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COM(2016) 382 final

2016/0179 (NLE)

Proposal for a

**COUNCIL RECOMMENDATION**

**on establishing a Skills Guarantee**

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

- **Reasons for and objectives of the proposal**

#### **Skills matter**

High productivity and sustained competitiveness and growth depend on a skilled and adaptable workforce and on making full use of the skills available. Employability rests on the quality of one's skills. Countries with high shares of adults with low proficiency in basic skills (literacy, numeracy) and digital skills have lower levels of labour productivity and ultimately lower prospects for growth and competitiveness<sup>1</sup>. There is scope to make more efficient use of Europe's human capital across the life course, and indeed to improve the Union's human capital by raising overall levels of skills. National and EU-level resources need to be mobilised to this end. The 2016 Annual Growth Survey<sup>2</sup> emphasises that 'smart investments in Europe's human capital' and equipping people with relevant skills to drive innovation and competitiveness and to reach high productivity, are the best way to prevent individuals becoming unemployed, and to reduce the risk of poverty and social exclusion.

#### **Basic skills and educational attainment in Europe**

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 skill<sup>3</sup> in numeracy and can only solve very simple tasks using ICT. The OECD PIAAC survey also shows that educational attainment is closely correlated with proficiency in foundation skills, even though skills level 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 the share is over 40% and up to 57%. Moreover, education outcomes are not evenly distributed across population sub-groups; for instance, around 44% of non-EU ('third-country') nationals residing in the EU lack an upper secondary education qualification (i.e. around 7% of adults in the EU without upper secondary education) 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. During the recession their labour market prospects deteriorated further: the unemployment rate for those with at most lower secondary education rose from 9.7% (in 2008) to 17.4% (in 2014), against an increase of less than 3 percentage points among those with higher levels of education. In recent years the great majority of employment losses occurred among the low qualified people (over nine million job losses).

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<sup>1</sup> OECD, Skills Outlook 2013: First Results from the Survey of Adult Skills

<sup>2</sup> Annual Growth Survey 2016 Strengthening the recovery and fostering convergence, Brussels, 26.11.2015, COM (2015) 690 final,

[http://ec.europa.eu/europe2020/pdf/2016/ags2016\\_annual\\_growth\\_survey.pdf](http://ec.europa.eu/europe2020/pdf/2016/ags2016_annual_growth_survey.pdf)

<sup>3</sup> In this document the term "skills" is used in a broad sense and refers to what a person knows, understands and is capable of doing, this encompasses knowledge and competences

Low skills may have an impact also on the children of people in this situation, as PIAAC showed that in some countries children of parents with low educational achievement have significantly lower levels of proficiency in the skills set tested than the children of parents with higher levels of education.

The costs of this situation are high, not only to the individual but to the economy and society as a whole, including public expenditure on unemployment and social benefits.

### **New challenges**

New ways of working, including collaborative economy models, increased independent and contract-based work, more frequent job changes (for necessity and opportunity), and changes in work organisation all have an impact on the types of skills needed. Forecasts indicate that while low skilled jobs will not disappear, no more than 15% of the workforce will fill these jobs<sup>4</sup>. A trend towards more skill-intensive jobs at all levels will continue and many traditional manual or routine jobs will decline or mutate to require higher basic skills.

Demographic trends will lead to an ever shrinking workforce with the population of working age (20-64) being projected to decrease from 306 million to 269 million. These trends can exacerbate skills mismatches and skills shortages in labour markets, thereby hampering investment, innovation and growth. Skills mismatches and shortages can also hinder productivity growth and the reallocation of resources across sectors within and across Member States which in turn can create obstacles to reaping the full benefits of the Single Market and further lower resilience to shocks in vulnerable economies. These trends represent a challenge which underlines the need to integrate untapped human capital to the labour market especially among low skilled adults. In order to balance these demographic trends, there is a clear need to increase the employment rate, increase the productivity of the workforce and keep older generations in work for longer. Migrants can also contribute to fill the gap, provided that their skills meet the needs of the labour market and are well used.

Most members of Europe's workforce in the next two decades are already adults today. Investment in the continuous improvement of their skills will determine whether the EU is capable of reaping the benefits of technological advances and ensuring competitiveness. More needs to be done to support the continuous skills development of the workforce.

### **Obstacles to upskilling**

All these challenges can only be addressed by empowering people – whether in employment or not - to acquire the skills they need either to enter the labour market or, when employed, to keep up with increasing skills demands.

However, a significant share of the working age population, including people already in employment lack the basic literacy, numeracy and digital skills they need to take part in the vocational training necessary to keep pace with the changing demands of their job and to avoid skills loss. Lower-skilled workers, together with older workers and those without the opportunity to develop their skills throughout their working life, are most at risk of skill obsolescence.

Furthermore, working low-skilled people tend to be employed in jobs that offer no on-the-job learning, to receive less training organised by employers, and compared with high-skilled

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<sup>4</sup> <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5526>

people to miss out on the benefits of continued learning. The result is that they get stuck in a 'low skills-poor jobs trap', in unskilled work, with few opportunities to improve their skills.

While the solution to addressing these challenges is evident (i.e. upskilling people who lack the basic skills to successfully enter or keep pace with the labour market), the main obstacle to taking this forward is the limited participation of adults, and especially low-skilled adults, in education and training. According to the Labour Force Survey, only 10.8% of adults had taken part in any kind of learning in the four weeks before the survey, compared with the agreed European target of 15% by 2020. The rate of participation in learning for low-qualified adults is even lower: only 4.3% of them on average take part in learning.<sup>5</sup> There is thus an issue of equal access to learning opportunities that needs to be tackled, which also affects third country nationals.

This limited participation in further learning is due to both structural and situational obstacles, which are closely interlinked.

Structural obstacles relate among others to the limited guidance available to make the people concerned aware of the benefits of upskilling and of the available learning opportunities and support measures but also to the limited availability of learning opportunities adapted to adults.

In most Member States, guidance services focus their efforts largely on getting unemployed people back into the labour market quickly; in most cases there are no specific support measures to provide them with learning opportunities to improve their skills. Furthermore, adults who are in employment or who are economically inactive as well as being low-skilled also need further learning and would benefit from access to guidance services.

Adults also seldom engage in further learning if this means going back to school and starting all over again. Their participation could be boosted by giving them the chance of having the skills they had acquired through non formal and informal learning validated and recognised, and identifying their upskilling needs, by means of a skills assessment. The Recommendation of 20 December 2012 on the validation of non-formal and informal learning invited the Member States to put in place national arrangements for the validation of non-formal and informal learning by the end of 2018. The latest (2014) inventory on non-formal and informal learning shows that there is generally good progress in setting up validation arrangements. However more needs to be done to make these widely available: only in eight countries are disadvantaged and low-skilled groups particularly likely to benefit from validation, while in 15 Member States a skills audit system is not in place.

As the situation across Member States differs and as the group of low-skilled adults comprises several very different sub-groups (e.g. employed, unemployed, economically inactive, people in rural areas, migrants, disadvantaged minority groups), there is no 'one-size fits-all' solution; furthermore, within each sub-group, each individual has specific needs, so a tailored approach is needed. Individualised support, though, is unevenly available across the EU.

