guidance on the education and training possibilities (SOLAS and Prospectus, 2018).

In addition, Skillnet, the national agency for workforce development, has been active in Ireland for 20 years. Skillnet works with training networks led by businesses in a range of sectors and regions to provide skills to employees and increase competitiveness. This contributes to the Irish national target of having 15% of employees in lifelong learning programmes by 2025. Established in 1999, it is a business-led programme, with over 65 Skillnet business training networks forming the core of the organisation. These training networks operate either in specific sectors or in specific regions in order to provide bespoke training according to the needs of businesses.

In order to provide demand-driven training, Skillnet funds research into issues such as the future of work and digital technology. For example, Skillnet recently commissioned research projects on; the challenges of innovation training for SMEs and how it can be better targeted to meet the needs of SMEs; use of digital technology for accrediting credits to micro-learning; and, on the impact of automation and the customer experience sector. This allows for identifying training that is needed for employees to remain successful on the labour market and for the Irish economy to remain sustainable. With their programmes focused on lifelong learning and professional development for employees, Skillnet aims to contribute to the productivity and competitive position of the individual companies as well as the sustainability of the Irish economy.

About 16,000 companies are currently member of Skillnet. The agency is governed by a board consisting of representatives from business, government and trade unions (Skillnet, 2019). Businesses play an important part in programme delivery, by contributing to the development of programmes, providing participants and providing part of the funding. Funding of training programmes works on a cost-sharing basis between businesses and public funds for Skillnet, which are in principle equally matched. For its public funding Skillnet relies almost entirely on the Irish National Training Fund (NTF). Skillnet Ireland is steadily growing in size. In 2018, it had a total revenue of €22.2 million, which is about 18% more than the preceding year. The vast majority of the revenues is used to fund the training programmes, about €19.5 million or about 88% of the income. As Skillnet Ireland works on a cost-sharing basis with the businesses, the Skillnet funding of the training programmes was topped-up with an additional contribution from the companies of €18.5 million. This amount is similar to the amount Skillnet contributes to training programmes, as Skillnet in principle matches the funding provided by the member companies.

In 2018, more than 56,000 employees and unemployed participated in training programmes, about 40% of which were certified. On average, the employees and unemployed participated in nearly 8 training days or about 442,000 training days in total. The training courses were distributed across four work programmes: Training Networks

Programme, Future Skills Programme, Management Development, and Employment Activation Programme (EAP) (Indecon, 2018).

A number of Skillnet associations in Ireland are focused specifically on micro and small businesses, which form 82% of the member base, with 56% being micro companies. For example, Technology Ireland has a Skillnet that looks at the needs of the tech companies and tech start-ups. About 56% of the members has between 0 and 9 employees (micro) and 26% between 10 and 49 employees (small). In total, about 6% of the active SMEs in Ireland are members of Skillnet (based on Indecon, 2018). While Skillnet provides training to both low- and high-qualified employees, the share of low-qualified participating has so far been limited. However, offers to the low-skilled for training and certification are being further developed, particularly in specific sectors such as retail.

Skillnet is evaluated annually by external reviewers, as a requirement for receiving NTF funding (Indecon, 2018). Evaluations have concluded that Skillnet is successful in achieving up-skilling of employees. Targets on the number of training programmes offered have been exceeded. The majority of companies and participants are very satisfied with the work of Skillnet, with companies recognising a positive impact on the skills gap and long-term business performance. Participants stated that they felt encouraged to take up further education and training and perceived potential benefits for their future career. Skillnet has served as an example for other countries, who often visit the organisation to examine potential ideas for transfer. The evaluation referred to above does not provide the results across company size. However, as the SMEs form the large majority of the member companies, it is likely that they have been the main respondents to the survey, implying that micro and small enterprises gain benefits from participating in Skillnet.

## 5 ITALY

Overall, 22 Italian companies responded to the online survey. Three quarters of the companies in the sample are small companies, while the remaining 5 companies are micro companies. The majority of companies indicated either no (32%) or less than half (32%) of their workforce as low-qualified. Only 9% of companies stated that all their employees are low-qualified. In addition, the survey was complemented with 10 interviews with employers and 10 with employees in micro and small companies. These interviews came from 12 companies overall, of which 8 were small companies and 4 were micro companies. Moreover, 13 experts and stakeholders were interviewed.

### ***5.1 Up- and re-skilling patterns and features***

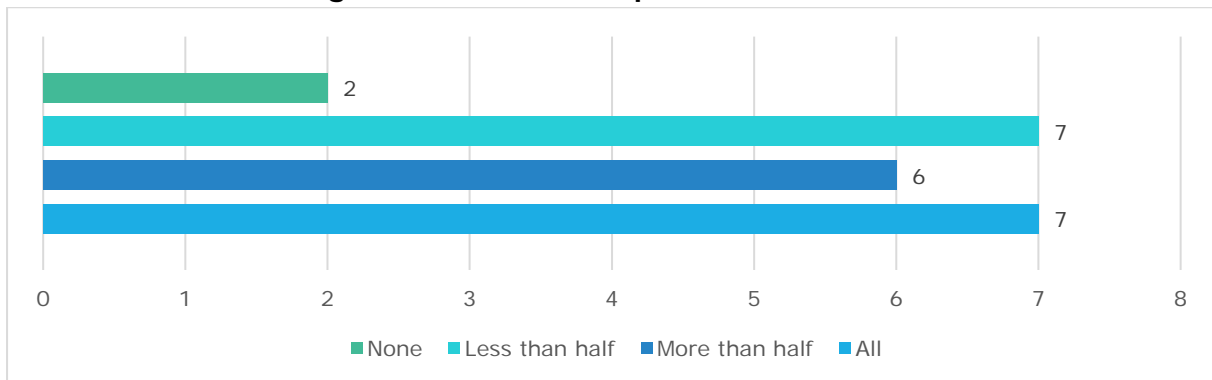
Companies in the Italian sample show a satisfactory knowledge of the level of qualification of their employees, but do not keep track of these qualifications formally, except in cases where this is required by law or by their clients. It is not always considered necessary to document qualifications, as the actual level of skills workers exhibit is considered more important. Nonetheless, formal procedures for skills tracking are also not in place, apart from rare exceptions. The concept of skills and skills tracking is not always clear to companies.

However, Italian employers do use informal practices to assess skills, such as meeting between employers and employees to discuss progress. Client requests are often employed to assess gaps between existing and needed skills. Performance assessment is also frequently based on daily activities, especially in smaller firms where the owner-manager is present on a daily basis. More formal procedures are not seen as necessary. The owner-manager is usually responsible for tracking skills, as well as the line manager or team leader in relatively larger firms.

The level of awareness about the importance of up- and re-skilling is high, as training is seen as necessary to remain competitive, increase client satisfaction and upgrade knowledge. Employees also show interest in education and training and are aware they need to keep learning. The interest is particularly high among younger people, among both employers and employees. While younger workers show interest in more structured learning opportunities, older ones are more invested in learning on the job. The perception that there is a need to keep learning is often mentioned as arising from relationships with clients. However, up-skilling is generally seen as the employees' responsibility by employers and a strategy for up- and re-skilling does not generally exist, with qualifications that are required by law an exception. Yet there are also some employers that show a more open-minded attitude and are in favour of financing learning opportunities if they are relevant. The strict attitude of most companies towards education and training appears to be rooted in a perceived lack of motivation on the part of employees and is also enhanced by a stronger prevalence of temporary employees in the firm.

Overall, when asked about take-up of education and training opportunities, the large majority of Italian companies reported that at least some of their employees had participated in training in the last three years, with only 2 companies indicating that no employees had participated in training in the reference period (Figure 5.1). The remaining companies were relatively equally distributed between having less than half (32%), more than half (27%) or all employees (32%) taking part in training. It was exclusively the case in micro companies that no employees participated in education and training activities, whereas in all small companies at least some employees took part. However, apart from those two micro companies indicating no participation in education and training, in the remainder of micro companies in the sample, more than half or all of employees received training.

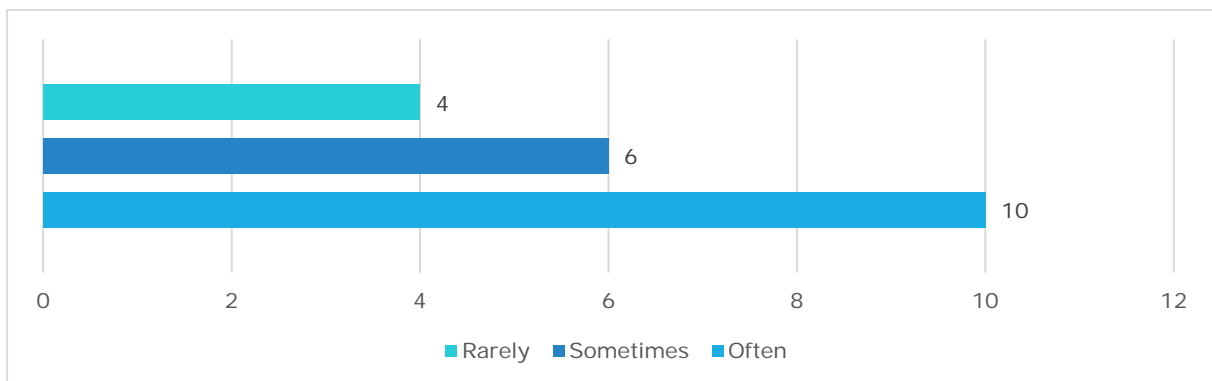
**Figure 5.1 Italy: Number of respondents by share of employees participating in education and training activities over the period 2017-19**



Source: Authors' formulation on survey results.

Among the companies where at least some employees participated in training (20), frequency of training participation was relatively high, with half of companies indicating that their employees participated often in training (Figure 5.2). For 30% of the companies, employees participated sometimes and for another 30% of the companies, employees participated only rarely. Interestingly, frequency of participation in training seems to be higher in micro companies in the sample, where employees participate often in training in 67% of the cases.

**Figure 5.2 Italy: Number of respondents whose employees participated in some education and training activities by frequency of participation over the period 2017-19**



Source: Authors' formulation on survey results.

Figure 5.3 and Table 5.1 indicate common features of education and training activities in which employees participated between 2017 and 2019. It is indicated that education and training frequently took place during working hours or paid educational leave, with costs often being covered by the company. Companies also indicate that training was usually selected in cooperation or agreement with the company, and that in most cases certificates were provided as a result. Equally, it is indicated that training was often required by law. Generally, companies have no long-term strategy for skills development and choose training based on short-term needs and client requests. The responsible person for identifying training opportunities is often in principle the employee.

Formal and non-formal forms of training are infrequent in Italian micro and small companies, except where qualifications are required by law. Usually, informal learning through on-the-job experience is the most common form of learning, particularly for junior staff. Senior staff are perceived to be knowledgeable enough to up-skill self-autonomously. By consensus of employers and employees, self-learning is overall the most common way of learning in companies. However, non-formal learning is also seen as a valid option, through options such as participation in conferences and other events or on-site visits or collaboration with suppliers, including ad hoc training on specific products. Another popular



option are consultants hired for specific projects in fields where the company needs to improve, who also provide training to employees. This is seen as an efficient way to link training to specific objectives and combine it with on-the-job experience. A repository of learning resources set up by the firm or courses organised for clients that employees also benefit from are additional ways of non-formal learning.

In terms of forms of delivery, education and training activities organised by the company but delivered by externals are the most frequent form, while such activities were rarely delivered by company's employees or partner companies, though somewhat less rarely by suppliers or customers or the chamber of commerce. There is a high level of disappointment with public education and training courses, which are seen to be of low quality and only rarely used. In contrast, private companies are the most common source of education and training. Collaboration with suppliers can also be an important means of generating up-skilling opportunities. Online learning is rarely mentioned spontaneously, though it appears to be more relevant in certain sectors, such as IT, digital and finance.

When asked about details on training undertaken, companies judge that training on job-specific and IT skills as the most beneficial for their employees. However, companies also mention other training, including language classes and health and safety focused training.

Figure 5.4 indicates the participation rate of low-qualified employees in education and training. In 54% of the companies sampled, either none or less than half that employees participating in training were low-qualified. In the interviews, employers state that in principle they do not differentiate between low-qualified and other employees when providing training opportunities. Low-qualified employees are not necessarily perceived as such by their employer, as they have the skills necessary to do their job. However, low-qualified employees are more likely to take part in informal learning. Some employees are motivated by this option, while others would like to see their employer provide more learning opportunities and an improved quality of publicly provided training. There are also sectoral differences. For instance, low-qualified employees in manufacturing are often engaged in production activities. There, training is relevant only for those job tasks, unlike training for high-qualified employees. These up- and re-skilling opportunities often consists in suppliers or external consultants providing seminars or short courses to explain the use of new tools, and appears to be more oriented towards the short-term needs of the company. Online training has some limitations for low-qualified employees due to the nature of the job tasks they typically carry out. Some low-qualified employees, particularly older ones, may also be unable to use digital resources.

**Figure 5.3 Italy: Features of education and training activities over the period 2017-19 (average frequency, left; number of respondents, right)**



Note: (1) never; (2) rarely; (3) sometimes; (4) often; (5) always.

Source: Authors' formulation on survey results.

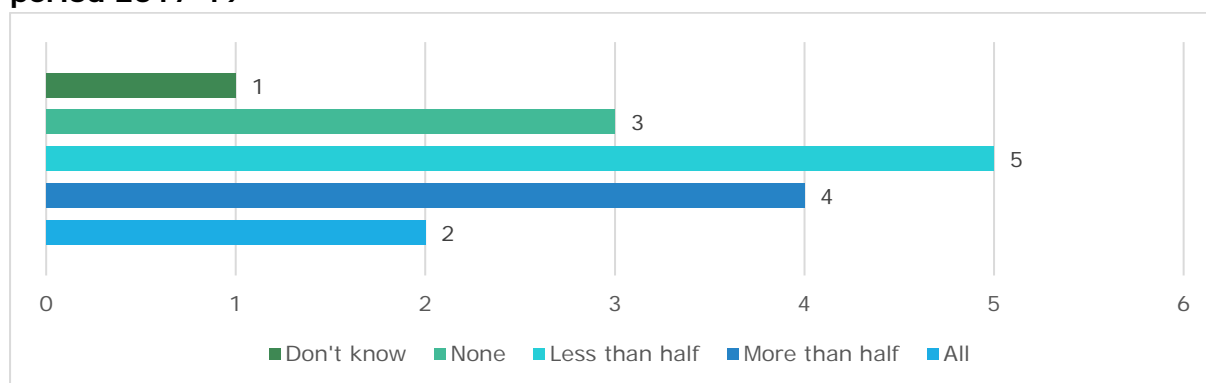
**Table 5.1 Italy: Features of education and training activities over the period 2017-19 (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
During working hours or paid educational leave	89.47	5.26
Costs covered by the company	83.33	11.11
Selected in cooperation/agreement with company	68.42	21.05
Organised by company but delivered by externals	78.95	5.26
Delivered by company's employees	5.26	73.68
Organised by suppliers/customers	42.11	26.32
Organised by chamber of commerce/business association/trade union	10.53	26.32
Organised with other companies	5.26	68.42
Providing certificates as result	68.42	10.53
Required by law	78.95	0.00

Note: top 2 boxes = always + often; bottom 2 boxes = rarely + never.

