



*Brussels, 31.1.2017
C(2017) 384 final*

Dear President,

The Commission would like to thank the Bundesrat for its Opinion on the Commission proposal for a Council Recommendation establishing a Skills Guarantee {COM(2016) 382 final}.

The Skills Guarantee forms part of a broader package of ambitious measures designed to generate a shared commitment to the strategic importance of skills for sustaining jobs, growth and competitiveness in Europe. This New Skills Agenda was adopted in June as a major initiative in the Commission Work Programme 2016. The Proposal for a Skills Guarantee aims to improve the life chances of low-skilled adults by supporting their access to upskilling pathways, thereby allowing them to enhance their basic skills or to progress towards a higher qualification.

The Organisation for Economic Cooperation and Development's (OECD's) Survey of Adult Skills (PIAAC) shows that one in five European adults (aged 16-65) has only a rudimentary level of literacy, while one in four has only the lowest level of skills in numeracy and can only solve very simple tasks using information and communications technology. The OECD PIAAC survey also shows that educational attainment is closely correlated with proficiency in foundation skills, even though skills levels may vary considerably among individuals with similar qualifications. When it comes to educational attainment, on average around one quarter of Europeans in the 25-64 age group do not have an upper secondary education qualification; in some countries this figure is over 40% and as high as 57%. Moreover, education outcomes are not evenly distributed across population sub-groups; for instance, around 44% of third-country nationals residing in the EU lack an upper secondary education qualification and are more likely than EU nationals to have low levels of basic skills.

The impact of low skills on individuals is a multi-faceted issue with considerable consequences. Low-skilled people generally fare less well in the labour market (with higher unemployment rates and long term unemployment rates, slower transitions out of unemployment, lower wages, etc.) and experience a higher risk of poverty and social exclusion. In recent years, the great majority of employment losses have occurred among the low-qualified (over nine million job losses).

*Ms Malu DREYER
President of the Bundesrat
Leipziger Straße 3 - 4
D – 10117 BERLIN*

The proposal fully complies with the principle of subsidiarity, taking the form of a Council recommendation to be applied in accordance with national circumstances, as clearly indicated in the chapeau of the Commission proposal for a Recommendation. The issues dealt with by this initiative are all of EU relevance; their scale means that coherent and coordinated action is required. Action by all Member States is needed to focus both policy attention and investment on achieving a significant fall in the percentage of low skilled adults in the EU. A coordinated approach at EU level would ensure synergies and cooperation, maximising positive spill-overs.

On that basis, the Commission is pleased that the Bundesrat in principle welcomes the objectives pursued through the proposal and acknowledges the common interest in achieving a high level of competences for citizens.

The Commission is committed to supporting Member States to deliver education and training, in line with their national systems, policies and legislation, in order to make lifelong learning a reality for all, and in particular to promote equality of access and optimal participation of citizens in society and work.

In response to the more technical comments in the Opinion, the Commission would kindly like to refer the Bundesrat to the attached annex.

The comments in this reply are based on the Commission's initial proposal for a Recommendation. In that regard the Council adopted the Recommendation on 19 December 2016¹.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Bundesrat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Marianne Thyssen
Member of the Commission*

¹ Council Recommendation of 19 December 2016 on Upskilling Pathways: New Opportunities for Adults, OJ C 848 of 24 December 2016.

ANNEX

The Commission has carefully considered each of the issues raised by the Bundesrat in its Opinion and is pleased to offer the following clarifications.

The Commission proposal for a Council Recommendation builds on the good practices in place across the European Union, taking into account the results of mutual learning cooperation in the field of adult learning under the Education and Training 2020 strategic framework, ET2020, but also recent evidence such as the OECD's PIAAC results or statistical data regarding labour market and participation rates of adults in lifelong learning which depend considerably on qualifications levels.

On the title

The Commission would like to stress that the term "guarantee" used in the proposal is intended to give a message of strong commitment from all stakeholders involved to assist adults who have been let down by the education and training system by addressing their learning needs to allow them access to lifelong learning.

The Commission would like to recall that Member States have recently reached a political agreement on a revised text of the Recommendation, which strengthens even further the references to the need to take into account national circumstances and sets a new title for the Council Recommendation reading now "Upskilling pathways: New Opportunities for Adults".

As rightly noted by the Bundesrat, both the explanatory memorandum and the recitals of the proposal make it clear that the proposal would not give rise to directly enforceable legal rights.

The Commission fully appreciates the size of the problem, in particular in countries where the numbers of low-skilled adults are high, and it does not take lightly the challenge involved. The Commission is not implying that the challenge can easily be solved by Member States but it wishes to highlight the very good work being done by all Member States to address one or other sub-group or aspect of the learning offer that is required. Taking due account of the size of the challenge, the Commission therefore included clear references in the text of the proposal to the fact that Member States may decide to prioritise some sub-groups in accordance with national circumstances.

On the matter of motivation, certainly the individual has to be willing to learn. This has been emphasised in the proposal. The Commission agrees with the Bundesrat that access to upskilling pathways should be opened only to those interested in engaging in such learning processes and cannot be enforced on anyone. Furthermore, specific provisions have been put forward with a view to improving motivation, as evidence shows that those most in need of education and training are the ones least likely to participate in further learning. For almost half of the low-skilled adults who are economically inactive, as well as many of those who are unemployed or in low-paid jobs, motivation will not come of its own accord, they need to be encouraged to participate before any learning can take place.