Flexible learning pathways (e.g. distance learning, blended learning, modular learning etc.) have been shown to encourage adults' participation in learning, but in many cases the provision available does not yet meet their needs. Only half of the Member States have dedicated programmes or frameworks for providing adults with basic skills. Only 3.6% of

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<sup>5</sup> Eurostat Labour Force Survey 2014

Europeans gained their upper secondary qualification after age 25, and there are substantial differences between countries. Member States that offer flexible modular programmes appear to have higher shares of the adult population gaining an upper secondary qualification at age 25 or above.

Situational obstacles relate to the specific context of the individuals concerned, and may include family responsibilities, conflicting time schedules, costs, lack of employer support, distance etc. Of these, the first two are the most frequently cited in the Adult Education Survey. Lack of motivation is another obstacle which may also be due to a lack of awareness of the need to upskill and of the benefits of investing in skills; research also shows that those with weak basic skills are often unable or unwilling to recognise their weaknesses and, because of this, see no need to improve their skills.

## **Objectives**

This initiative aims to improve people's life chances and employability, leading therefore to a more resilient human capital base and higher and more inclusive growth across the EU. To make a tangible impact, considerable political and financial effort will need to be made. In keeping with the Stability and Growth Pact, Member States will have to mobilise sufficient public investments in people's skills. However, Member States stand to benefit from these investments as they will help bring more people into jobs and strengthen the productivity of the workforce.

It seeks to support individuals who left the initial education and training system without an upper secondary qualification to access upskilling opportunities for improving their literacy, numeracy and digital skills or for acquiring a qualification at EQF level 4 or equivalent. The European Qualifications Framework (EQF) level 4<sup>6</sup> is in most countries the level of qualification equivalent to an upper secondary qualification.

The Skills Guarantee will comprise three-steps:

- a skills assessment, enabling low-qualified adults to identify their existing skills and their need to upskill;
- the design and delivery of an education and training offer tailored to the specific situation of each individual, building on his/her existing skills;
- the validation and recognition of the skills acquired through the personalised upskilling pathway.

The Recommendation is geared to adults who left the education and training system without achieving an upper secondary qualification (EQF 4) and who are not eligible for support under the Youth Guarantee.

The recommendation sets out a 'pathway' consisting of a linked series of targeted interventions that would improve and consolidate the support targeted at this group and lead to the development of the necessary skills and qualifications.

These measures are part of a more comprehensive set of policy actions that tackle the broader

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<sup>6</sup> See section I.2 of the accompanying technical annex SWD(2016) 195

skills challenges: raising the overall level of skills in the EU, making better use of existing skills and anticipating the skills needed.

In designing their interventions, Member States can build on years of mutual learning and experience in the field of education, training and employment policies, as well as through the financing of the European Structural and Investment Funds and in particular the European Social Fund.

- **Consistency with existing policy provisions in the policy area**

This initiative is part of the New Skills Agenda initiative under the European Commission's number one political priority, "A New Boost for Jobs, Growth and Investment". It is an initiative that will strengthen the inclusiveness of the labour market and social investment and move Europe towards upward social convergence. It is consistent and complementary with other policies and initiatives in the areas of education and training and employment.

A number of EU policies, instruments and initiatives are in place to support upskilling, in particular the European Semester of economic policy coordination, and the European Structural and Investment Funds and in particular the European Social Fund (ESF), (more details are in the 'budgetary implications' section below).

The recommendation will support the reform process started under the Europe 2020 objectives, notably by contributing to the goals of increasing the employment rate and reducing poverty and mitigating the impact of early school-leaving. The overall objectives of the European Semester of economic policy coordination are supported by the integrated guidelines, which include both the Broad Economic Policy Guidelines and the Employment Guidelines (jointly referred to as the "integrated guidelines"). The former aim in part to boost growth, by carrying out structural reforms and removing key barriers to growth and jobs. The latter cover priorities such as facilitating job creation, enhancing labour and skills supply, and fostering social inclusion, combatting poverty and promoting equal opportunities. The 2015 country specific recommendations<sup>7</sup> stress that efficient, effective and forward looking vocational education and training programmes, including targeted adult learning, play a key role in improving employability. They also note that public employment services need to be strengthened in some Member States and that active labour market measures could more efficiently target those furthest from the labour market.

Specifically in **education and training**, the current proposal will build upon several existing measures by acting on key policy messages concerning the need to reduce the number of low skilled adults. It will also encourage Member States to enhance synergies between policy measures that need to work together in order to achieve the expected results, in particular active labour market policies, guidance and counselling, education and training policies, including validation, and social policies.

The Strategic Framework for European Cooperation in education and training (ET 2020) offers a platform for Member States to work together in a policy area, for which they have competence. The ET 2020 Joint report adopted in November 2015 set out revised priorities including for the European Agenda for Adult Learning<sup>8</sup>, emphasising the provision of literacy, numeracy and digital skills, and providing sufficient second-chance opportunities

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<sup>7</sup> Council Recommendations on the National Reform Programmes, OJ 215/C 272 of 18.08.2015

<sup>8</sup> Council Resolution on a renewed European agenda for adult learning (2011/C 372/01)

leading to a recognised EQF qualification for those without level 4 qualifications (upper secondary education).

The EQF framework includes qualifications based on learning outcomes acquired through general or vocational formal routes (such as upper secondary qualifications). At the same time, the learning outcomes approach promoted by the EQF facilitates the acquisition of qualifications based on learning in non-formal or informal settings, which constitutes most of adult learning. EQF level 4 is the level at which most of the Member States have referenced their upper secondary qualifications, the educational level that is increasingly becoming a threshold for getting better access to the labour market and for continuing education and training. The employment rate for people who have not attained this level is 25 percentage points lower than the rate for those who have; the number of jobs suitable for people without an upper secondary education is rapidly decreasing; and even jobs classed as ‘low-skilled’ will in future require a higher level of skills.

The 2006 Recommendation of the European Parliament and the Council on key competences for lifelong learning is being implemented by Member States through curricula for all levels of education and training and notes the importance of literacy, numeracy and digital competences.

The 2008 European Parliament and Council Recommendation on the European Qualifications Framework (EQF) for lifelong learning establishes a reference framework of qualification levels defined through learning outcomes. It provides that each level can be achieved through various routes of formal, non-formal and informal learning. Alongside the other tools, the European Credit System for Vocational Education and Training (ECVET) is a credit system based on learning outcomes that facilitates the validation of non-formal and informal learning and the modular progression towards a qualification.

The Council Recommendation<sup>9</sup> (2011) on policies to reduce early school-leaving provides a framework for comprehensive strategies including prevention, intervention and compensation measures, the latter being aimed at re-engaging people who have left education and training without an upper secondary education. Compensatory routes e.g. second chance education or non-formal learning accompanied by validation of prior learning and opportunities to re-enter education and training help young people to complete their education. Measures aimed at reducing early school-leaving have been introduced by all Member States and are having a positive effect; in 2015 the EU average rate of early school leaving (age group 18-24) was around one percentage point away from the Europe 2020 benchmark of 10%, but with wide variations between Member States. Even if the benchmark is achieved, the remaining 10% of people in this age group will face serious problems accessing sustainable employment. Moreover, some sub-groups in the older age cohorts remain affected by high rates of early school leaving, in particular adults who joined the workforce at an early age, non-EU nationals residing in the EU and other persons with a migrant background.