Source: Authors' formulation on survey results.

**Figure 5.4 Italy: Number of respondents by share of low-qualified employees out of total employees participating in education and training activities over the period 2017-19**



Note: The total number of respondents excludes those companies reporting that none of their employees is low-qualified.

Source: Authors' formulation on survey results.

## 5.2 Challenges

In general, Italian companies participating in the survey did not strongly emphasise many challenges associated with providing education and training. In fact, all challenges are indicated as existing only rarely or sometimes (Figure 5.5 and Table 5.2). Bearing this in mind, the challenges indicated as present to the largest extent are the lack of public support for education and training and financial and time constraints. The lack of financial resources is especially stressed by companies undergoing a stabilisation phase, particularly in the manufacturing sector. The generally high cost of labour is hindering further spending on training. However, lack of time overall emerges as an even stronger challenge. The organisation of work within small firms is affected when an employee leaves for training, so the opportunity cost of lost production is high.

Employees are also well aware of this time constraint and recount quitting training courses because of schedules clashing repeatedly with work commitments. Personal commitments are also a constraint for employees, particularly for women and when training requires travel. The need to comply with requirements for compulsory training further limits the possibility of engaging in additional training.

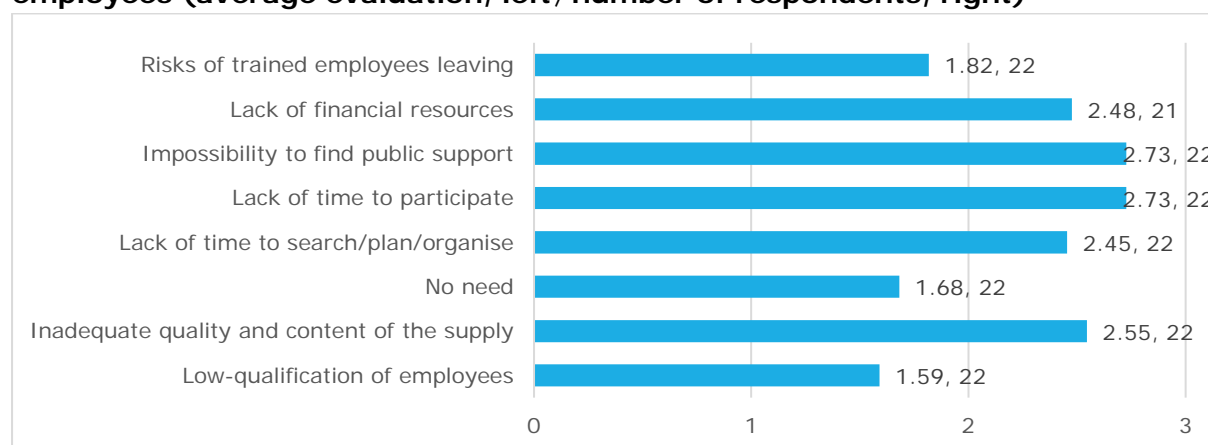
Moreover, there is a perceived lack of information about opportunities for education and training. While companies are aware of the general importance of education and training, there is no knowledge of specific benefits, needs or opportunities for public support. Both

employers and employees also lack a sound understanding of skills and competencies for jobs, resulting in skills mismeasurements.

In addition, it is indicated that inadequate quality and content of the supply of training is a challenge to a limited or some extent. The quality of publicly provided training is perceived as very low. In contrast, the risk of trained employees leaving is perceived as less of a challenge, as is the low qualification of employees. There is no evidence to suggest that employers do not provide education and training because this would make employees more competitive, and employees themselves also do not mention this possibility, or the likelihood they could leave the firm if they were better trained. An exception are temporary employees who are more likely to leave the firm, and for whom employers do not see a business reason for providing up- and re-skilling opportunities. Lack of motivation of employees also does not emerge generally as a challenge, though there is some indication of this among senior employees who do not perceive a need for further training. Lack of motivation may also be a consequence of low levels of support from employers.

These patterns are similar across firm size. However, a lack of adequate training and difficulties in finding public support are indicated as challenges to a somewhat higher extent by micro companies.

**Figure 5.5 Italy: Main challenges to the provision of education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 5.2 Italy: Main challenges to the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Risks of trained employees leaving	0.00	86.36
Lack of financial resources	14.29	47.62
Impossibility to find public support	22.73	40.91
Lack of time to participate	22.73	36.36
Lack of time to search/plan/organise	13.64	50.00
No need	4.55	81.82
Inadequate quality and content of the supply	22.73	54.55
Low qualification of employees	9.09	86.36

Note: top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

### 5.3 Opportunities

Both employers and employees are aware of potential benefits from education and training, though knowledge of these is not as specific as for challenges. While employers tend to emphasise benefits at the company level, employees are more aware of opportunities for individuals. However, there is also some evidence of education and

training being considered as a burden rather than opportunity for both employers and employees. Previous negative experience with training is discouraging, despite being interested in it in principle.

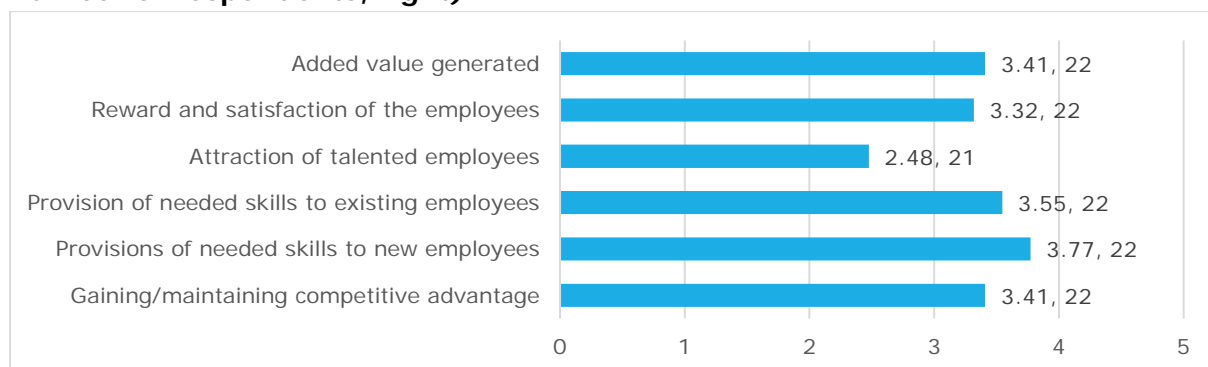
Figure 5.6 and Table 5.3 present the main opportunities from education and training that survey respondents highlighted. For Italian companies, the provision of new skills to new employees is seen as an opportunity to a high extent, as well as the provision of skills to existing employees. In the context of digitalisation, there is a strong perception of ongoing changes and the need to keep skills updated, particularly in innovative sectors.

It is also recognised to some extent by employers that training may help to gain a competitive advantage and generate added value. Company performance may be enhanced by higher client satisfaction and a higher volume of orders and turnover. In this context, training can function as a signal of the high quality of the work of the company. In fact, the need to engage in education and training often arises from client requests especially in sectors such as consultancy, IT or information and communication. However, in order to achieve these benefits from training, it should be practical and the content easily used in every day operations, or else provide soft skills.

Training may also increase employee satisfaction. This is mentioned as a benefit by employees themselves in particular, but also by employers. Education and training may also lead to a domino effect: when some employees attend training, it benefits the entire company through the sharing of learning material and spreading of knowledge. In contrast, only 10% of companies had experienced education and training as helping to attract new employees to a high or to the fullest extent.

While these overall patterns hold when controlling for company size, micro companies tend to be more appreciative of the benefits of education and training. In particular, the provision of skills to existing and new employees is highlighted by all micro companies as beneficial. Micro companies also tend to regard the gain of competitive advantage and higher employee satisfaction as positive.

**Figure 5.6 Italy: Main opportunities experienced (or expected to experience) when providing education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 5.3 Italy: Main opportunities experienced (or expected to experience) when providing education and training to employees (top/bottom two boxes)**

	Top	Bottom
Added value generated	45.45	18.18
Reward and satisfaction of the employees	36.36	13.64
Attraction of talented employees	9.52	47.62
Provision of needed skills to existing employees	54.55	4.55
Provisions of needed skills to new employees	63.64	0.00
Gaining/maintaining competitive advantage	50.00	9.09

Note: top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results

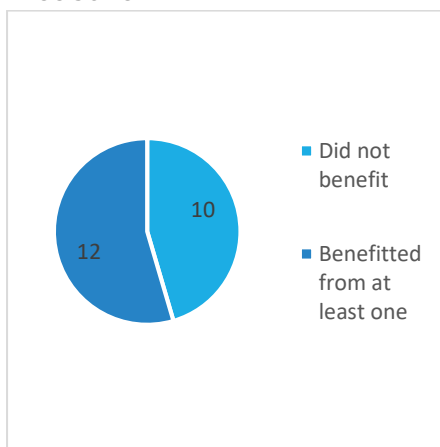
## 5.4 Policy options and suggestions

In general, there is little awareness of policies in place to support up- and re-skilling. Overall, 55% of Italian companies surveyed benefitted from at least one public support measure to provide education and training (Figure 5.7). However, only 20% of micro companies had access to such public support measures. As regards specific measures that companies benefitted from (Figure 5.8), 34% of companies benefitted from public financial support for training and 30% from promotion of online education and training. Some companies also accessed education and training organised by public authorities (20%) or public reimbursement for time spent in training (15%). Public assistance in detecting skills needed for education and training, provision of information on available training and networks of companies for education and training seem to be the least accessed measures. No company made use of payback clauses for employees leaving the company earlier than agreed.

In micro companies, take up of support measures is even lower. The micro companies surveyed had no access to any of the support measures, except one company that benefitted from publicly organised education and training.

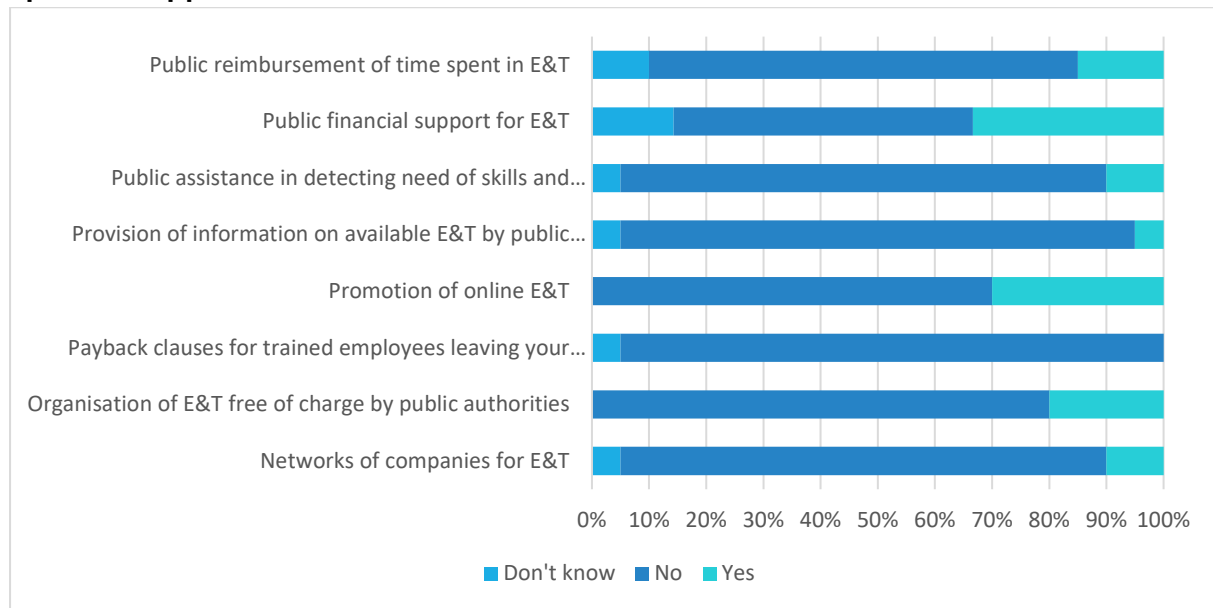
Companies were also asked to provide details of particular measures they benefitted from. Several companies cite support in providing education and training through enterprise associations (Fondimpresa), the chamber of commerce, the European Social Fund as well as other public funds. Moreover, cooperation with partner companies is highlighted as an effective way of providing training.

**Figure 5.7 Italy: Share of respondents that benefitted from at least one support measure**



Source: Authors' formulation based on survey results

**Figure 5.8 Italy: Share of respondents that have benefitted (or not) from specific support measures**



Source: Authors' formulation based on survey results.

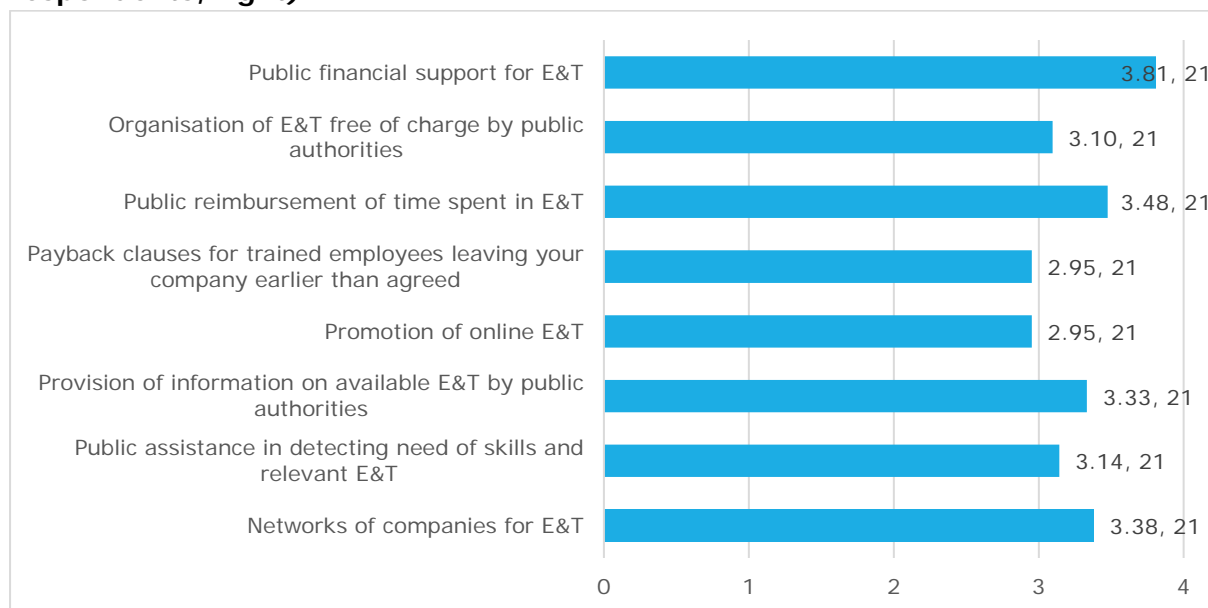
Of potential support measures to be provided publicly, financial support for education and training is regarded as the most effective by the companies surveyed (Figure 5.9 and Table 5.4). Specifically, grants to cover education and training costs would be most desired by companies, with tax incentives to reduce costs and, particularly, a dedicated training budget for every employee being less desirable from the perspective of companies (Figure 5.10). However, once explained in more detail the concept of training budgets is perceived more positively, though employers are worried about a lack of employee motivation and employees are concerned about a salary reduction in exchange for the training budget. Employers are particularly likely to emphasise the benefits of financial incentives, as well as the need to reduce the cost of labour and taxes in general so more resources are available to invest in education and training. In contrast, employees put more emphasis on measures to raise awareness of the importance of education and training among employers, and the possibility of making some training compulsory.