On EQF level 4

The selection of EQF level 4 in the proposal in no way undermines or under-values qualifications below this level (EQF 1-3), and does not represent the establishment of a minimum level of qualification at European level. However, as highlighted in the explanatory memorandum of the proposal, the employment rate for people who have not attained this level is 25 percentage points lower than the rate for those who have; the statistical evidence also shows that the number of jobs suitable for people without an upper secondary education is rapidly decreasing. People with lower skills and qualifications are thus exposed to increased precarity in the jobs market and to elevated risks of social exclusion; therefore when designing policies from both a competitiveness and fairness perspective, Member States should take this into account.

Furthermore, in the context of the Europe 2020 and Education and Training 2020 (ET2020) strategies, Member States have agreed specific targets to increase the share of adults participating in lifelong learning (to 15% by 2020) and to reduce early school leaving to below 10% (i.e. the share of 18-24 year olds with only lower secondary education or less and no longer in education or training). This target is mirrored by the national target set by Germany of less than 10% for early school leavers. The selection of EQF level 4 in the context of the Commission proposal is therefore consistent with the agreed priority among EU Member States to increase the number of people attaining more than lower secondary education level studies. These priorities and targets were confirmed by the Joint Report of the Council and the Commission on ET2020 ((2015/C 417/04) which for the European Agenda for Adult Learning, includes putting in place procedures to identify and assess the skills of low qualified adults, and providing sufficient second-chance opportunities leading to a recognised EQF qualification for those without EQF level 4 qualifications.

In February 2016, in its Resolution on promoting socioeconomic development and inclusiveness in the EU through education: the contribution of education and training to the European Semester 2016, the Council invited the Commission to adopt proposals for increasing educational attainment and acknowledging that upper secondary education or equivalent tends to be considered as the minimum entry requirement for ensuring a successful transition from education to the labour market and for gaining access to further education and training.

To cater for the different national contexts, the political agreement reached by Member States on the Recommendation refers to EQF levels 3 or 4 depending on the national circumstances.

Learning provision

The Commission leaves to Member States the flexibility to provide learning opportunities in line with national practice. While this means a holistic approach to learning offers in Germany, in some Member States modular courses are preferred, and these have been shown to be suited to adults who are juggling education or training with work and family life, and who may be obliged for various reasons to break their learning, but do not wish to drop out.

Funding

Although European Social Funds (ESF) have been programmed for the period 2014 to 2020, the use of these and other EU financial support has to be earmarked to priorities that could support the Skills Guarantee without any need for a re-programming. The low skilled group has been identified as a priority target group in at least half of the operational programmes across all relevant thematic priorities and by almost all the Member States. Aggregated data of operational programmes indicate that through the current programming significant achievements can be reached: around 3 million individuals gaining a qualification, around 5 million disadvantaged and inactive persons supported, around 4 million individuals benefitting of a training opportunity. Over EUR 27 billion will be invested in education, training, skills and life-long learning, but also funding allocated to for social inclusion (EUR 21 billion) and to sustainable and quality employment (EUR 30 billion) could also support the integration of people with low-skills. The proposed Recommendation can give a framework and impetus for execution of these already programmed activities, and the Commission is ready to support any potential request for re-programming.

Erasmus +

The Commission takes full note of the position expressed by the Bundesrat as regards the Erasmus+ programme and wants to give reassurance that all Erasmus+ spending should be made in line with the legal base, as also indicated in the text of the proposal. With the limited budget available for adult learning, the Erasmus+ programme already finances staff mobility as well as strategic partnerships in the field of adult learning. For several years now, the priorities in this field have focused on the provision of opportunities for low skilled groups and the proposal of the Commission is to continue using the relevant Erasmus+ funds available for adult learning in this way.

Advisory Committee on Vocational Training

As regards the role of the Advisory Committee on Vocational Training, this is a statutory body which has existed since 1963 and has been consulted over the years, not only on vocational training matters but also on all the initiatives under ET2020 and its predecessors, which span school education, vocational training, higher education and adult learning. Given its tripartite nature, including alongside Member State governmental representatives national level social partners from both the employer and employee sides, the Commission proposed that this body act as a forum for exchanging experiences and mutual learning regarding measures to upskill low-skilled adults. As the trend is towards consolidating existing initiatives in education and training rather than introducing new ones, it is fitting that this committee continues to be involved in this new initiative that relates to upskilling people of working age.

Terminology

The Commission takes note of the concerns expressed regarding the terminology and possible translation challenges and is happy to examine with the translation services of the various institutions how best to translate the main terms such as "skills" and "competences" and to ensure future consistency.

Link to the Semester

Noting the Member States view (as outlined in the Education and Training 2020 Joint Report of 2015) that strong analytical evidence and progress monitoring are essential for the effectiveness of the ET2020 framework, and that streamlining and rationalising reporting within the ET2020 framework remain a priority, the Commission in its explanatory Memorandum suggested that no new reporting mechanisms are established. Reporting on implementation of this Recommendation would use existing arrangements, such as ET2020 or in the context of the Semester. The Commission would also like to highlight that the skills dimension has gained increasing prominence in the context of the Semester and has been strongly reflected in last year's reporting cycle.

Timeline for drawing up implementation actions plans

The Commission proposal aimed to set a target date by which Member States would decide on the follow up they will give to this Council recommendation. The Commission acknowledges that implementation of this initiative is a long term process whose results cannot be visible in the immediate short term. The deadline set in the proposal therefore did not refer to a date by which results should already be visible, but to a date by which each Member States decides how to take forward this initiative taking into account the specific national context.

Validation of non-formal and informal learning

Building on the existing Council Recommendation on the validation of non-formal and informal learning and taking into account the importance of validation in the field of adult learning, in the context of the Skills Guarantee, the Commission proposal aims to build on the arrangements that Member States have in place or are putting in place in line with the Council recommendation on validation, rather than suggest adoption of any new measures. The Commission proposal on a Skills Guarantee does not touch upon issues related to recognition of qualifications.