The 2012 Council Recommendation on validation of non-formal and informal learning, calls on Member States by 2018 to set up national arrangement for the validation (identification, documentation, assessment and certification) of non-formal and informal learning, including possibilities for unemployed people or those at risk of unemployment to undergo a ‘skills

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<sup>9</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1441711487189&uri=CELEX:32011H0701\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1441711487189&uri=CELEX:32011H0701(01))

audit' to identify their skills. The arrangements put in place for validation and skills assessment will play a key role in the delivery of the Skills Guarantee.

Specifically in **employment**, the current proposal will complement and build upon several existing measures.

The 2013 Council Recommendation on establishing a Youth Guarantee<sup>10</sup> provides that all young people under 25 – whether registered with employment services or not – get a good-quality, concrete offer within four months of leaving formal education or becoming unemployed. The offer should be for a job, apprenticeship, traineeship, or continued education and be adapted to each individual need and situation. The Skills Guarantee will provide support for all adults, whether in employment or not. However, for the unemployed it will complement the Youth Guarantee, meaning that it will not cover people who are eligible for support under the Youth Guarantee, as these can already receive an offer for education and training.

The 2016 Council Recommendation on the integration of the long-term unemployed into the labour market strengthened support for more than 11 million people who have been unemployed for over a year. It recommends that long-term unemployed people be offered in-depth individual assessments and guidance and a job integration agreement comprising an individual offer and the identification of a single point of contact at the very latest when they reach 18 months of unemployment. The Skills Guarantee recommendation could provide guidance as to how low qualified unemployed people can be provided with upskilling opportunities as part of job integration agreements.

- **Consistency with other EU policies**

This proposal supports the Commission's priority to boost jobs and growth. The initiative aims to give people a real chance to fulfil their potential and participate in the labour market. By lifting more people above the employability threshold it will help Europe to make better use of its human capital. Strengthening this type of social investment promotes Europe's competitiveness, upwards social convergence and economic growth.

The Commission has recently presented a first outline of the European Pillar of Social Rights announced by President Juncker in September 2015 and has launched a broad public consultation to gather views and feedback from all concerned. The European Pillar of Social Rights will set out a number of essential principles to support well-functioning and fair labour markets and welfare systems within the euro area. The first section of the outline relates to the need to ensure that everyone has lifelong access to quality education and training to acquire an adequate level of basic skills and key competences for active participation in society and employment. It specifically notes that low-skilled young people and working-age adults should be encouraged to up-grade their skills.

For the purposes of integrating migrants, the Common Basic Principles for Immigrant Integration Policy in the EU adopted in 2004 state that 'Efforts in education are critical to preparing immigrants, and particularly their descendants, to be more successful and more active participants in society'. Member States have taken a number of measures to improve the education level and employability of non-EU nationals and others with a migrant background, in some cases with the support of EU funding, in particular the ESF. In 2014, the

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<sup>10</sup> Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01)

Council adopted conclusions on the integration of non-EU nationals legally residing in the EU which reaffirmed the Common Basic Principles. The Skills Guarantee can contribute to the integration of third-country nationals and is consistent with the EU initiatives linked to the European Agenda on Migration.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

### **• Legal basis**

The proposal is based on Articles 165 and 166 of the Treaty on the Functioning of the European Union (TFEU), while contributing also to promoting a skilled, trained and adaptable workforce and a high level of employment as called for in Articles 145 and 147 TFEU. Article 165 of the TFEU provides that the Union shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems. Article 166 of the TFEU provides that the Union shall implement a vocational training policy which shall support and supplement the action of the Member States, while fully respecting the responsibility of the Member States for the content and organisation of vocational training.

The current initiative recommends common lines of action to be implemented by Member States, with European support. It proposes actions that will need implementation at the EU and Member State level. The EU level will provide coordination, in particular with the relevant European instruments and fostering peer learning. Member States remain entirely responsible for the design, development and implementation of their arrangements (laws, regulations, collective agreements) for putting in place the Skills Guarantee at national level. Action at the two levels is complementary and the prerogatives of Member States are safeguarded.

### **• Subsidiarity**

#### **Reasons for policy action at EU level**

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 State 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.

In its work towards the development of quality education and training and the implementation of a vocational training policy, the EU is responsible for encouraging co-operation between Member States, supporting and supplementing their action where necessary. Member States have agreed, within the strategic framework for education and training 2020, that the share of low-skilled people is too high and that this challenge needs to be addressed at EU level. While respecting the responsibility of the Member States, the recommendation gives concrete shape to these ambitions by offering guidance on measures to improve upskilling provision for low qualified people, building on best practices identified through mutual learning and analytical work.

In developing a strategy for employment, the EU is responsible for coordinating, encouraging cooperation and supporting the Member States' action. While respecting Member States' competences, the Recommendation gives substance to this ambition, in particular by building upon the exchange of best practices.

Low labour market performance at national level due to large percentages of low-skilled adults and poor social inclusion of people in this category may have negative economic consequences and undermine economic and social cohesion across the EU. There are many challenges linked to providing upskilling opportunities and this new initiative will support a move towards greater efficiency and higher standards in delivering such opportunities. It builds on successful practices at national level and translates these into a concrete action that will help Member States increase the quality and impact of their education and training, employment and social policies targeted at low-skilled people.

- **Proportionality**

The recommendation gives an indication of actions to be taken at national level. It complies with the principle of proportionality since it offers a flexible framework and guidance for modernisation and reform processes in the Member States. It builds upon examples of good practice from around the EU and recognises that different national, regional or local situations could lead to differences in how the recommendation is implemented. Member States will designate the authorities responsible for implementing the Recommendation and may prioritise target groups, depending on national circumstances and available resources.

The Recommendation provides a framework for action to support and upskill low qualified adults and its scope is limited to guiding public authorities and other providers on the key steps in designing and implementing a Skills Guarantee. It also preserves a high degree of flexibility for Member States in the design and substance of implementation measures at national level.

The proposed action respects Member States' practices and the diversity of systems. It accommodates Member States' need for a differentiated approach reflecting the different economic financial and social situations, and the diverse labour market conditions.

The Skills Guarantee is to be delivered on a voluntary basis, based on the commitment and interest of the individual concerned to engage in further upskilling, and in accordance with the implementing arrangements put in place by the Member States.

- **Choice of instrument**

The choice of instrument - a Council Recommendation - is proportionate; it builds on the existing body of European law and is in line with the type of instruments available for European action in the areas of education and training and employment. Past experience, in particular with the EQF, has shown that a recommendation is capable of generating structural reforms at Member States level.

### **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Stakeholder consultations**

Targeted consultations on the possible approaches to addressing the challenge of low skills levels in the working age population have taken place in various settings and with key stakeholders, as described further below.

Social partners indicated broad support for a skills initiative and a willingness to work to tackle the challenge of low- skilled adults. The Trade Unions perceive basic skills as a fundamental right and underlined the importance of adequate guidance services for all and the need to take account each individual's prior learning; they noted that low-skilled workers are

often dissuaded from undertaking the training they need because of family or work commitments. They believe that Member States should have flexibility over implementation. The Employers noted that ensuring the acquisition of basic skills is a Member State responsibility and stressed the importance of the individual's personal commitment to upskilling. The relevance of skills to companies' needs should be taken into account. Employers suggested that provision should be adapted to the circumstances of specific sub-groups of low-skilled people (e.g. unemployed / employed), and noted the need for learning provision to be appropriate to the needs of an adult target group.