Other measures that companies indicate as potentially beneficial are public reimbursement of time spent in education and training, provision of information on available training by public authorities, networks of companies for education and training, public assistance in detecting needs for skills and relevant training and publicly provided training. There is a desire for better information on policy programmes and specific instruments available, for instance through a dedicated online portal. Moreover, the bureaucratic process associated with accessing and using public support should be reduced in order to reduce the administrative burden on companies. For instance, the delay between the request for funds and the release of funds discourages companies from requesting support. The content of public training programmes could also be tailored more specifically to the needs of micro and small companies.

Payback clauses for trained employees leaving the company early and the promotion of online education and training are seen as least effective, though even in this case the measures are not perceived truly negatively.

When looking at micro companies specifically, overall patterns are similar. However, these companies emphasise the importance of financial support measures, that is public reimbursement of time spend in education and training and public financial support for education and training, even more strongly. Moreover, online promotion of education and training is perceived more positively than by other companies.

**Figure 5.9 Italy: Expected impact of measures supporting the provision of education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) never; (2) rarely; (3) sometimes; (4) often; (5) always.

Source: Authors' formulation on survey results.

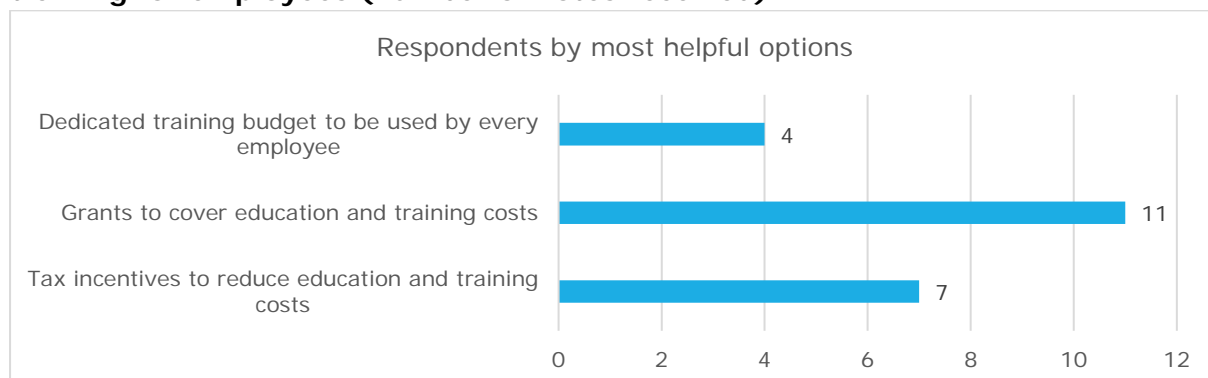
**Table 5.4 Italy: Expected impact of measures supporting the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Public financial support for E&T	71.43	14.29
Organisation of E&T free of charge by public authorities	47.62	33.33
Public reimbursement of time spent in E&T	61.90	23.81
Payback clauses for trained employees leaving your company earlier than agreed	38.10	38.10
Promotion of online E&T	33.33	28.57
Provision of information on available E&T by public authorities	47.62	23.81
Public assistance in detecting need of skills and relevant E&T	42.86	28.57
Networks of companies for E&T	52.38	19.05

Note: top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.

Source: Authors' formulation on survey results.

**Figure 5.10 Italy: Preferred public support measures to fund education and training for employees (number of votes received)**



Note: Respondents believing that public financial support measures would contribute at least to some extent to provide education and training to employees were requested to select the two most impactful measures.

Source: Authors' formulation on survey results.

## **5.5 Policy focus: Inter-Professional Training Funds and National Qualifications Framework**

In general, there is a low level of policy awareness on the need for up- and re-skilling in Italy, though there has been a positive evolution in recent years. At the company level, generational change and the process of digitalisation may be associated with this, while at government level there is a significant influence of EU policy measures such as the Recommendation on Upskilling Pathways and the European Qualifications Framework for lifelong learning. The Italian regions are the main actors responsible for professional and vocational education and training, while the national government engages in monitoring and evaluation, sets strategic priorities and develops the policy framework. It is also responsible for the operation of the Professional Training Funds (described below), jointly with social partners, who also engage in skills issues through joint agreements. Private sector organisations are also a prominent actor providing training courses.

The multiplicity of actors involved and lack of planning affect the system of up- and re-skilling opportunities in Italy. Significant issues exist, such as the lack of institutional capacity, especially at regional level, and the lack of strategy in allocation of funds. Moreover, there is a lack of comprehensive evaluation and monitoring of policies and funds for training. Current government priorities are the training that is required by law, skills needs occasioned by digitalisation and the acquisition of basic skills and training for the unemployed. In order to render policy more coherent, several measures should be taken, including the development of a system of incentives and sanctions to encourage training, measures to increase the quality of training, improve analysis of contextual needs for skills and foster networks between firms.

Perhaps the most relevant current policy instrument in Italy for up- and re-skilling are the Inter-Professional Training Funds (FPI). They cover roughly 70% of public financial resources for continuing vocational training in Italy (see also ANPAL, 2018a). Currently, 19 funds are active, 16 of which are for employees and three for employers, with an additional fund for temporary agency workers having been recently established. The objective of the FPI is to foster continuous vocational training, stimulate employers, decrease information costs to access training and remove supply barriers. In fact, the Funds were instituted as intermediaries to manage a significant part of public financial resources for continuing training and facilitating governance. The Funds, being mostly bipartite and operating in territorial units, can in principle capture training needs from companies and workers more easily than public authorities.

Some funds are dedicated specifically to smaller companies, and some have a sectoral focus. For example, FAPI is focused on fostering training in SMEs. Moreover, Fondimpresa, the largest fund, imposes quotas for SMEs to access funds in response to calls for proposals. Each Fund is then responsible to manage these resources, according to the strategic priority identified by the management body, which in most cases has a bi-partite structure. Hence, the financing instruments to allocate resources to firms can differ from one fund to another. Public calls are the most common instrument (*Avvisi/Bandi*), although some Funds also use individual vouchers (ANPAL, 2018a).

In particular, FPI includes FAPI, the Fund dedicated specifically to SMEs. Following the solidarity principle, FAPI allocates funds only through open calls, regardless of each firms' actual contribution to the Fund. It organises its financing mainly through two channels. The first type is a call for specific training projects (*Avvisi generalisti*), that can be presented by individual firms or by education and training organisations. The second type of instrument is called *Piani Quadro* (framework plans/programmes). These are calls that are open to networks of enterprises that are led by one firm or employees' association, or, more often, by business associations or education and training organisations. The application consists in a proposal that describes the general strategy, programme and topics of the training that has to be provided in the following 1.5/2 years. These aspects are defined in cooperation among the partners. The participation in training courses



involves employees in different firms, in order to reach a critical mass to activate each course more quickly.

The total revenue coming from the 0.3% contribution provided by employees reached €873 million, its peak, in 2014 (INAPP et al., 2016, ANPAL, 2018a), though the whole amount was not allocated to the Funds. Due to the economic crisis in 2018-2019, this 0.30% contribution dedicated to training and thus to Funds (and regions) has significantly decreased, as part of the resources was reallocated to finance social protection and passive policy measures (e.g. unemployment benefits).

Excluding the agricultural sector, which appears to still be lagging behind in its participation to funds (ANPAL, 2018a), the number of companies joining the funds amounts to more than 1 million, almost 30% of all companies in Italy. This amounts to roughly 10.5 million employees in Italy. In particular, Fondimpresa collects the highest percentage of firms joining funds (19% - i.e. approx. 200,000 companies), with a very high share of micro and small companies, that amount to 92% of all companies joining Fondimpresa (Fondimpresa, 2018). Approximately 40,000 companies, almost all SMEs, are with FAPI, amounting to a total of approx. 300,000 employees. The average size of companies in FAPI is 8 employees. Other funds have a smaller average size of firms (e.g. Fondartigianato: 4 employees).

ANPAL is currently responsible for running the monitoring and evaluation of the funds (ANPAL, 2018a, 2018b). A full impact evaluation, taking into consideration the results of training in terms of skills actually developed and labour market outcomes achieved, is still lacking. The current monitoring shows that, in 2016, approximately 70,000 companies were involved in training provided through the funds, amounting to 1.5 million of employees. In comparison to the past this shows an increase in firms participating and a decrease in employees participating, which is probably linked to an increase of micro and small companies participating overall (ANPAL, 2018a). The majority of training provided aimed at skills development (35% of total trained employees), competitiveness and innovation (29% of total trained employees) and compulsory training by law (16% of total trained employees).

It appears that the potential of the fund is not yet fully exploited, for example a system of certification and validation of the skills acquired is still not completely in place. However, it represents a step forward for up- and re-skilling policy in Italy, as it mobilises resources for education and training of the workforce. It is a good practice due to the network dimension that it fosters across firms and because it actually manages to involve firms, including small and micro companies. In future, more resources should be invested in tailoring training to needs, granting financial support more quickly and developing a central strategy. In addition, the action and the impact could be levelled and scaled up through better cooperation and systemic programming between regional policies for up- and re-skilling and the operations of the funds.

Another policy, the *Repertorio delle qualificazioni e relative competenze* (qualifications and competences repository) and *Atlante del lavoro e delle qualificazioni* (labour and qualification atlas), appears important for a key aspect of up- and re-skilling. This is the validation and certification of skills, that would decrease the information cost of engaging in up- and re-skilling and would make training more appealing because the results would be more visible.

In 2015, the Italian government established a national framework as reference for regional qualifications (*Quadro di riferimento nazionale delle qualificazioni regionali e delle relative competenze*). This led to the creation of the first national repository of qualifications. In 2016, the *Atlante del lavoro e delle qualificazioni* (labour and qualifications atlas) was put online, as the main informational tool about the national system of qualification and competences. One part of the atlas describes jobs qualifications, tasks and competences involved, as well as services and product that can be provided by each of them. The other part contains all regional repositories and the national one for some job qualifications regulated at national level.

The framework has been developed to provide a reference at national level for the definition of the skills and competences needed for job qualifications. This is needed to make the regional repositories of job qualifications comparable. In turn, this allows the certificates issued at regional level to be transferrable and recognisable across regions. Being developed in coherence with the European Qualifications Framework, the QNQ also makes qualifications recognisable and transferable in the EU.

This framework appears innovative as it takes into account informal learning and on-the-job experience, which is the type of learning that is more relevant in Italy and especially for micro and small companies. It is also an important step for the implementation at national level of the EU recommendations on the European Qualifications Framework and on Upskilling Pathways. It will help to develop adequate education and training programmes to respond to the requirements of skills and competences for job qualifications, as set out in the framework. This would also make it possible to evaluate the impact of public policy for training, because levels of skills could be measurable before and after policy interventions.

Both national government and regions are involved as main actors in the definition and implementation of the system of certification. ANPAL and INAPP, mainly, are responsible for the formulation of these frameworks at the national level, through studies and analyses of the labour market context in Italy and interrelations with EU reference documents, such as the ESCO and EQF. However, regions are responsible for putting in place systems of certification, according to their competences for vocational education and training.

With the law in 2018 (Gazzetta Ufficiale, 2018) another important step for certification of skills was taken, through the establishment of the National Qualification Framework. This is a framework of indicators of learning outcomes as competences. It defines 8 levels of competences, according to the EQF. This will facilitate the roll-out of coherent certifications. The QNQ will be integrated in the repository of qualifications and competences and will slightly modify the labour and qualification atlas. It will provide the reference for regions to implement a system of certification of competences, considering also those developed in non-formal and informal settings, such as job experiences. Practical guidelines are being developed by ANPAL, INAPP and MLPS in cooperation with MIUR.

There are no significant costs involved apart from the studies and associated monitoring. The national government (MIUR and MLPS, also through ANPAL and INAPP) is responsible for that. However, regions will be responsible for putting in place systems for certifications and validations, responding to the framework, and covering the costs of this implementation. As this was just approved in 2018, the impact is yet to be seen.

## 6 THE NETHERLANDS

In total, 21 companies responded to the survey in the Netherlands, of which 8 are micro companies and the rest are small. 12 companies have no low-qualified employees, while in the rest more than half or less than half of employees are low-qualified.

In addition, 10 employees and 10 employers were interviewed. Interviews were carried out in 13 distinct companies, 7 of which were micro companies. Finally, 8 experts and stakeholders were also interviewed.

### 6.1 Up- and re-skilling patterns and features

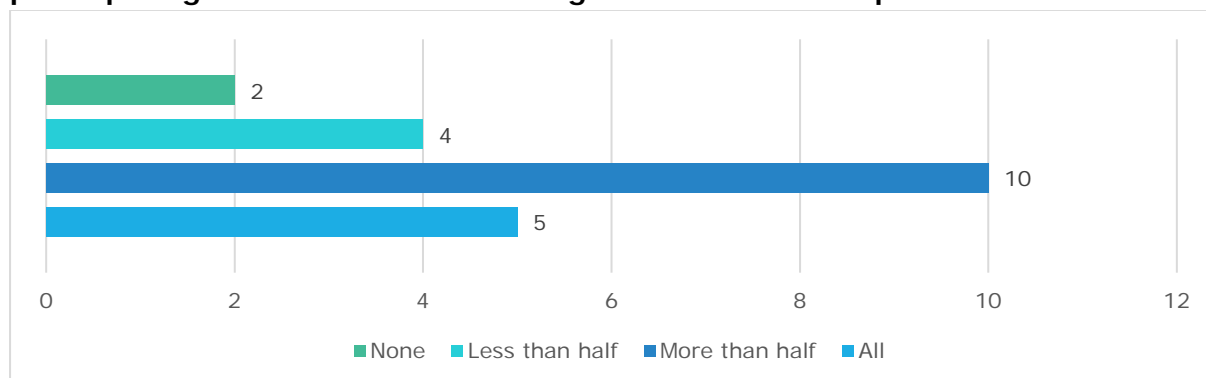
Tracking of skills is only very rarely a practice in Dutch micro and small companies. Tracking systems, either through internal systems or through sectoral associations, only occur in unique cases. Several employers state that they do not consider the formal education or degree of their employees to be of great importance; this is the case in companies with a majority of low-qualified and high-qualified employees alike.

Despite this, education and skills are generally discussed during employee performance reviews, the main approach used to monitor or assess the skills of employees. This process is taken very seriously by employers. Due to the small size of companies, a more formal system for tracking of skills is not considered necessary and it is emphasised that companies have a general awareness of the education and skills of employees. Usually, the company management is responsible for these processes, as well as the HR department in companies that have one. Companies are generally satisfied with this more informal process of skills tracking and development. An exception are companies active in sectors or occupations where specific certifications are required by law. In these cases, the maintenance and updating of skills is taken very seriously.

Employees in Dutch micro and small companies are interested in further education and training, though they cannot always specify precisely what kind of training. Employees tend to be more interested in job-specific training, though some high-qualified employees also express interest in acquiring soft skills. Low-qualified employees appear as somewhat less motivated to participate in education and training and report previous negative experiences with education. The exception are cases where training is required by law.

In a large proportion of the Dutch companies surveyed, the majority of employees participated in education and training over the past three years (Figure 6.1). In 48% of companies, more than half of the employees participated in training and in a further 24%, all of them did. There are only two companies where no employees had participated in training over the past three years. This distribution was robust across company size. Of the three companies with a high share of low-qualified employees, two state that less than half of their employees had been in education and training in the past three years, while in the other one, all of them had been.

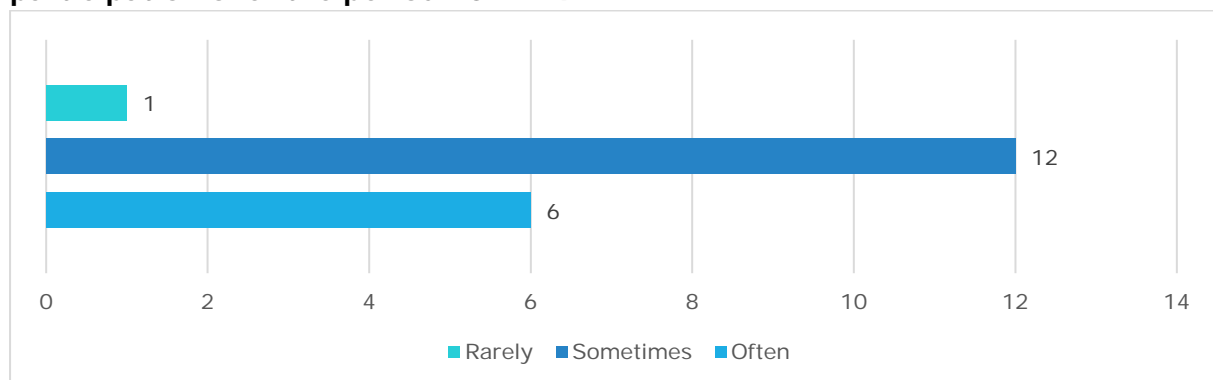
**Figure 6.1 The Netherlands: Number of respondents by share of employees participating in education and training activities over the period 2017-19**



Source: Authors' formulation on survey results.

Figure 6.2 shows frequency of participation in education and training activities for those companies where at least some employees had participated. In most companies, frequency of training participation is intermediate. In micro companies, employees attended training either often or sometimes. Company support is crucial for employees in taking up training. Where training is encouraged by the company, participation tends to be higher and there is more awareness of available offers. The level and frequency of training depends on company characteristics, including the company size and the level of qualification of employees. Participation tends to be higher where participation is required by law, otherwise it is more sporadic.

**Figure 6.2 The Netherlands: Number of respondents whose employees participated in some education and training activities by frequency of participation over the period 2017-19**



Source: Authors' formulation on survey results.

Looking at common features of the education and training in 2017-19 (Figure 6.3 and Table 6.1), almost always, costs of training were covered by the company. Often education and training took place during working hours or paid educational leave and was selected in agreement or cooperation with the company. Employers have strong influence on education and training undertaken by employees. Where specific certifications are needed, which is sometimes the case, the company decides centrally on training. In other cases, where companies are more genuinely oriented towards providing education and training beyond legal requirements, employees have more freedom to choose, though the final decision is taken by the employer. Owner-managers play a key role in decision-making, as well as the HR department if one exists. Micro and small enterprises in the survey sample feel that the training that was most beneficial for their employees is that focused on job-specific skills as well as on personal development. Other types of training mentioned include IT skills and, rarely, health and safety and language training.

It was also often the case that training was organised by the company but delivered by externals and certificates were provided as a result. Private training providers as well as the O&O funds (see section on policies) are frequently used by employers. Such private provision is generally seen as more appealing than public provision. It was less frequently the case that education and training was undertaken as a requirement of law, that it was delivered by employees or organised by suppliers or customers. Some employers are sceptical of training being provided by clients, as this may give the impression to customers that employees are not skilled. Most rarely, training was organised by institutions such as the chamber of commerce or with other companies, which 90% and 63% of respondents, respectively, indicate was never or rarely the case. However, social partners do play a role in the organisation of education and training. While companies keep track of what is happening in their sectors, there are very rarely specific collaborations with other companies on training; this is more common on the sectoral level or through other organisations.

Formal education and training is rarely provided in micro and small companies and is not considered desirable by either employers or employees due to its cost, time constraints and a potential mismatch between training and the skills actually needed by the company.

Rather, non-formal training courses and informal learning, such as on-the-job learning by working with more experienced colleagues to encourage learning and knowledge sharing is seen as more useful. As regards online training, attitudes vary. While some employers and employees do not see it as relevant in their field, others are more open, particularly in IT and other more digitised sectors. Online training could be used to acquire specific skills in fields such as programming. High-qualified workers show particular interest in online training, while it may be less relevant for the low-qualified.

In most of the eight companies surveyed with at least some low-qualified employees, low-qualified employees make up less than half of the employees participating in education and training (Figure 6.4). In principle, employers state that they do not differentiate between workers with different levels of qualification. Low-qualified employees are not necessarily considered as such by their employers, as they are seen as mastering the necessary skills for their jobs. However, Non-formal and informal learning is particularly common for low-qualified employees. Often, these activities involve training for specific job tasks such as the use of new tools, and are more oriented towards short-term company needs than other training.

**Figure 6.3 The Netherlands: Features of education and training activities over the period 2017-19 (average frequency, left; number of respondents, right)**



Note: (1) never; (2) rarely; (3) sometimes (4) often; (5) always.

Source: Authors' formulation on survey results.

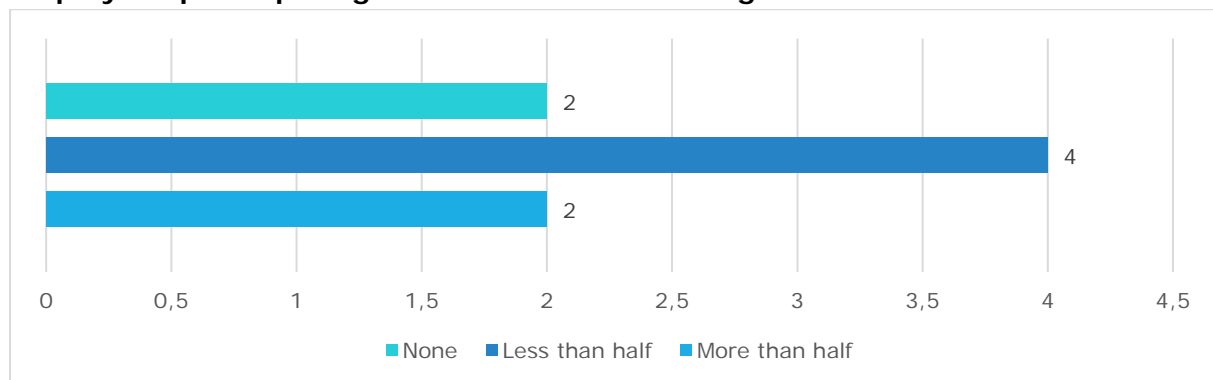
**Table 6.1 The Netherlands: Features of education and training activities over the period 2017-19 (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
During working hours or paid educational leave	73.68	0.00
Costs covered by the company	100.00	0.00
Selected in cooperation/agreement with company	68.42	0.00
Organised by company but delivered by externals	68.42	15.79
Delivered by company's employees	15.79	52.63
Organised by suppliers/customers	15.79	47.37
Organised by chamber of commerce/business association/trade union	5.26	89.47
Organised with other companies	5.26	63.16
Providing certificates as result	63.16	0.00
Required by law	31.58	31.58

Note: top 2 boxes = always + often; bottom 2 boxes = rarely + never.

Source: Authors' formulation on survey results.

**Figure 6.4 The Netherlands: Respondents by number of low-qualified employees participating in education and training activities**

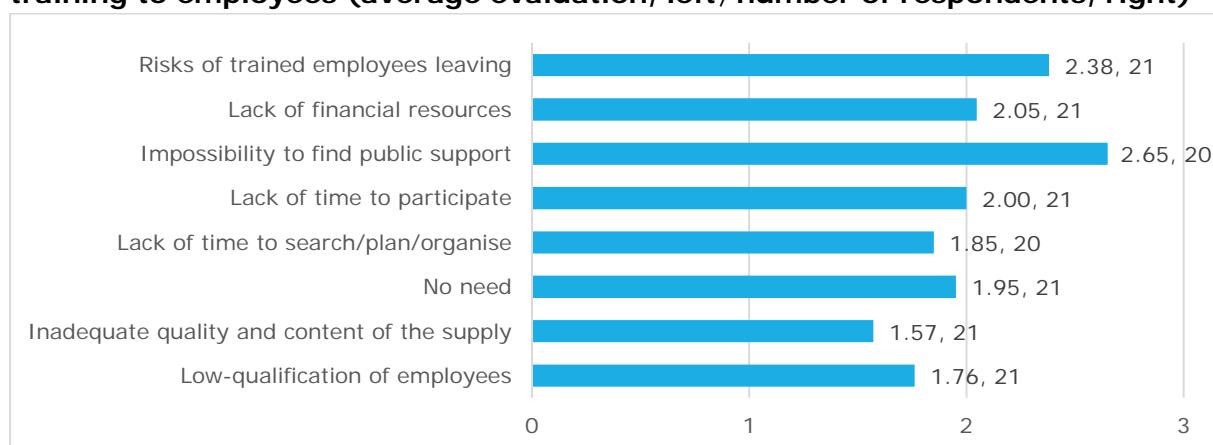


Source: Authors' formulation on survey results.

## 6.2 Challenges

Figure 6.5 and Table 6.2 show Dutch companies' perception of challenges to the provision of education and training, which is overall not very high. Nevertheless, both employers and employees show awareness of challenges in the interviews. Companies indicated in the survey that difficulty in finding public support poses a challenge to some extent. From interviews, it emerges that both employers and employees perceive a lack of information about opportunities to engage in education and training and are not aware of existing measures put forward by the government or other actors. Interviews highlight that the high number of policy measures can make it more difficult to access information, especially considering that most micro and small companies do not have a HR department. There is no evidence of employers not providing opportunities for up- and re-skilling out of a concern for trained employees leaving the firm, nor is this sentiment expressed by employees. For micro companies, the risk of trained employees leaving and the lack of time to participate are perceived as slightly more significant challenges. Financial and time constraints emerge clearly from interviews. In particular, due to limited staff, the organisation of work is highly affected by employees taking time off for training, leading to a considerable opportunity cost. Financial cost includes wages paid to employees when they stop production to attend training, as emphasised by employers. This concern is further exacerbated where some training is already required by law, which limits the possibility to engage in further, potentially more suitable training.

**Figure 6.5 The Netherlands: Main challenges to the provision of education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 6.2 The Netherlands: Main challenges to the provision of education and training to employees (top/bottom 2 boxes)**

	Top 2 boxes	Bottom 2 boxes
Risks of trained employees leaving	14.29	66.67
Lack of financial resources	9.52	66.67
Impossibility to find public support	30.00	45.00
Lack of time to participate	14.29	80.95
Lack of time to search/plan/organise	0.00	75.00
No need	9.52	76.19
Inadequate quality and content of the supply	0.00	85.71
Low qualification of employees	9.52	71.43

*Note: top 2 boxes = to a high extent + to the fullest extent; Bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.*

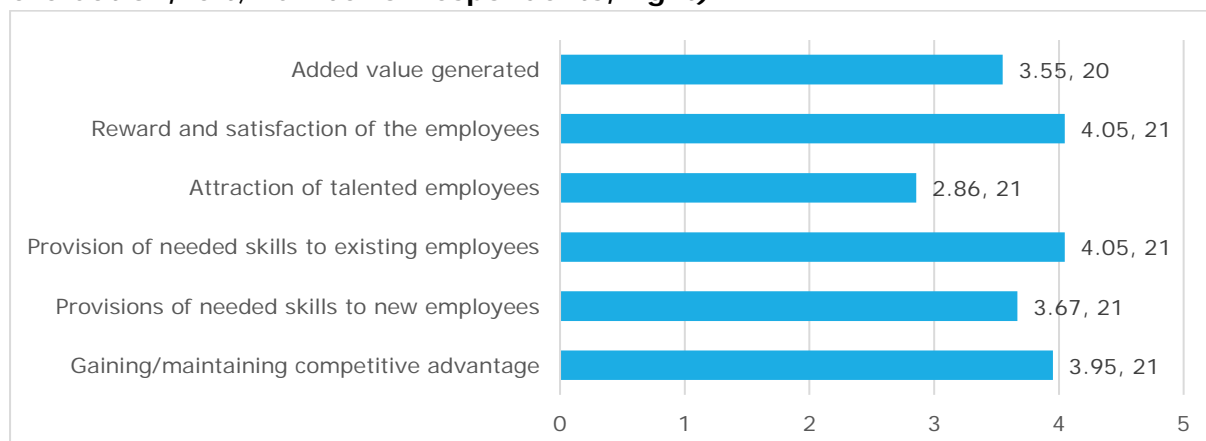
### **6.3 Opportunities**

Both employers and employees show some awareness of opportunities from education and training, though employers focus especially on benefits to company, while employees emphasise benefits at the individual level. With regard to companies' perception of opportunities (Figure 6.6 and Table 6.3), Dutch companies emphasise especially benefits from rewarding and increasing employees' satisfaction, providing needed skills to existing employees and gaining or maintaining a competitive advantage, which are judged to exist to a high extent. Moreover, 52% of companies state that the provision of needed skills to new employees is a benefit to a high or to the fullest extent, while 45% indicated this for the generation of added value. Companies are comparatively sceptical of the potential of education and training to attract new talented employees, which is only seen as an opportunity to some extent.

Employers recognise that education and training is needed to provide skills to existing and new employees, particularly in the context of the labour market transformation, especially in sectors such as IT. Such new skills can benefit the company performance, as emphasised by employers, while employees more often point out personal and career benefits of gaining new skills. Such skills are seen as particularly useful when they are practical and can be directly applied in the company, or when they are soft skills. A related benefit of education and training is the possibility of enhancing company and job performance and competitiveness, which is recognised in all sectors. Often, the reason to participate in education and training is in fact a response to client demand, particularly in innovative sectors. Up- and re-skilling is seen by employers as necessary to keep up the relationship with clients.