Directors General for Vocational Education and Training (VET) were also consulted on the question on how to tackle the low skilled gap for people of working age. Many respondents supported the need for action targeted at low-skilled adults. Issues highlighted were the need to motivate adults to take part in learning, to tailor provision to the needs of the learner, to address specific sub-groups of low-skilled adults, the importance of arrangements for the validation of skills acquired through informal and non-formal learning and the importance of strong guidance services. It was also frequently stressed that Public Employment Services could play a key role.

Consultations on the Skills Agenda initiative have also taken place in the tripartite Advisory Committee on Vocational Training. More specifically on the issue of low skilled people, there was general agreement that the acquisition of solid basic skills is an essential foundation for further learning, for access to work and for playing a full role in the society, and Member States should ensure that all adults attain minimum requirements. A minimum understanding of digital skills should now be included alongside literacy and numeracy as basic skills. For adults that lack these skills, targeted programmes of teaching should be available. Programmes should be tailored to the needs of adult workers and help them overcome any lack of motivation. From the employers' side it was highlighted that basic skills provision is a state responsibility and that employers should not bear the entire burden to address inefficiencies of initial education and training systems. Trade unions underlined that they can play a key role in raising awareness of benefits of upskilling and available opportunities as well as concluding agreements with employers to allow better access to employed people to such upskilling opportunities. Some successful examples of social partners' agreements have been highlighted, such as the recent French experience with the development of an Interdisciplinary Certificate for Basic skills and professional competences agreed upon by social partners and available to low qualified employees or unemployed.

Overall, the responses emphasised the need for adequate guidance and support services for adult learners, for flexibility of provision to meet the different circumstances of different groups of adult learners, and the need to build upon the skills that each individual already possesses.

Discussions with national authorities, social partners, representatives of regional and local authorities and other stakeholders have also taken place in meetings of relevant committees, advisory and working groups and various settings.

- **Collection and use of expertise**

The PIAAC survey provides extensive data on the skills levels of adults in 17 Member States and the impact of skills on individual's life chances and on countries' competitiveness and growth. It also highlights the significant proportion of adults in EU who struggle with reading, writing, arithmetic and using new technologies. Evidence on the relationship between skills

levels, qualifications and employability is provided by PIAAC, PISA and the Labour Force Survey.

A 2015 study by the European Employment Policy Observatory made an in-depth analysis of funded training provision in all Member States aimed at raising the skills of adult unemployed people (aged 25-64) with low levels of qualification or inadequate basic skills. It found that training measures with more positive evaluation results tend to be well tailored to the jobseeker's potential; meet (local) employers' skills need; lead to formal vocational qualifications; be smaller in scale; and target specific disadvantaged groups and particular occupations. It also found that individualised approaches are key to effective training and that guidance and follow-up for leavers from training is needed, especially for those considered distant from the labour market and facing multiple employment barriers, is needed, with a view to keeping them on a lifelong learning pathway.

The European inventory on validation carried out by Cedefop every two years, together with Cedefop's EQF monitoring, provide an overview of Member States' progress in implementing the 2012 Council Recommendation on validation of non-formal and informal learning.

The 2015 Eurydice study 'Adult Education and Training in Europe: Widening Access to Learning Opportunities' maps the availability of dedicated basic skills provision and programmes for lower and upper secondary qualification for adults in Member States. Further adult learning studies focusing on quality and financing and the efficiency of policy interventions, together with the results of working groups in this policy area provide a wealth of information across Member States and highlight good practices.

A forthcoming study by Cedefop<sup>11</sup> provides an analysis of the social and other costs and consequences of low skills.

- **Impact assessment**

The instrument proposed – a Council Recommendation – has the effect of offering guidance on the way forward in organising provision for upskilling adults, but it leaves Member States a great deal of flexibility in designing and implementing measures. This limits the extent to which impacts can be clearly identified ex ante. No impact assessment was therefore carried out. Nevertheless, an analytical report was prepared, including a section looking at possible impacts and costs; this is annexed to the Staff Working Document accompanying the Skills Agenda Communication.

The proposals outlined in the recommendation are based upon an extensive review of the statistical data as well as the available evidence from existing policy and provision in Member States. Instead of a fully-fledged impact assessment, a more proportionate approach was adopted, following which an analytical report was prepared; this is annexed to the Staff Working Document accompanying the Skills Agenda Communication.

This analysis revealed that if no action is taken, employment opportunities for low-skilled people can be expected to worsen; the long-standing trend towards ever higher skills expectations can be expected to persist, increasing the risk of low-skilled people becoming unemployable. Continued investment in current upskilling programmes, which are not

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<sup>11</sup> Cedefop (2016, forthcoming). Economic and social consequences of low skilled adults in the EU, Cedefop research paper.

necessarily delivering the required quality and impact and are not necessarily well adapted to the needs of the diverse target group, is unlikely to change the situation. Therefore the need for action is evident. As regards the scope of the action, the analysis identified the option of a Council Recommendation on establishing a Skills Guarantee for low qualified adults as most consistent with EU policy objectives. It has the advantage of combining a European commitment with action at national level based on a strong political commitment to address the low skills challenge for working age population, setting out a comprehensive and systematic framework for upskilling pathways, while at the same time giving the Member States flexibility in defining the arrangements for implementation.

Based on macroeconomic growth models, Cedefop has estimated the potential impact of higher level of skills on GDP growth per capita, using observed market data (GDP/GDP per capita) and other relevant macroeconomic variables from the European Commission's AMECO database and the Total Economy database of the Conference Board. The estimate shows that a one percentage point increase in the intermediate skills of the adult population (ISCED levels 3-4), could boost the GDP per capita growth rate by 0.99 percentage points. Using this empirical evidence, Cedefop has simulated the long-term output growth based on higher level skills. This simulation shows that compared to Cedefop's baseline scenario of decreasing shares of low-skilled adults, a further reduction (of 4 percentage points) in the share of low-qualified people in the adult population would result in an increase in EU annual GDP of around € 350 billion.

- **Fundamental rights**

One of the 2015 United Nations Sustainable Development goals is ensuring that all young people and a substantial proportion of adults, both men and women, achieve literacy and numeracy by 2030.

Article 14 of the Charter of Fundamental Rights of the European Union provides that everyone has the right to education and to have access to vocational and continuing training. Despite this universal right, a significant share of the EU population does not stay in the formal education and training system long enough to acquire a minimum level of skills and access to learning opportunities after school is not equitably distributed among EU citizens. This proposal aims to promote greater equity by giving low qualified adults the opportunity to acquire a minimum level of basic skills and to progress to a formal qualification.

In the European Union the right to the protection of personal data is guaranteed under Article 8 of the Charter of Fundamental Rights of the European Union. Whenever the measures provided for in this Recommendation entail the processing of personal data, they shall be carried out in accordance with EU law on protection of personal data, in particular Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data<sup>12</sup> and the national implementing measures thereto, as well as Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data<sup>13</sup>.

Directive 95/46/EC will be replaced by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with

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<sup>12</sup> OJ L 281, 23.11.1995, p. 31

<sup>13</sup> OJ L 8, 12.01.2001, p. 1

regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation)<sup>14</sup> which is applicable as of 25 May 2018.

#### **4. BUDGETARY IMPLICATIONS**

The successful implementation of the proposed recommendation will require appropriate and adequate funding. Whilst remaining consistent with Member States' commitments under the Stability and Growth Pact, it will have resource implications at national level. The use of EU financial support, including through the potential reallocation of ESF programmes is encouraged.