This pattern is similar for the micro companies surveyed, however these companies tend to rate all potential opportunities more positively compared to the rest of the sample. As regards the three companies with a large share of low-qualified employees, they are generally more sceptical of opportunities from training provision than other companies. Benefits from providing new skills to new or existing employees and increasing employee satisfaction are seen as existing to some extent, as is the generation of added value. However, opportunities to gain or maintain a competitive advantage and attract new employees are judged to exist, respectively, to a limited extent and not at all.

**Figure 6.6 The Netherlands: Main opportunities experienced (or expected to experience) when providing education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 6.3 The Netherlands: Main opportunities experienced (or expected to experience) when providing education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Added value generated	45.00	5.00
Reward and satisfaction of the employees	71.43	0.00
Attraction of talented employees	28.57	42.86
Provision of needed skills to existing employees	80.95	0.00
Provisions of needed skills to new employees	52.38	4.76
Gaining/maintaining competitive advantage	76.19	4.76

Note: top 2 boxes = to a high extent + to the fullest extent; Bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey result.

## 6.4 Policy options and suggestions

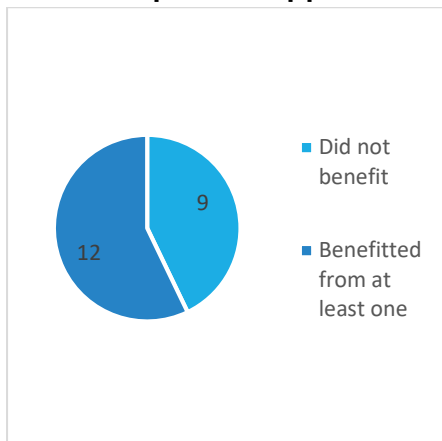
There is little awareness of policies in place to support up- and re-skilling among Dutch micro and small companies. However, more than half of Dutch companies (57%) in the survey sample benefitted from at least one public support measure for provision of education and training (Figure 6.7). This result is robust across company sizes.

As regards specific public support measures (Figure 6.8), most common are public financial support for education and training, payback clauses for trained employees leaving the company early and networks for companies for education and training (26% each). Some companies also made use of public assistance in detecting skills needs and relevant training, publicly provided information on education and training, online education and training and free training organised by public authorities. No company benefitted from public reimbursement of time spent in education and training.

In micro companies in the sample, networks of companies for education and training was the measure most commonly made use of (29%). In addition, a small share of micro companies benefitted from public financial support, payback clauses and free training provided by public authorities. The company with a large share of low-qualified employees that benefitted from a public support measure made use of public financial support.

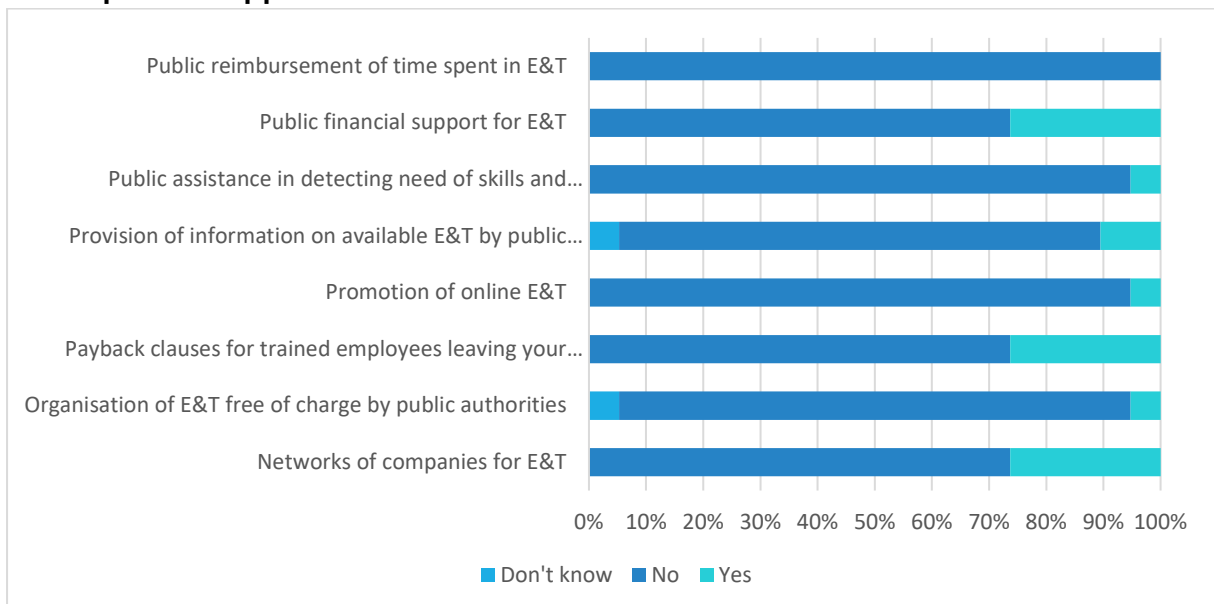


**Figure 6.7 The Netherlands: Number of respondents that benefitted from at least one public support measure**



Source: Authors' formulation on survey results.

**Figure 6.8 The Netherlands: Share of respondents that have benefitted (or not) from specific support measures**



Source: Authors' formulation on survey results.

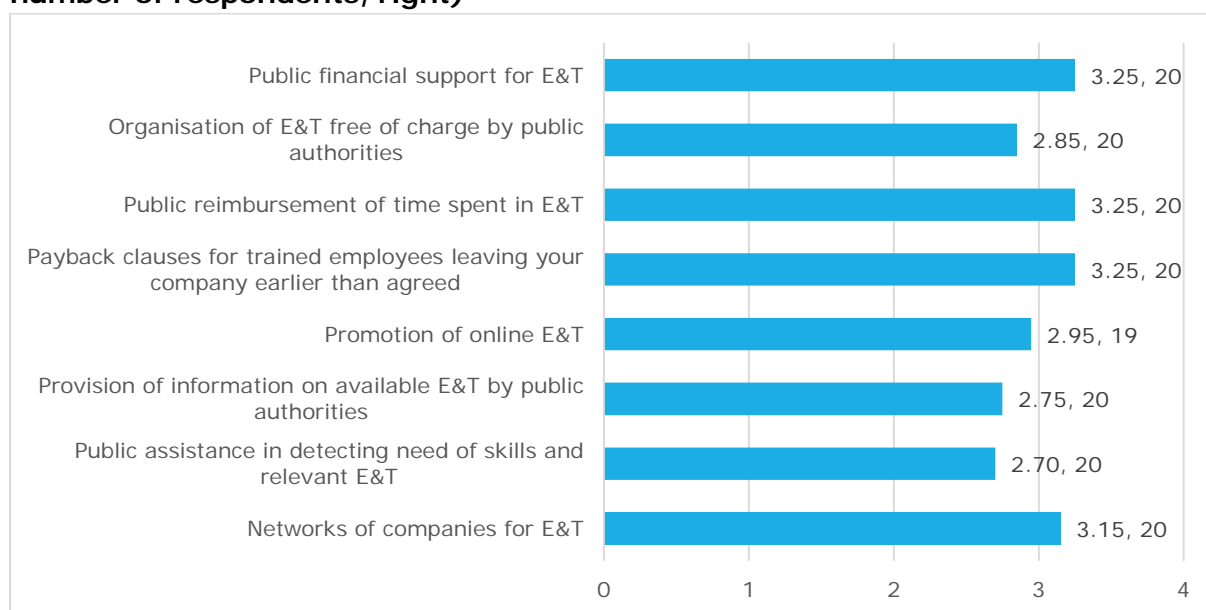
Overall, Dutch companies are sceptical of the potential impact of public support measures, with no measure judged to have more than an intermediate impact (Figure 6.9 and Table 6.4). There is a lack of confidence in policy being able to actually support participation in education and training, as well as the accessibility of public funding. The assessment of public financial support for education and training and public reimbursement for time spent in training are considered the most impactful measures by half of the companies surveyed. With regard to specific financial public support (Figure 6.10), respondents favour grants to cover the cost of education and training, followed by a dedicated training budget for every employee. In addition to these information concerns, there are however also concerns about the supply of training, particularly the quality of publicly provided training. Education and training should be more specific to company needs. For instance, it was suggested that public financial support could be used for provision of ad hoc training, either in-house or external, that addressed the specific skills needs of companies.

In the survey, all potential public support measures apart from financial support are stated as having an expected beneficial impact to some extent on average. Among employers, financial incentives are the most mentioned support measures, while employees are more

likely to emphasise the need of increasing awareness among employers. Employers also emphasise the need for increasing information about the policy programmes and specific measures available. This should be complemented with additional support for companies in planning their education and training.

Micro companies show a similar assessment of support measures. However, these companies estimate the potential impact of online education and training, information provision by public authorities, public assistance in detecting skills needs and relevant education and training more positively, as well as the impact of networks of companies for education and training in particular, which is estimated to have an impact to a high extent.

**Figure 6.9 The Netherlands: Expected impact of measures supporting the provision of education and training to employees (average evaluation, left; number of respondents, right)**



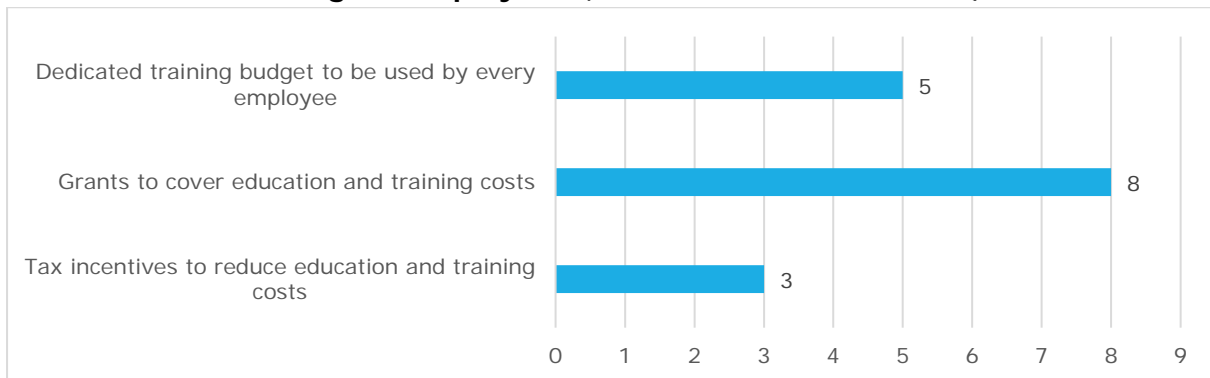
Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 6.4 The Netherlands: Expected impact of measures supporting the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Public financial support for E&T	50.00	25.00
Organisation of E&T free of charge by public authorities	35.00	45.00
Public reimbursement of time spent in E&T	50.00	30.00
Payback clauses for trained employees leaving your company earlier than agreed	40.00	15.00
Promotion of online E&T	26.32	31.58
Provision of information on available E&T by public authorities	30.00	45.00
Public assistance in detecting need of skills and relevant E&T	30.00	50.00
Networks of companies for E&T	30.00	25.00

Note: top 2 boxes = to a high extent + to the fullest extent; Bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

**Figure 6.10 The Netherlands: Preferred public support measures to fund education and training for employees (number of votes received)**



*Note: Respondents believing that public financial support measures would contribute at least to some extent to provide education and training to employees were requested to select the two most impactful measures.*

*Source: Authors' formulation on survey results.*

### **6.5 Policy focus: O&O Funds and Demand-led financing**

There is high awareness regarding up- and re-skilling in the Netherlands. While the financial crisis of 2008 had a negative impact on funding adult learning policies, it is now a priority for the government and new policies are being implemented. A serious issue in Dutch adult learning system is unequal access. In particular, low-qualified workers are less likely to participate in education and training. The policy measures have favoured the more qualified, for instance through tax incentives. This is now being addressed through reforms. However, policies are not oriented towards micro and small enterprises.

The national government is responsible for developing the policy framework and setting priorities, with several ministries involved. However, regional and local governments are involved in implementation. Social partners are also very active in developing initiatives. Another important body is the Social and Economic Council, which is responsible for research, counselling, programme development and knowledge exchange on education and training. The government is attempting to foster collaboration with providers.

A remarkable initiative for up- and re-skilling in the Netherlands are the sectoral funds, namely the O&O funds. 'Sectoral fund' is a collective name for organisations that bundle the financial reserves of employers and employees, aimed at offering training and development services for these companies and their employees. These funds are managed by social partners in a particular sector. About 100 economic sectors in the Netherlands have a fund.

The O&O funds are bipartite funds managed by employers' organisations and trade unions. Trade union and employers' representatives determine the lines of the policies to be implemented by the fund through collective agreements. Being set at the sector level, the O&O funds can tackle issues and challenges that go beyond individual companies (e.g. some funds are not just concerned with education and training, but also with recruitment; education however remains a priority). The ambition of the sector funds is to ensure that companies invest sufficiently in the competences of their employees, without having to fear that their employees will be recruited by competing companies after completion of the training and to combat free-riding behaviour (Ministerie van SZW and Ministerie van OCW, 2018).

O&O funds are highly diverse in terms of size. While some gather significant resources, others are smaller and are dedicated to a specific topic or issue in the sector. Smaller funds may have limited resources, which implies that they only have an administrative function, whereas larger funds can also think about strategic development/planning of education and training. The possibilities for conducting strategic policy are also determined by the relationship between the fund and the unions and employer organisations.

One example of an O&O fund is the O&O fund of pet specialists. The fund is financed by employers, who pay in 0.3% of total wages into the fund. Every year, employees receive €200 for training, which they can save for up to 5 years. Moreover, each year, two days of paid schooling can be provided. The employers' organisation DIVEBO and the O&O fund organise a wide range of activities, which target both employers and employees. The fund regularly organises training activities, opening up these activities to both employers and employees. The beneficiaries of the fund are all workers and companies active in the sector (most firms are micro companies run as family businesses; most workers are low-skilled). Within the sector, the larger companies typically pay more attention to training and often allow one of their employees to participate in a specific event. Often this is based on the needs of the company for job-specific skills. There are also instances of sectoral collaboration as sectors try to have an impact on the education system, to better align education with the needs of the sectors (and ensure a better connection between education and the labour market).

A second example comes from the car repair sector, a rapidly changing sector that comprises many micro- and small companies and employs many low- to mid-skilled workers, and where training is becoming more and more specialised and expensive. The employer association (FOWCA) focuses on safety and craftsmanship and issues a quality mark, ensuring that companies more often or frequently ensure training activities for their employees. For the FOWCA, up- and re-skilling are priorities, and they provide different training opportunities. However, up- and re-skilling is not a priority for most member companies. Companies are aware that if they train their workers, the workers see their market value rise and might leave if they can earn more. Other barriers include the high cost of training courses and materials, low participation in courses, and the fact that car manufacturers usually provide their own training.

In sum, O&O funds have existed for quite some time in the Netherlands. These funds are attached to a specific sector, which makes them suitable for helping tackle education and training challenges within the sector. However, re-skilling is more problematic as investment in inter-sectoral applicable skills and competences remains limited, as well as in soft skills. Although the O&O funds are not specially targeting micro- and small enterprises or low-skilled workers, the parties involved in managing the funds are aware of their challenges and needs. Several funds do pay particular attention to these companies. In future, these funds could be up-scaled or transferred to other sectors.