The Recommendation gives Member States a great deal of flexibility as to implementation arrangements and priority target groups, meaning that an EU-wide estimate of the costs of implementing the Guarantee cannot be made. However, a number of scenarios has been developed using key variables (the number of people taking up the Skills Guarantee and the cost per individual of the intervention). These give an indication of the broad range of costs that can be expected. More information is presented in section 3.4 of Technical Annex 1 to the Staff Working Document accompanying the Communication on a New Skills Agenda for Europe.

Investing in education, training and lifelong learning is one of 11 objectives of European cohesion policy and the current European Social Fund (ESF) regulations refer specifically to enhancing access to lifelong learning and upgrading the skills and competences of the workforce. Existing resources of funds promoting social inclusion (e.g.) ESF, EaSi, FEAD, EGF or sector skills development (e.g. EAFRD) may also be used, especially to support disadvantaged groups such as low-skilled unemployed adults, economically inactive people and migrants. During the current programming period (2014-2020) it is estimated that ESF programmes will enable almost 3 million people to gain a qualification. Over EUR 27 billion will be invested in education, training, skills and life-long learning through the ESF and over EUR 6 billion by the European Regional Development Fund.

The Recommendation provides a flexible framework of intervention, in which Member States can adapt existing resource allocations for support to low-skilled people in line with their budgetary situation. Furthermore, the implementation will build essentially on already existing policy and provision, as Member States will already have in place systems or parts of systems for reaching out to, and upskilling, low qualified people. Member States have committed to put in place validation arrangements, including skills audits for vulnerable groups, under the Recommendation on validation of non-formal and informal learning. Member States have confirmed their political commitment to reducing the number of low qualified and low skilled people most recently in the ET 2020 Joint Report. Programmes for basic skills and digital training as well as opportunities for gaining upper secondary qualifications later in life are in place across the EU.

Implementation at national level will entail an administrative cost to set up coherent upskilling pathways, adjusting administrative capacities and training staff, coordinated delivery, skills audits, and delivery of tailored education or training offers. The overall budgetary impact, however, may be limited in the medium term when this investment would translate into more transitions to employment, higher wages, a more productive workforce

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<sup>14</sup> OJ L 119, 4.5.2016, p. 1–88

and better skills forecasts for future generations, (especially if accompanied by other relevant skills reforms), and a more equitable and integrated society.

A forthcoming CEDEFOP study lists the following benefits of **higher levels of skills**:

- (a) increased labour taxes;
- (b) higher indirect taxes from the higher disposable income of better skilled people;
- (c) lower out-of-work benefits (because of improved employment resulting from higher level skills) benefitting public budgets in the longer term;
- (d) reduced healthcare spending;
- (e) lower spending due to reduced criminal activity.

The proposed Council recommendation does not require additional EU budget and staff resources for the Commission.

## **5. OTHER ELEMENTS**

### **• Implementation plans and monitoring, evaluation and reporting arrangements**

The Recommendation calls on Member States to draw up within one year from its adoption, an action plan for implementation. This should include coordination arrangements, priority target groups identified at national level, and the financial resources made available.

In order to ensure efficiency, the recommendation also proposes that adequate measures be put in place at national level to monitor and evaluate measures taken and their impact on progress in improving basic and digital skills levels and reducing the number of low qualified people. These results should be reviewed and form the basis for adapting the measures for implementation as appropriate.

Progress towards reaching the objectives of the initiative would be measured at EU level through existing reporting mechanisms, in the context of the European semester and the ET 2020 process, notwithstanding arrangements that will be in place beyond 2020

### **• Detailed explanation of specific provisions**

#### **Paragraphs 1 and 2**

This proposal recommends that Member States set up a Skills Guarantee allowing those who have left initial education or training without completing upper secondary education or equivalent (EQF 4), and who are not eligible for support under the Youth Guarantee, to access to upskilling pathways which enable them to:

- acquire a minimum level of literacy, numeracy and digital skills and/or
- progress towards a qualification at EQF level 4 or equivalent, acquiring a wider set of skills, building upon the Recommendation on key competences for lifelong learning.

EQF level 4 is the level at which most countries place their upper secondary school level qualifications and equivalents and is increasingly becoming the minimum educational attainment level for access to skilled work on the labour market and progression to further education and training (see section on "new challenges").

EQF level 4 is the level of education attained at the end of upper secondary education, in most Member States that have linked their educational qualification to the EQF and gives the learner access to further education at tertiary level. The EQF allows the referencing of qualifications obtained through both formal and non-formal or informal learning, and since adults are more likely to engage in non-formal rather than in formal learning, it is proposed to use EQF reference levels in the text of the recommendation.

The term low qualified adult is defined in the recitals as individual having left the initial education and training system without having completed the upper secondary education and who is not eligible for support under the Youth Guarantee.

The proposed Skills Guarantee comprises three steps and its delivery should be underpinned by a set of key principles, based on best practice. The three steps are:

- skills assessments to identify existing skills and upskilling needs;
- a tailored education and training offer; and
- validation and recognition of skills acquired through the Skills Guarantee in accordance with national qualifications framework and systems.

### **Paragraphs 3-4 - Skills assessment**

People with low levels of literacy, numeracy or digital skills often already possess skills, including professional skills, but may have specific gaps in relation to basic skills or wider set of skills; providing everyone with a standard education or training course that does not take into account their existing skills would be inefficient and counter-productive. So a key feature of effective provision is to tailor the training to individual needs. The purpose of a skills assessment is to identify the skills that a person has already acquired, and any gaps that need to be filled in order to bring them up to a required level.

This may take the form of a 'skills audit', as proposed in the 2012 Council recommendation on validation of non-formal and informal learning; this usually results in a statement of skills of the individual which can be the basis for a plan for the next steps in training and the support offered. Skills audits of this kind are already available in different European countries and can be sources of inspiration for countries wishing to develop them. An assessment tool developed by the OECD with the support of the Commission, 'Education and Skills Online', provides individual-level results linked to the PIAAC measures of literacy, numeracy and problem-solving in technology-rich environments and already a few European countries have developed a national language version.

The proposal is that Member States give low qualified adults the opportunity to undergo an assessment, e.g. a skills audit, to identify existing skills and upskilling needs.

### **Paragraphs 5-8 - A tailored and flexible learning offer**

The results of the skills assessment would form the basis for making a tailored offer of education and training to the individual concerned. The key characteristic of the learning offer that would be made to each beneficiary is that it would be designed to fill the specific skills gaps identified through the skills assessment. The offer could therefore relate to training in literacy, numeracy or digital skills, a combination of these or to training that would lead to a qualification.

The offer may be in two stages but should from the outset be open to progression to an EQF level 4 qualification. Taking into account the upskilling needs identified, the programmes should concentrate first on building up learners' literacy, numeracy and digital skills, providing them with a solid foundation for progression to further learning and, ultimately, a qualification. Programmes could also concentrate immediately on progression to a qualification at EQF level 4 or equivalent, if the skills assessment results show that this is possible for the individual concerned.

To overcome barriers to participation in upskilling, the education and training offer should be flexible and adapted to the learning habits of adults. The recommendation therefore stresses the need for appropriate learning settings, appropriately qualified teachers and trainers, age-appropriate teaching methods and use of digital learning. Adults whose experience in the past has been poor are motivated by seeing that they are making progress; this can be achieved by structuring the education and training provision into manageable units of learning outcomes which can be documented, assessed and validated individually.

If training for a qualification is offered, it is important that this is relevant to local labour market needs so that the upskilling offer matches the skills gaps at local and regional level.

### **Paragraph 9 Validation and recognition**

The Recommendation proposes that Member States build on existing validation arrangements to assess and certify skills acquired through the Skills Guarantee and ensure their recognition with a view to a qualification, in accordance with national qualifications framework and systems.

Validation will allow learners' progress to be recorded at different stages on the pathway so that they can collect credits towards a qualification or part qualification in the national qualifications framework, at a level equivalent to EQF 4. This is easier if national qualifications frameworks accommodate small, transparent steps toward full awards for low-qualified adults and allow learning outcomes to be achieved in different ways.

The delivery of the Skills Guarantee should be underpinned by a set of key principles, as outlined further below.

### **Paragraph 11 Coordination and partnership**

Provision for adult learning is often fragmented; policy may be made by different government bodies with responsibility for different sub-groups; education and training for adults is delivered by a multiplicity of providers; the range of provision may differ from one locality to another. The support available through active labour market policies for low qualified adults does not always focus on longer-term upskilling needs and in most cases targets only unemployed people.

Effective coordination of policy and provision is one of the key factors proven to help ensure that public policy interventions in adult learning achieve their goals<sup>15</sup>. While policy coordination is essential, implementation can only be successful through the active involvement of a wide range of stakeholders and partnerships are essential to make it work.

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<sup>15</sup> An in-depth analysis of adult learning policies and their effectiveness in Europe; European Commission, Directorate General for Employment, Social Affairs and Inclusion, 2015

This proposal therefore recommends that Member States designate one body, or a small number of bodies, to be responsible for implementing the Skills Guarantee, by coordinating work of relevant public bodies and supporting partnerships with a wide variety of actors. This requires greater attention to effective coordination of the numerous public authorities, including the public employment services, providers and career guidance and validation bodies.

Partnerships should be encouraged to involve a broad range of actors, social partners, education and training providers, employers, intermediary and sectorial organisations, local and regional economic actors, employment, social and community services, libraries, civil society organisations etc. Local authorities can also play an important role in identifying needs at the local level and facilitating outreach to the target group. These can all play a key role in the delivery of the different steps of the Guarantee, and in ensuring outreach and guidance throughout the whole process.

### **Paragraphs 12-16 Outreach, guidance and support measures**

Research shows that many adults are not aware of the benefits of raising their skills levels or of opportunities for upskilling that do not require going back to a formal school setting. Carefully targeted outreach strategies are needed to encourage people to make contact with the relevant services. The design of such outreach measures needs to be based upon an adequate overview of the many different sub-groups that are included in the low skilled population, each of which may need a slightly different approach. Registered unemployed people, for example, may be more easily reached through bodies helping them to return to the labour market. On the other hand, people in employment can be reached with the active involvement of the employer or trade unions. Specific measures may be needed to reach migrants if they are not familiar with the language of the host country etc. Outreach should raise adults' awareness of the benefits of upskilling, inform them of available guidance and support measures and learning opportunities, and provide incentives to motivate them to take advantage of these.

Outreach is only one step in bringing the low-skilled closer to the upskilling opportunities. Guidance is another pre-requisite in providing advice and information as to what a Skills Guarantee entails, whom to refer to get started and how to stay on course throughout the process. Such guidance and support should be available to learners throughout all stages of the upskilling pathway.

The Recommendation calls for supporting the initial and continuing professional development of staff in the adult learning field, recognising their key role in the delivery of education and training to low-skilled adults and in guidance and support.

In addition to outreach and guidance, Member States may also consider providing specific support to address barriers to participation. The recommendation provides examples of such direct or indirect support measures, including rights to training leave or financial incentives for learners or support to employers for encouraging them to support their employees' upskilling. Financial incentives and disincentives also play a role in the decision to invest in skills, for the learner and for the employer, and may need to be reviewed.

### **Paragraphs 17-26**

The success of the recommendation will also depend on the rigour with which the steps taken in its design and implementation are monitored and regularly evaluated in order to create a

virtuous circle of policy checks and improvements which are automatically reflected in delivery. An evidence base of what works, which can be shared by all Member States and the Commission to constantly inform and improve practice, will be a lasting output of this initiative. The existing Electronic Platform for Adult Learning in Europe (EPALE) is available to make the information harvested readily available to all those involved in upskilling low-skilled people in line with this Recommendation. Created to facilitate the exchange of best practice and collaboration among professionals responsible for adult learning, it will serve as a repository for teaching materials, assessment tools and other materials for those implementing this recommendation.

Countries are invited to draw up, within one year from the adoption of the recommendation, an action plan for its implementation. The plan should identify priority target groups defined at national level based on results of the identification of low-skilled adults and in accordance with national circumstances and resources available, taking the results of the first PIAAC survey as a starting point where appropriate.

Building on the results of monitoring and evaluation at national level (to be shared in the context of the European Semester and ET 2020 processes) and on the national action plans, the Commission will take stock of the implementation measures put in place by the end of 2018. The Commission will present a comprehensive report evaluating the impact and results of the Skills Guarantee across the EU to the Council within five years of the adoption of the recommendation.

Data collected by Eurostat through the annual Labour Force Survey, the Adult Education Survey and the Continuing Vocational Training Survey will support this process, as will the OECD's continuing work on the PIAAC survey. The Commission will work together with Member States to support targeting of EU financial resources for participation in PIAAC and subsidiary analysis of PIAAC data.

Proposal for a

## **COUNCIL RECOMMENDATION**

### **on establishing a Skills Guarantee**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 165 and 166 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In today's society everyone needs to have a sufficient level of literacy, numeracy and digital skills in order to achieve his or her full potential, play an active part in society and undertake his or her social and civic responsibilities. These skills are also crucial for accessing and progressing in the labour market and engaging in further education and training. General or vocational upper secondary education and training qualifications at level 4 of the European Qualifications Framework (EQF 4) are increasingly seen as the qualification level providing access to the labour market and to further education and training opportunities.
- (2) Increasingly, job openings (including both new and replacement jobs) require higher levels and a broader range of skills. In the future there will be fewer jobs of an elementary nature. Even 'elementary' jobs traditionally requiring no or low-level qualifications are becoming more demanding. In particular, a large majority of jobs will require some level of digital skills, and an increasing number of elementary jobs require some core or generic skills (communication, problem-solving, team work, emotional skills).
- (3) In 2015, there were 64 million people, or more than a quarter of the European Union aged 25-64 who had left initial education and training with at most a lower secondary education qualification<sup>16</sup>. While no measure of the basic skills levels of these people exists, the OECD Survey of Adult Skills, which tested levels of literacy and numeracy and use of ICT in technology rich environments, shows that similar shares of adults aged 16-65 performed at the lowest level of proficiency in 17 Member States.
- (4) Furthermore, PISA data highlight the significant share of 15 year-olds who underachieve in reading (17.8%), maths (22.1%) and science (16.6%), results which remain above the ET 2020 benchmark of 15%.
- (5) This broad empirical evidence would indicate that between 20 and 25% of Europeans adults lack the prerequisite skills for further learning and are less likely to take part in learning or to participate fully in the digitally-driven economy and society. These people face a higher risk of unemployment, a higher incidence of poverty and social

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<sup>16</sup> Eurostat, Labour Force Survey, 2015

exclusion, higher health risks, lower life expectancy and higher risks of educational under-achievement for their children.