In addition to O&O funds, a more recent policy initiative in the Netherlands is demand-led financing, in the form of an individual learning account being implemented by the government. As mentioned above, the current tax deduction scheme is being abolished as it was most favourable for those who needed training the least, and also because of the lack of insight and ownership workers had when using it. The budget that the government was investing in the tax deduction scheme for training will instead be used to finance individual learning rights, which is seen as a more effective and efficient instrument (Ministerie van SZW and Ministerie van OCW, 2018). In other words, a system of individual learning accounts is being introduced.

The idea behind demand-led financing of education and training is that it connects financial resources directly to the individual, who can buy training. In general, there are three types of demand financing: (i) fiscal facilities, (ii) expenditure schemes, and (iii) drawing rights (Commissie vraagfinanciering mbo, 2017). Individual learning accounts are an example of the third type. In this case, the learners are given an individual budget which they can spend on training at their own discretion. Research suggests that financial incentives are an important means to encourage workers to participate in training: the more substantial the incentive, the more workers engage in training; and this would be especially true for the low-qualified, older workers and workers in SMEs (Commissie vraagfinanciering mbo, 2017). Commissie vraagfinanciering mbo (2017) suggests that of the three types, drawing rights are preferred because they have the highest impact, are most transparent, allow sufficient freedom of choice, imply a shared responsibility across employers and

employees, and are sufficiently accessible. Against this background, the committee recommended the introduction of individual learning accounts.

The starting point for the individual learning account is the idea that this puts the management and the responsibility for the use of resources for lifelong learning with the individual (Ministerie van SZW and Ministerie van OCW, 2018). The government argues that a budget of €219 million, previously available for tax deductions, should be used in a targeted manner. In its 2018 policy brief, it is further stated that the envisaged individual learning accounts will be a combination of (i) the promotion of the development of existing private learning accounts provided by companies and sectors, (ii) the subsequent and targeted use of public resources in the form of individual learning rights, (iii) exploring a digital overview of the training opportunities and the public and private funds workers are entitled to (Ministerie van SZW and Ministerie van OCW, 2018). It is important that the formulation of the individual learning accounts will not lead to an increase in the complexity and administrative burden for employers and employees, and is unambiguously implementable for the implementing organisations. The policy initiative is done in concertation with the expansion of the demand financing of *mbo* (*het middelbaar beroepsonderwijs* –secondary vocational education). Individual learning accounts allow individuals to choose what training to do, including formal education offered by public and private organisations, company training and training organised/recognised within the sector or industry, trajectories offered by EVC-providers and other training offers.

On 3 June 2019, the Dutch government published a policy brief that provides an update with regard to the individual learning accounts and the flexibilisation of the training offer (Ministerie van SZW and Ministerie van OCW, 2019). It considers two types of individual learning accounts: (1) private learning accounts that are made available by the social partners and O&O funds and (2) public learning accounts. In 2017, about 1.3 million workers (24%) had access to private individual learning accounts, intended to finance general education and development. Yet, not all these funds are used, not all sectors have such funds available and there are questions about the fiscal treatment of such funds. In 2018, a task force was established to provide clarifications on these fiscal uncertainties. Compared to the current tax scheme, participants are no longer required to pay for training costs in advance and the application for a STAP budget does not depend on the income tax one pays. This makes the STAP budget for different groups easier and more accessible to use. It is up to the individual to decide for himself whether he wants to follow training or not, and to choose a programme that strengthens his or her current or future position in the labour market. Partly as a result of experience with training vouchers and to prevent abuse or misuse, the STAP budget is not paid into an individual's account but it is paid directly to the training provider. It is envisioned that this budget will be available at the end of 2020, with up to 200,000 employees entitled to between €1,000 and €2,000 per year for personal development. These funds can be used to participate in an *mbo* education programme, follow training courses, or to obtain a certificate.

Those who are interested in up- or re-skilling can register online for the STAP budget and indicate which training courses they are interested in. After the application has been approved, the budget is paid out directly to the training provider and the workers can start the course. Although everyone is eligible for the STAP budget, it is assessed whether a worker has already made use of study financing (e.g. a scholarship) or other forms of public funding of education. Moreover, when all funds are spent, new applications will be rejected during that period. Although about 1.3 million workers already have rights to individual learning accounts through collective agreements, not everyone can or wants to benefit from these arrangements. Individual learning rights can be saved up over time (so workers can save up to benefit from more expensive training courses or a larger programme). Although there are still many questions about how the STAP budget will work, the attractive feature is that it is a single policy for all Dutch citizens; everybody can use it.

## 7 SLOVAKIA

In total, 20 companies responded to the survey in Slovakia, of which 13 were micro companies and seven small companies. Firms with low-qualified employees were scarce in the Slovak sample – 15 companies had none, in four companies less than half of employees were low-qualified and in one company more than half were. In addition, interviews with 10 employees and 12 employers were conducted. Interviews were carried out in 15 distinct companies, including six micro companies. Further, interviews with 7 experts and stakeholders were carried out.

### *7.1 Up- and re-skilling patterns and features*

In general, there are only informal processes for tracking and recording of skills in Slovakian companies. Employers do not consider formal qualifications as important and are more interested in the general skills employees have.

As regards planning for further education and training, attention to skills and learning tends to be higher in firms with employees with higher skills levels. In some firms, certifications are legally required. Where this is not the case, decisions on education and training are taken informally. Owners are typically present daily, particularly in micro companies, and assess employee performance. The assessment of employee performance is used to determine bonuses, career progression and potential training. Some firms in higher-end sectors have somewhat more formal assessment procedures as they focus more strongly on skills development. Development plans for employees are developed, including needed improvements and suggested actions. Processes tend to be more formalised in larger firms, whereas in micro companies such processes do not appear necessary as the number of employees is small and roles and responsibilities are less clearly allocated.

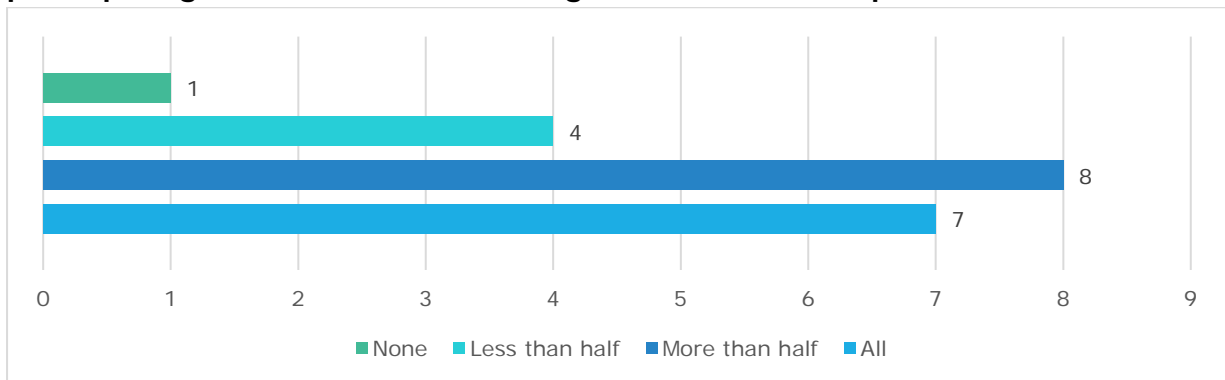
Attitudes of Slovak employers towards education and training are quite diverse. Most firms have a general understanding of the need to provide learning opportunities to employees. However, where there are financial constraints some do not offer training opportunities, while other firms are more interested in investing resources in education and training. Weakly competitive or non-innovation-driven sectors are less likely to offer opportunities for education and training due to the cost and a perceived lack of necessity. Firms with larger shares of skilled staff tend to pay more attention to further skills development.

On the part of employees, most see education and training as a necessary part of their jobs. While some are satisfied with current levels of opportunities for training and perceive it as a burden, others are interested in more extensive training, though there are cases where training is too costly or firm support is lacking. Low-qualified employees are generally not less motivated to engage in training, and sometimes even exhibit higher motivation to take up opportunities for acquiring skills.

In the sample of Slovak companies, participation in education and training is frequent, with the large majority of companies stating that either more than half (40%) or all (35%) of their employees had taken part in education and training activities over the period 2017-19 (Figure 7.1). There is only one company where no employees participated in training. In micro companies, this pattern is similar, with an even higher proportion (46%) of companies where all employees had participated.

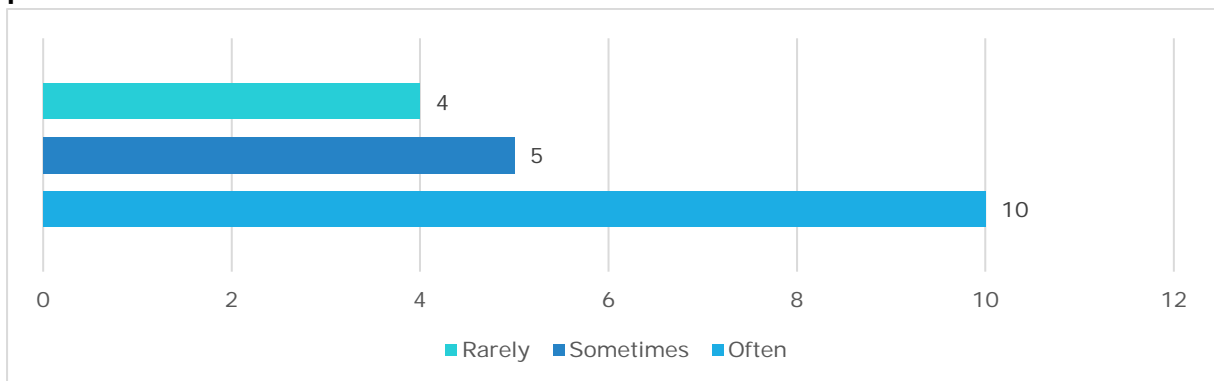
The frequency of participation (Figure 7.2) is also high, with the majority of companies indicating that their employees had participated in education and training activities often in the past three years. This pattern is consistent across company size.

**Figure 7.1 Slovakia: Number of respondents by share of employees participating in education and training activities over the period 2017-19**



Source: Authors' formulation on survey results.

**Figure 7.2 Slovakia: Number of respondents whose employees participated in some education and training activities by frequency of participation over the period 2017-19**



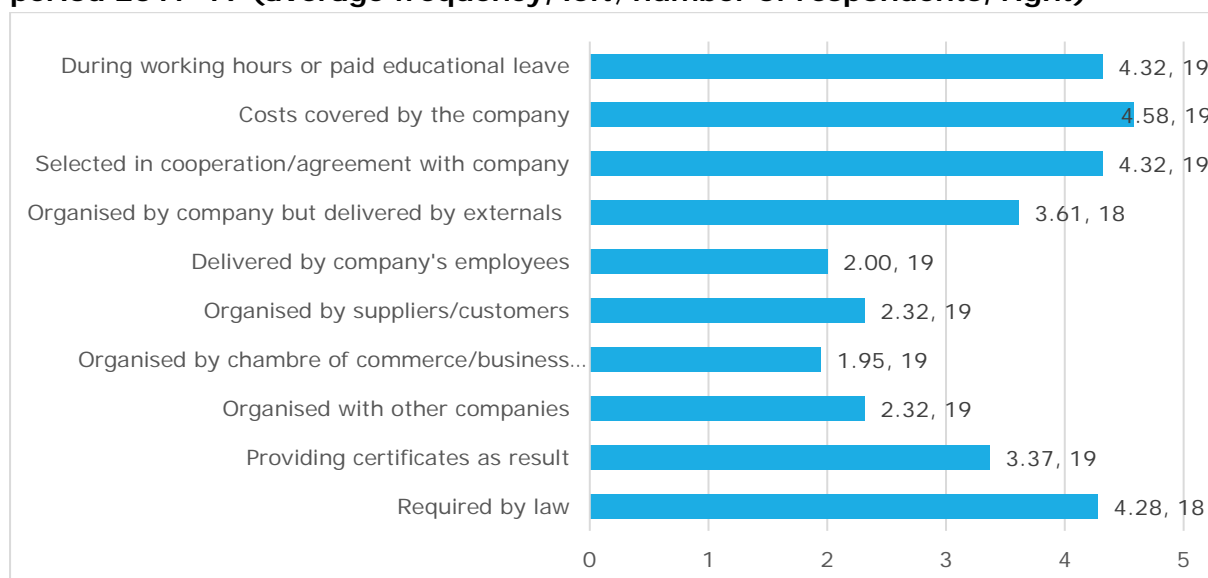
Source: Authors' formulation on survey results.

As regards common features of the education and training activities undertaken (Figure 7.3 and Table 7.1), the most frequently occurring types of education and training were selected in cooperation with the company, who also covered the costs, took place during working hours or paid educational leave and were required by law. Employers tend to have a strong influence over decisions on which training to engage in, depending mainly on the firm's needs and potential legal requirements. Training is almost always non-formal or informal, such as through side-by-side learning. Micro and small enterprises in the sample judge training focused on job-specific skills to be most beneficial for employees. Moreover, training focused on IT skills, legislation and regulations or personal development is cited as benefitting employees. Other types of training mentioned include language courses and health and safety courses.

In most cases, education and training were organised by the company but delivered by externals and sometimes, certificates were provided as a result. In contrast, a low share of companies indicated that training was often or always delivered by employees or organised by suppliers/customers, institutions such as the chamber of commerce, or with other companies. This pattern was mirrored in the sub-sample of micro companies. Training or lectures by guests or experts, tackling diverse topics and types of skills, occurred relatively frequently. In some cases, companies may provide internal training where colleagues present new information, companies may provide internal manuals or guidelines, or suppliers could be invited to share information about sectoral trends. Sharing with other companies is very rare, particularly among micro companies, and business and professional associations also have a modest role in providing education and training, though they are a good source of information sharing and sectoral knowledge. Involvement of public bodies is marginal, and training is very rarely publicly funded.

In companies with at least some low-qualified employees, these made up less than half or none of the employees participating in education and training in 2017-19 (Figure 7.4). In principle, employers do not differentiate between workers with different qualifications when providing training. They do not necessarily consider employees as low-skilled even if low-qualified, as long as they master the skills needed for their jobs. However, low-qualified employees are engaged in different types of training, which is more practically oriented and aimed at teaching directly useable skills for short-term company needs.

**Figure 7.3 Slovakia: Features of education and training activities over the period 2017-19 (average frequency, left; number of respondents, right)**



Note: (1) never; (2) rarely; (3) sometimes; (4) often; (5) always.

Source: Authors' formulation on survey results.

**Table 7.1 Slovakia: Features of education and training activities over the period 2017-19 (top/bottom two boxes)**

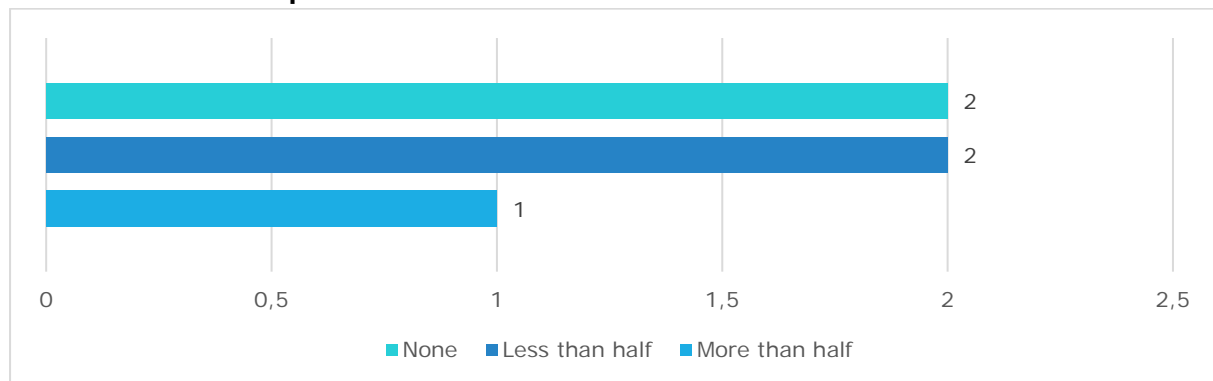
	Top 2 boxes	Bottom 2 boxes
During working hours or paid educational leave	78.95	5.26
Costs covered by the company	89.47	5.26
Selected in cooperation/agreement with company	84.21	10.53
Organised by company but delivered by externals	55.56	27.78
Delivered by company's employees	21.05	73.68
Organised by suppliers/customers	26.32	57.89
Organised by chamber of commerce/business association/trade union	21.05	73.68
Organised with other companies	31.58	63.16
Providing certificates as result	57.89	31.58
Required by law	77.78	11.11

Note: Top 2 boxes = always + often; bottom 2 boxes = rarely + never.

Source: Authors' formulation on survey results.



**Figure 7.4 Slovakia: Number of respondents by share of low-qualified employees out of total employees participating in education and training activities over the period 2017-19**



Source: Authors' formulation on survey results.

## 7.2 Challenges

Both employers and employees are aware of challenges, though employees tend to emphasise challenges less strongly than employers. Figure 7.5 and Table 7.2 show the main challenges experienced by Slovak companies in providing education and training to employees. The most significant challenge is indicated to be difficulty in finding public support for education and training, which is stated to be a challenge to a high or to the fullest extent by 72% of companies. In accessing public support, employers face informational and administrative constraints. Moreover, SMEs in Slovakia are often registered as limited liability companies where workers are not officially employees, which reduces incentives to provide training as they can leave the firm easily.

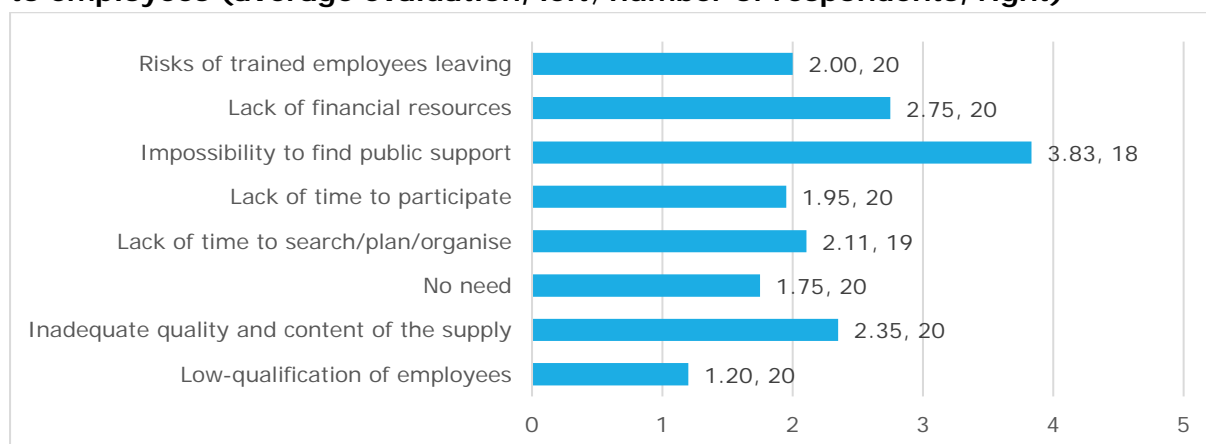
All other challenges are stated to exist only to some or to a limited extent on average. Furthermore, low qualification of employees is not at all a challenge for Slovak companies in providing education and training. In comments from interviews, financial and time constraints emerge more strongly as challenges. In particular, companies going through restructuring or other financial issues perceive the high cost of labour as a barrier to providing training. Cost constraints can also be significant for individual employees, who cannot afford training or recognise that their company cannot. In relation to these, lack of time is another barrier, as continuous staff cuts due to the high cost of labour and the unfavourable financial situation hinder the possibility of finding replacements for employees in training. Employees also highlight difficulties in participating in training due to time constraints and personal commitments, particularly for women and when training involves travel.

Overall, there is no strong evidence that the risk of trained employees leaving the firm poses a significant challenge to Slovak companies in providing education and training. Similarly, employees do not express concern about this possibility and do not mention that being trained would allow them to leave their jobs. The exception are temporary employees, which Slovak companies generally hire when they already have suitable skills and do not see a business reason to train workers who are likely to leave the firm soon.

Finally, lack of motivation emerges as a challenge to some extent, particularly among senior employees, in some cases as a consequence of lack of employer support. Employees sometimes feel overburdened with tasks and find it difficult to allocate time to learning. Some employees are also not aware of the benefits of further skills development.

Overall, this pattern is the same for micro companies in the sample. However, these companies indicate a lack of financial resources to be less of a challenge compared to other companies; for micro companies, it is only a challenge to a limited extent.

**Figure 7.5 Slovakia: Main challenges to the provision of education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 7.2 Slovakia: Main challenges to the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Risks of trained employees leaving	15.00	70.00
Lack of financial resources	25.00	45.00
Impossibility to find public support	72.22	27.78
Lack of time to participate	10.00	70.00
Lack of time to search/plan/organise	21.05	57.89
No need	5.00	70.00
Inadequate quality and content of the supply	25.00	55.00
Low qualification of employees	5.00	95.00

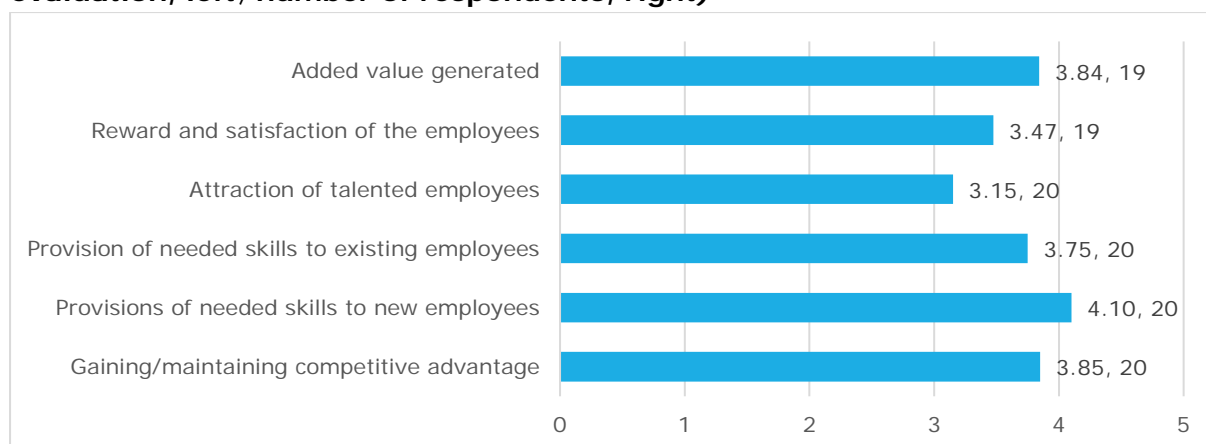
Note: Top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

### 7.3 Opportunities

Both employers and employees are aware of opportunities arising from education and training to an extent. Employers are particularly conscientious of opportunities at firm level, while employees also emphasise benefits for personal career development. With regard to the opportunities Slovak companies believe arise from education and training (Figure 7.6 and Table 7.3), the benefits of education and training are seen to exist to a high extent in a variety of areas. These include the generation of added value, the provision of needed skills to existing and new employees, and gaining or maintaining a competitive advantage. Moreover, education and training could contribute to attracting new employees and rewarding and increasing employee satisfaction to some extent. These patterns are robust across company size.

Both employers and employees recognise that education and training is necessary for providing skills to new employees, but also to maintain and upgrade the skills of the existing workforce in the context of the ongoing labour market transformation, particularly in affected sectors such as IT. Upgrading skills is seen as benefitting company and job performance across different sectors, as well as increasing competitiveness of the company. The reason for engaging in up- and re-skilling is frequently seen to be client demand for additional skills. Training is a signal to clients of the high quality of the company's work. Such training is particularly useful when it transmits skills that are relevant for the company, either in the form of firm-specific practical skills or soft skills.

**Figure 7.6 Slovakia: Main opportunities experienced (or expected to experience) when providing education and training to employees (average evaluation, left; number of respondents, right)**



Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 7.3 Main opportunities experienced (or expected to experience) when providing education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Added value generated	73.68	10.53
Reward and satisfaction of the employees	57.89	15.79
Attraction of talented employees	50.00	35.00
Provision of needed skills to existing employees	65.00	25.00
Provisions of needed skills to new employees	80.00	15.00
Gaining/maintaining competitive advantage	70.00	15.00

Note: Top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
Source: Authors' formulation on survey results.

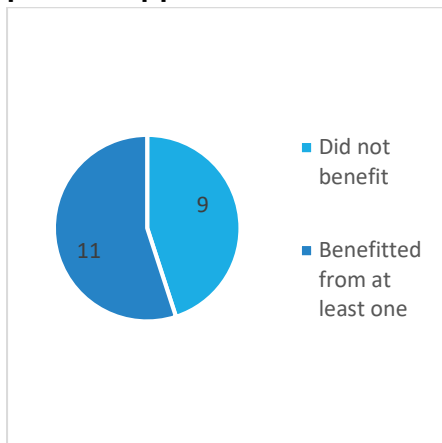
## 7.4 Policy options and suggestions

In general, there is little awareness of policies in place to support up- and re-skilling in Slovakia, and a lack of confidence in policy being able to support companies in providing or participating in education and training. However, overall, 55% of Slovak companies benefitted from at least one public support measure for education and training (Figure 7.7). However, only 39% of micro companies benefitted.

With regard to the specific support measures companies benefitted from (Figure 7.8), a diverse range of measures was made use of by Slovak companies. The most frequently used measures included networks of companies for education and training (35%), organisation of free education and training by public authorities (31%), public financial support for education and training (29%) and promotion of online education and training (29%). Some companies also benefitted from publicly provided information on education and training by public authorities (24%), public reimbursement of time spent in education and training (19%) and payback clauses for employees leaving early (31%). Conversely, no company had access to public assistance in identifying skills needs and relevant training.

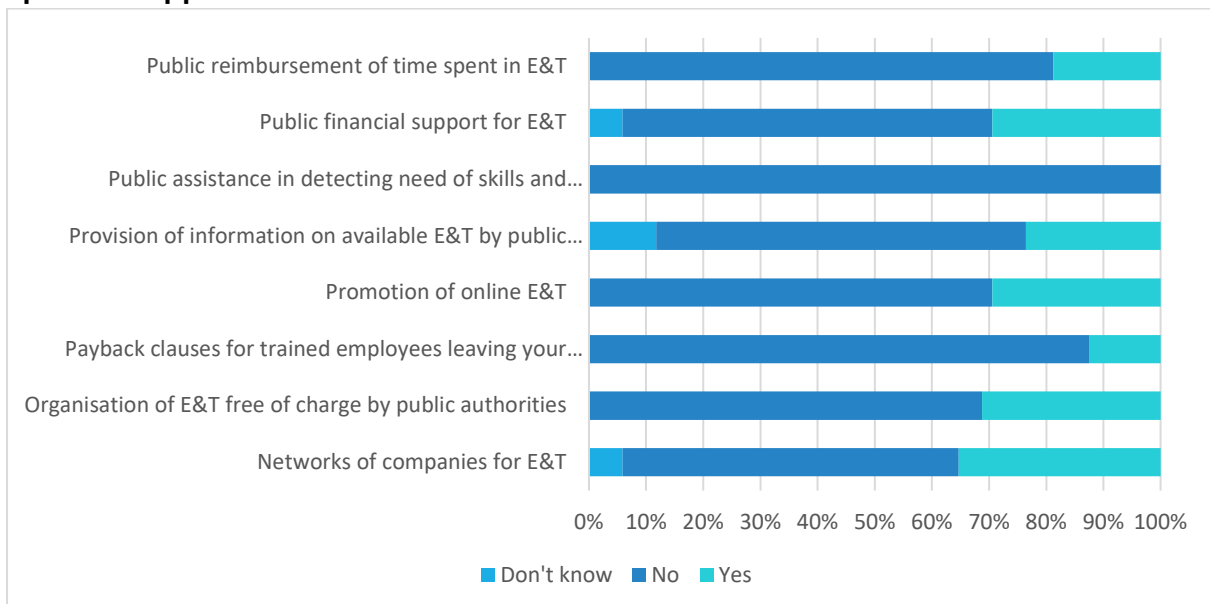
For micro companies, the two most commonly accessed measures were online education and training and company networks (27% each). Two micro companies each had access to public financial support for education and training, publicly provided information on training and free training organised by public authorities. Payback clauses and public reimbursement of time spent in education and training were accessed by one micro company each.

**Figure 7.7 Slovakia: Share of respondents that benefitted from at least one public support measure**



Source: Authors' formulation on survey results.

**Figure 7.8 Slovakia: Share of respondents that have benefitted (or not) from specific support measures**



Source: Authors' formulation on survey results.

Respondents were also asked to indicate the expected benefit of certain public support measures to the provision of education and training (Figure 7.9 and Table 7.4). The two measures that the largest percentage of companies state would be helpful to a high or to the fullest extent are public reimbursement of time spent in education and training (74%) and public financial support for education and training (61%). With regard to the specific nature of public financial support (Figure 7.10), tax incentives to reduce education and training costs receive the most votes, closely followed by grants to cover education and training costs. Employers are particularly likely to highlight the benefits of financial incentives, while employees emphasise the importance of raising awareness of the importance of training among employers. In Slovakia, employers also emphasise the combination of financial incentives with a general reduction in the cost of labour and taxes so resources can be invested in up- and re-skilling.