- (6) Low-qualified people with fundamental weaknesses in basic skills account for a very high proportion of unemployed, in particular long term unemployed, people. These weaknesses make it more difficult for them to return to the labour market. The same holds true for other vulnerable groups, for instance older workers, economically inactive people and third-country nationals.
- (7) Member State policies to reduce early leaving from education and training, based on prevention, intervention and compensation measures are having a positive effect; in 2015 the EU average rate of early school leaving (among the 18-24 age group) was around one percentage point away from the Europe 2020 headline target of 10%, but with wide variations across Member States. Even if the headline target is achieved, the remaining 10% of people will enter adulthood facing serious problems accessing sustainable employment. Moreover, older cohorts (25+) remain affected by large numbers of people who left school early, in particular third-country nationals and other persons with a migrant background.
- (8) Participation in lifelong learning by low qualified adults remains four times lower than that of those with tertiary qualifications. Access to lifelong learning opportunities remains uneven across socio-economic groups and some groups of the working-age population have less access, in particular third-country nationals. Barriers to participation in upskilling relate both to structural and situational factors. These include the narrow range of opportunities on offer, inadequate delivery through formal and lengthy programmes, lack of validation of prior learning, inadequate pedagogical approaches, insufficient development of workplace learning, lack of awareness on the benefits of upskilling and available support.
- (9) To promote fairer and more equitable access to upskilling opportunities, and to address these challenges bearing in mind the heterogeneity of the target group, a Skills Guarantee should give access to flexible upskilling pathways allowing low qualified adults to improve their literacy, numeracy and digital skills and to continue learning at their own pace to acquire a broader set of skills and achieve an EQF level 4 qualification or equivalent.
- (10) The Skills Guarantee would be targeted to low-qualified adults, defined as people having left the initial education and training system without having completed upper secondary education and who are not eligible for support under the Youth Guarantee<sup>17</sup>.
- (11) Taking into account national circumstances and available resources, Member States should focus the implementation of the Skills Guarantee on priority target groups (e.g. unemployed people, disadvantaged groups, certain age groups etc.).
- (12) The Skills Guarantee should be delivered in line with the implementing arrangements put in place by the Member States and based on the individual's commitment and interest in taking part in the upskilling pathway.
- (13) The implementation of these actions should take place in full compliance with the rules of the Stability and Growth Pact.

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<sup>17</sup> Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01)

- (14) Whenever the measures provided for in this Recommendation entail the processing of personal data, they should be carried out in accordance with EU law on the protection of personal data<sup>18</sup> as well as the national implementing measures thereto.
- (15) The Charter of Fundamental Rights of the European Union recognises the right to education and to access to vocational and continuing training for everyone.
- (16) The 2015 United Nations Sustainable Development Goals call for ensuring that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy by 2030.
- (17) Recommendation 2006/962/EC of the European Parliament and of the Council of 18 December 2006 on key competences for lifelong learning<sup>19</sup> provides a reference framework that supports Member States in ensuring that, by the end of initial education and training, young people have developed the key competences that equip them for adult life and for further learning and working life; it also supports Member States in ensuring that adults are able to develop and update their key competences throughout their lives.
- (18) The EU Digital Competence Framework for citizens provides a European common reference of what it means to be digital savvy in today's society, and defines competences and levels of competences in five key areas. It could be used as a basis to develop assessment tools for identifying skills gaps and designing tailored training to address those gaps.
- (19) The Recommendation of the European Parliament and of the Council of 23 April 2008 on the establishment of the European Qualifications Framework for lifelong learning<sup>20</sup> (EQF) created a common reference framework of eight levels and expressed in terms of learning outcomes. Each level can be achieved through various routes of formal, non-formal and informal learning.
- (20) The Council Resolution on a renewed European Agenda for Adult Learning of 2011<sup>21</sup> established priorities for developing the adult learning sector. It prioritised for immediate attention the provision of second-chance opportunities and, in particular, the acquisition of basic skills such as literacy and numeracy, but also digital skills. The Joint Report of the Council and the Commission on the implementation of the strategic framework for European cooperation in education and training (ET 2020)<sup>22</sup> defines as priorities for action increasing the supply of literacy, numeracy and digital skills provision and of second-chance opportunities leading to a recognised EQF

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<sup>18</sup> In particular Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31) and Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.01.2001, p. 1); to be replaced by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1–88) applicable as of 25 May 2018.

<sup>19</sup> OJ L 394, 30.12.2006, p. 10.

<sup>20</sup> OJ C 111, 6.5.2008, p. 1.

<sup>21</sup> OJ C 372, 20.12.2011, p. 1.

<sup>22</sup> The ET 2020 report sets out actions for European cooperation in all areas of education and training to 2020; OJ C 417, 15.12.2015. [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015XG1215\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015XG1215(02)&from=EN)

qualification for those without EQF level 4 qualifications. The Joint Report also includes medium term deliverables for vocational education and training (VET), one of which is enhancing access to qualifications for all through more flexible and permeable VET systems, notably by offering efficient and integrated guidance services and making available validation of non-formal and informal learning.

- (21) The Council Recommendation of 28 June 2011 on policies to reduce early school-leaving<sup>23</sup> provides a framework for comprehensive policies, comprising prevention, intervention and compensation measures. Compensation measures offer routes to re-enter education and training and gain qualifications missed, such as second chance education or non-formal learning accompanied by validation of prior learning.
- (22) The Council Recommendation of 2012 on the validation of non-formal and informal learning<sup>24</sup> invites Member States by 2018 to set up national arrangement for the validation (identification, documentation, assessment and certification) of non-formal and informal learning. This includes possibilities for unemployed people or those at risk of unemployment to undergo a 'skills audit' aimed at identifying their knowledge, skills and competences.
- (23) The Council Recommendation of 22 April 2013 on establishing a Youth Guarantee<sup>25</sup> recommends that young people under 25 years receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. It invites Member States to offer early school-leavers and low-skilled young people pathways to re-enter education and training or of second-chance education programmes which provide learning environments responding to their specific needs and enabling them to obtain the qualification they missed.
- (24) The Council Recommendation of 15 February 2016 on the Integration of the Long Term Unemployed into the Labour Market<sup>26</sup> recommends that the long-term unemployed persons are offered in depth individual assessments and guidance and a job integration agreement comprising an individual offer and the identification of a single point of contact at the very latest when they reach 18 months of unemployment.
- (25) Commission Recommendation 2008/867/EC of 3 October 2008 on the active inclusion of people excluded from the labour market<sup>27</sup> invited Member States to expand and improve investment in human capital through inclusive education and training policies, including effective lifelong strategies and to adapt education and training systems in response to new competence requirements, and the need for digital skills.
- (26) The Council Conclusions of 5 and 6 June 2014 on the integration of third-country nationals legally residing in the Union, reaffirmed the Common Basic Principles for Immigrant Integration Policy in the EU adopted in 2004, one of which is that 'Efforts in education are critical to preparing immigrants, and particularly their descendants, to be more successful and more active participants in society'.
- (27) Despite these efforts, low-qualified adults' access and participation to education and training opportunities remains a challenge. Active labour market policies aim to bring

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<sup>23</sup> OJ C 191, 1.7.2011., p. 1.