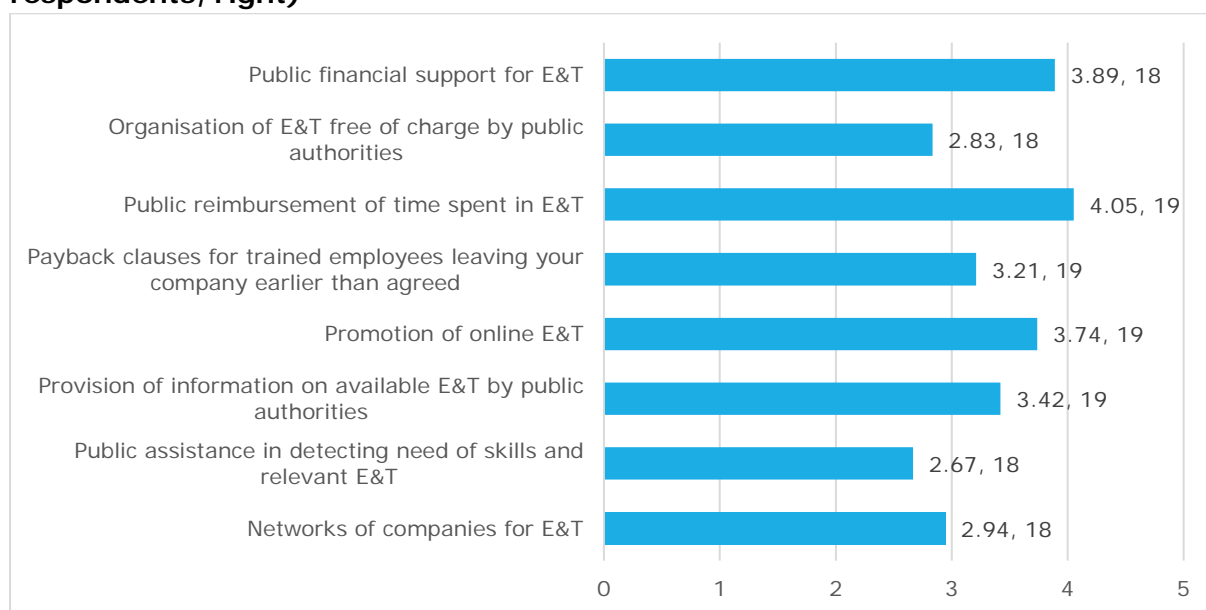
In addition, the promotion of online education and training is seen as a measure that could have an impact to a high extent. Online training is seen as cheaper and easier to manage, particularly in sectors such as IT and professional services. However, there is also some scepticism on account of the interaction aspect of physical courses being absent. Some employees express negative opinions on online courses and do not believe them to be

appropriate. For low-qualified employees, opinions on the benefits of online training are also mixed.

The other measures are thought to also have an impact to some extent, with public assistance in detecting need of skills and relevant training seen as least effective. Provision of information on available education and training and public support measures could also be a measure to facilitate access. In additional comments, the support measures judged to be beneficial included public subsidies, cooperation with relevant bodies and collaboration with partner companies. As regards individual learning accounts, the policy is not known and requires some explanation, but reactions are generally positive and employers in principle are willing to contribute. However, the necessity for transparency and simplicity in such a scheme is highlighted.

Overall, patterns in the sub-sample of micro companies are similar. In particular, public financial support, public reimbursement of time spent in education and training and online education and training are seen as effective to a high extent. Micro companies are somewhat more sceptical towards some measures, stating that free training organised by public authorities, public assistance in detecting skills needs and relevant education and training and company networks for education and training would all only be expected to have an impact to a limited extent.

**Figure 7.9 Slovakia: Expected impact of measures supporting the provision of education and training to employees (average evaluation, left; number of respondents, right)**



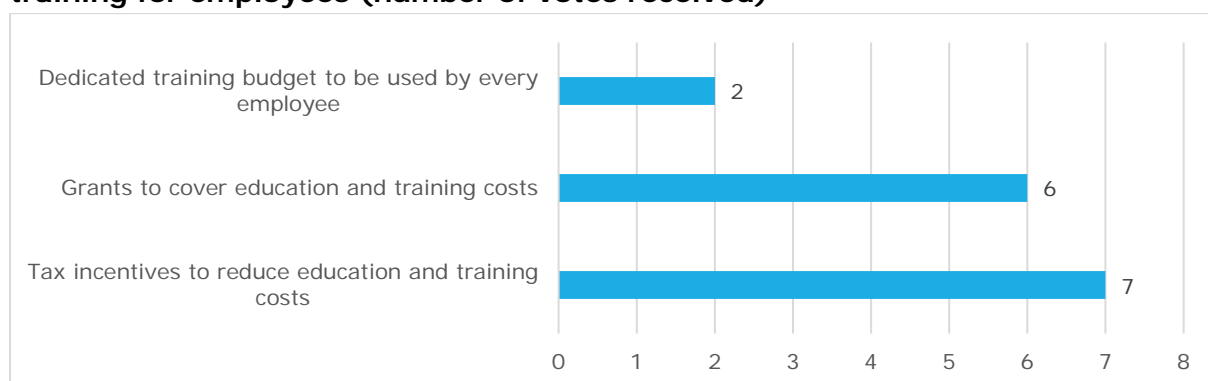
Note: (1) not at all; (2) to a limited extent; (3) to some extent; (4) to a high extent; (5) to the fullest extent.  
Source: Authors' formulation on survey results.

**Table 7.4 Slovakia: Expected impact of measures supporting the provision of education and training to employees (top/bottom two boxes)**

	Top 2 boxes	Bottom 2 boxes
Public financial support for E&T	61.11	11.11
Organisation of E&T free of charge by public authorities	38.89	50.00
Public reimbursement of time spent in E&T	73.68	21.05
Payback clauses for trained employees leaving your company earlier than agreed	42.11	42.11
Promotion of online E&T	57.89	15.79
Provision of information on available E&T by public authorities	57.89	26.32
Public assistance in detecting need of skills and relevant E&T	27.78	50.00
Networks of companies for E&T	33.33	33.33

Note: Top 2 boxes = to a high extent + to the fullest extent; bottom 2 boxes = not at all + to a limited extent.  
 Source: Authors' formulation on survey results.

**Figure 7.10 Slovakia: Preferred public support measures to fund education and training for employees (number of votes received)**



Note: Respondents believing that public financial support measures would contribute at least to some extent to provide education and training to employees were requested to select the two most impactful measures.  
 Source: Authors' formulation on survey results.

### **7.5 Policy focus: National Register of Occupations, Sectoral-directed innovations and REPAS, REPAS+ and KOMPAS+**

Slovakia is one of the countries with the lowest participation rates in adult education and training in the EU. There is some reluctance towards developing up- and re-skilling practices and the level of general awareness is low. The policy debate is mostly focused on formal education, and there is generally little focus on targeting the least skilled.

The Ministry of Education is the key actor for accrediting and checking the quality of non-formal education, with the Slovak Entrepreneurs Chamber a key partner. Courses are provided by a range of training institutions, including private organisations, NGOs and universities. The Central Labour Office offers and finances up- and re-skilling courses for jobseekers. Employer associations have been key in driving the debate on up- and re-skilling, with trade unions playing a marginal role. However, they are pushing mainly for tolls to enhance levels of adult learning in formal education, with less focus on the low-skilled. Currently, public investment in further learning is very low. There is no policy project focused on SMEs, the low-skilled or exclusively aimed at up- and re-skilling.

One significant policy initiative identified in Slovakia is the National Register of Occupations (NRO). The project NRO was realised in three stages between 2009 and 2015. The main objective of NRO was to develop a tool that would map the needs of employers comprehensively and in a sustainable manner. Profiles of respective occupations and vocations were created that specify educational standards as well as skills and task demands of employers. It aimed to contribute to better labour market matching by providing information about labour market needs to educational institutions, in particular in the areas of lifelong learning, and by supporting activation policies for the unemployed. The project resulted in the preparation of 'occupational cards' launched in 2015.

The key institution involved in the preparation of the NRO was the Ministry of Labour but the project realisation was procured to a private agency called Trexima. In the context of the NRO, twenty-four sectoral councils were created which include various stakeholders, including the Ministry of Labour, Social Affairs and Family, employers, various businesses, unions, municipal and regional representatives, and schools. Sectoral councils are defined as "voluntary independent professional associations overseeing monitoring of labour market needs in respective sectors of national economy and their application to lifelong learning system".

Sectoral councils are governed and overseen by the Alliance of Sectoral Councils, a body chaired by the Ministry of Labour. Each sectoral ministry nominates a representative, while key social partnership institutions and professional associations at national and regional levels (employer and employee representatives), the Statistical Office and Trexima are also represented. Its key role is managing the work of sectoral councils, certifying and licencing individual sectoral councils, mediating their contact with the government, and overseeing the quality of their work.

In April 2019, the fourth stage of the project was launched, with a new title: Sectoral-directed innovations (SDI) (*Sekrotovo riadené inovácie/SRI*). The information leaflet of the project defines its objectives as: creating a system of measures increasing adaptability of employees to new labour market demands and improving forecasting of qualified labour in small, medium-sized and large firms. The partnership agreement defines as key beneficiaries very diverse groups: jobseekers, disadvantaged jobseekers, employee, self-employed, employers, and providers of labour market policies. The objective of the SRI is the revitalisation of sectoral councils and updating of occupational cards. SRI is funded by the ESF with a total allocation of about €20 million. Previous stages of NRO received €6.6 million (phase I and II) and nearly €5 million (phase III).<sup>2</sup> All stages were funded by the ESF with standard co-financing from the state budget (85-15%). Due to setbacks in implementation, the impact of the projects so far is unclear. Also, due to the general aims of the project at improving labour market matching and decreasing information asymmetries in the labour market, it does not directly target SMEs and the low-skilled. However, if successful realisation and implementation is achieved, it could potentially improve access among SMEs to qualified labour as well as better designed policies in the framework of ALMPs for low-skilled unemployed people. Also, in principle, SMEs should be represented in sectoral councils, e.g. councils for trades, but in reality it is difficult for them to be represented. Registers of occupations and qualifications standards exist in several EU countries, and NRO and NFQ try to emulate some of these examples. NRO also responds to requirements stemming from European Qualifications Framework. However, due to some negative feedback and the currently unclear state of implementation, it is difficult to establish the NRO as a good practice example due to the stated weaknesses in implementation.

In addition to the NRO, REPAS, REPAS+ and KOMPAS are significant initiatives in Slovakia. These are requalification and competence courses that have recently been introduced in Slovakia in order to provide jobseekers with necessary skills in the labour market while overcoming public procurement bottlenecks.

In the past, Slovakia invested very little policies focused on training, education and skills development of the unemployed, while a creaming effect dominated (e.g. Hidas et al. 2016, Kureková et al. 2013, Kureková 2015). Education and training provided by the Ministry for Labour, Social Affairs and Family (COLSAF) for the unemployed involved a complicated public procurement process that was costly and lengthy, leading to problems matching available training to actual labour market needs and a reduced supply of courses. As a result, only a few courses were ultimately available. To overcome the public procurement bottleneck and develop innovative education and training programmes, REPAS was piloted in 2014, a programme where the contract for education and training is established directly between COLFAS and the jobseeker who wants to participate in education and training. Since 2017, REPAS+ has been established as the programme offering accredited requalification courses, while KOMPAS offers competence courses in skills such as languages, IT and communication. The aim of these programmes is to stimulate unemployed jobseekers to participate in training and increase their employability; both are implemented under the Upskilling Pathways Initiative (Studená and Kožárová, 2018).

In order to participate, jobseekers need to submit an application to COLSAF, identify an appropriate course and choose a training provider. REPAS+ and KOMPAS+ are non-

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<sup>2</sup> [https://www.sustavapovolani.sk/o\\_portali](https://www.sustavapovolani.sk/o_portali)

obligatory measures that are offered based on decisions by case workers. If criteria such as cost effectiveness, relevance and accreditation are met, the jobseeker is accepted and, after successful completion of the course, the costs are reimbursed and a certificate is issued. Moreover, participants receive further support such as intensive counselling and development plans. 100% of the costs are covered, as well as travel and participation costs in REPAS+. COLFAS programmes receive financial support from the ESF.

REPAS+ and KOMPAS+ are non-obligatory, which means that there is no legal right to these measures and respective case workers/labour offices decide. These measures might also be proactively offered to a jobseeker by case workers. Case workers also evaluate appropriateness with respect to the skills audit of the jobseeker, and labour market needs. Programmes are very popular and COLSAF already made adjustments to avoid overuse by some groups of jobseekers (in particular driving licence training was stopped due to whole villages of people asking for this training). In 2018, 13,308 jobseekers undertook training in REPAS+ and 8,873 in KOMPAS+. The share of low-qualified in these programmes was 25% and 32%, respectively. Low-qualified are also targeted for specific support by COLFAS caseworkers to identify appropriate measures and assess skills. Caseworkers have very intensive personal engagement, carry out an audit of competences, and use different ways to assess personal capacities.

Requalification and competence courses are supported by a set of other tools, such as intensive counselling, individual action plans, development plans, which are used to best guide the jobseeker in the selection of a course. Furthermore, when choosing a course, jobseekers need to prove that training will lead to concrete employment, such as demonstrating an existing vacancy for a skill they seek to gain or improve via the training.

Quality of courses funded through REPAS+ is ensured by the fact that accreditation of courses or institutions within REPAS is done by the Ministry of Education, which from the point of view of COLSAF ensures some level of quality. However, competence courses (KOMPAS+) do not need to be accredited. In both projects, COLSAF organises visits to training sites to check if a jobseeker is actually present at the training/course. There is a constant push for quality control and high effectiveness from the Ministry of Labour, and also the European Commission.

While COLSAF said not to have the capacity for rigorous counterfactual evaluations, several external assessments and evaluations exist, about REPAS in particular. First, the Institute of Social Policy at the Ministry of Labour (ISP, 2018), using counterfactual evaluation methods, found a positive net effect of REPAS on employment prospects and wages. The study also pointed out some weaknesses in the structure of courses (e.g. many participants took the course for carers, but were most likely to find jobs abroad). Second, a very similar evaluation of REPAS was done by Štefánik (2018), which confirmed a positive net effect of taking REPAS on employment prospects and wages, relative to a control group, and highlighted gaps in course content and structure in particular. However, a third assessment available, an evaluation of REPAS by the National Control Office (NKÚ, 2018) concluded that the success rate of placement on the labour market is relatively low, criticised poor targeting of low-skilled participants by REPAS, and recommended increased efforts on tracking of participants (e.g. if returned to the unemployment registry after a period of employment), as well as better matching the content/type of courses to what is needed on local/regional labour markets.

Three broad aspects of criticism have been noted. First, training courses offered by COLSAF are weakly linked to labour market needs. The ISP (2018) study measures a net effect of programmes by types of courses, and shows very diverse effects by type of course (e.g. a very high success rate of placement relative to a control group of those who took security courses). Second, programmes do not sufficiently target what is most needed in the labour market, and much of the success is due to a 'creaming effect' (see also Studená and Kožárová, 2018). Participants of REPAS include tertiary educated people and supported courses include management courses. Third, the courses are of low quality and also have too short a duration to offer a real requalification to a jobseeker. In other



countries, requalification courses take several months (half a year), not just a few weeks, as is typically the case for REPAS+ or KOMPAS+. Furthermore, total investment is not that high, relative to the need.

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