<sup>24</sup> OJC 398, 22.12.2012, p. 1.

<sup>25</sup> OJ C 120, 26.4.2013, p. 1.

<sup>26</sup> OJ C 67, 20.2.2016, p. 1.

<sup>27</sup> OJ L 307, 18.11.2008, p. 11.

unemployed people into a job as fast as possible but do not always provide flexible personalised opportunities for upskilling. Few public policies address the need for upskilling those who are already in employment, leaving them at risk of skills obsolescence and job loss, while people furthest from the labour market have the greatest upskilling needs but are hardest to reach.

- (28) The knowledge base needed by policymakers and practitioners is growing but incomplete. The expertise of Union bodies, in particular Eurostat, Education, Culture and Audiovisual Executive Agency (EACEA) and the European Centre for the Development of Vocational Training (Cedefop) to develop relevant research and analysis is essential and should be further strengthened.
- (29) Employer organisations, employers, trade unions, chambers of industry, trade, commerce and crafts, national entities involved in planning, organising or promoting education and training and in migrant's integration policies, employment services, education and training providers, civil society organisations, local authorities and community services are key stakeholders in the concerted effort needed to reach, engage, guide, and support low-skilled people on their tailor-made upskilling pathways.
- (30) The diversity of the target group and the fragmentation and complexity of the policy interventions in this area often result in a lack of systematic approaches to upskilling the workforce and a lack of awareness of the socio-economic benefits of doing so. Therefore, coherent policy intervention is needed based on effective coordination and partnerships across policy fields.

**RECOMMENDS THAT MEMBER STATES:**

*In accordance with national circumstances and in close cooperation with social partners and education and training providers,*

1. Put in place a Skills Guarantee offering low-qualified adults, i.e. those who have left initial education or training without completing upper secondary education or equivalent (EQF 4) and, who are not eligible for support under the Youth Guarantee, access to upskilling pathways which enable them, according to their individual needs, to:
  - (a) Acquire a minimum level of literacy, numeracy and digital skills; and/or
  - (b) Progress towards a qualification at EQF level 4 or equivalent, acquiring a wider set of skills, building on Recommendation 2006/962/EC on key competences for lifelong learning.
2. Base the design of the Skills Guarantee on three steps: skills assessment, provision of a tailored, flexible and quality learning offer and validation and recognition of skills acquired through the upskilling pathway.

#### **SKILLS ASSESSMENT**

3. Give low qualified adults the opportunity to undergo an assessment, e.g. a skills audit, to identify existing skills and upskilling needs.
4. Apply to low qualified adults the validation arrangements set up in accordance with the Council Recommendation on the validation of non-formal and informal learning to identify, document, assess and certify existing skills.

## **A TAILORED AND FLEXIBLE LEARNING OFFER**

5. Provide a tailor-made offer of education and training, in accordance with paragraph 1, based on the findings of the skills assessment and validation procedures. For migrants from third countries, include, as appropriate, opportunities for language training and preparation for training.
6. Deliver the education and training offer in appropriate learning settings, schools or training centres or at work, in which appropriately qualified teachers and trainers apply adult-specific teaching methods and exploit the potential of digital learning.
7. Structure the education and training provision into units of learning outcomes which can be documented, assessed and validated individually, in order to record the progress of learners at different stages.
8. Adapt, as far as possible, the content of the learning offer leading to a qualification, in accordance with point (b) of paragraph 1, to local and regional labour market needs and deliver it in close cooperation with local stakeholders, in particular social partners and local and regional economic actors.

## **VALIDATION AND RECOGNITION**

9. Build on existing validation arrangements to assess and certify the skills acquired through the Skills Guarantee, including learning at work, and ensure their recognition towards a qualification, in accordance with national qualifications framework and systems.
10. In accordance with national circumstances, base the delivery of the skills guarantee on the principles outlined below.

## **Coordination and partnership**

11. Designate and provide with sufficient mandate one or a limited number of bodies responsible for implementing this Recommendation, and in particular for:
  - Coordinating the work of relevant public bodies, including public employment services, education and training providers, career guidance and validation bodies so that the Skills Guarantee becomes an integral part of active labour market policy, early school leaving measures and the integration of third-country nationals;
  - Supporting the setting up of public-private partnerships involving, e.g. social partners, education and training providers, employers, intermediary and sectorial organisations, local and regional economic actors, employment, social and community services, libraries, civil society organisations for the implementation of the Recommendation.

## **Outreach, guidance and support measures**

12. Taking into account national circumstances and available resources, identify priority target groups for the delivery of the Skills Guarantee at national level. In doing so, take also into account the gender, the diversity and various sub-groups in the targeted population.
13. Implement outreach measures that include raising awareness on the benefits of upskilling, making available information on existing guidance, support measures,

upskilling opportunities and responsible bodies, and providing incentives to those least motivated to take advantage of these.

14. Provide guidance services to support learners' progression through all steps of the upskilling process.
15. Support the initial and continuing professional development of staff engaged in the delivery of the Skills Guarantee, in particular teaching professionals.
16. Consider designing and implementing support measures that address in an equitable way obstacles to participation in upskilling pathways. These could be either direct support to learners (e.g. training leave, financial incentives or tax relief) or indirect support to employers for upskilling their employees.

### **Monitoring and evaluation**

17. Within one year from the adoption of this Recommendation, draw up an action plan for its implementation. The plan would include information on coordination arrangements, priority target groups, the financial resources made available, including where appropriate relevant European funding and the monitoring arrangements.
18. Monitor and evaluate at national level all measures under the Skills Guarantee and the impact on progress of the target group towards literacy, numeracy and digital skills acquisition and achievement of EQF level 4 qualifications or units thereof.
19. Use the results of the monitoring and evaluation to adapt as appropriate the design and delivery of the Skills Guarantee at national level and develop further evidence based-policies and reforms.

### **HEREBY RECOMMENDS THAT THE COMMISSION:**

20. With the support of the Advisory Committee on Vocational Training, follow up the implementation of this Recommendation, in conjunction with relevant European coordination bodies and processes dealing with employment and education and training policies.
21. Promote the use of competence frameworks for literacy, numeracy and digital skills and assessment tools.
22. Facilitate mutual learning among Member States and make key resources and information available on the Electronic Platform for Adult Learning in Europe (EPALE).
23. Support and carry out in cooperation with Union bodies and international organisations, in particular with the OECD, relevant research and analysis on adult skills and skills assessments (e.g. PIAAC).
24. Without prejudice to the negotiations on the next Multiannual Financial Framework and in line with priorities defined for the period 2014-2020, support use of current and future European funding programmes in the area of skills development, in particular European Structural and Investment Funds and Erasmus+, for implementation of this Recommendation, in line with their legal basis.
25. Take stock of the implementation measures put in place by Member States by 31 December 2018, based on the action plans for implementation in paragraph 17 above.

26. Assess and evaluate, in cooperation with the Member States and after consulting the stakeholders concerned, the actions taken in response to this Recommendation and, within five years from the date of its adoption, reports to the Council on progress made towards raising the levels of literacy, numeracy and digital skills amongst low-qualified adults, and the experience gained and implications for the future.

Done at Brussels,

*For the Council  
The President*