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Further Education and Training in Denmark, Germany, Finland, and Norway

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FOREWORD

Industrial countries in Europe are being confronted with inexorable changes to their labour markets. The broad uptake of digitalisation and artificial intelligence has caused a rapid change in skill requirements across the board, while previous work experience is increasingly losing value. Some jobs are disappearing altogether as others emerge. With the current shortage of skilled workers in many European countries, the full potential of the existing labour force can only be harnessed with increasing investment in further education and training. At the same time, Europe's declared goal of becoming completely climate neutral by 2050 is posing even further challenges that bear varying degrees of difficulty depending on existing economic structures. The structural changes that are required to sufficiently reduce CO2 emissions in Europe will also lead to a loss of jobs in some sectors and an increasing demand for labour in others.

In view of these kinds of labour market challenges, many European countries are becoming increasingly aware of the need for further education and training. The tasks here are complex and varied. Companies are having to train their employees on the job in the use of new technologies at ever shorter intervals. Furthermore, many people already in paid work want or need to reorientate their professional perspectives to another sector altogether. With an intended change of vocation, people already in paid employment can hardly count on the support of their current employer, for example, when it comes to continuing their education while remaining in employment. This means they will have to rely on state financial support if they reduce or interrupt their employment for the necessary further education and training. For many labour market participants this will mean that periods of secured paid work with one employer will more frequently alternate with periods of self-employment, or temporary unemployment. This has precipitated an acute need for further education and training for those both in employment as well as for the unemployed. For a more future-oriented system, there is not only the task of providing opportunities for those with sufficient secured employment from one employer, but also of providing tailor-made educational opportunities for those in different circumstances such as the self-employed, the marginally employed, and the low-skilled.

Insights into the successes, deficits, and current issues in the existing systems for further education and training in other European countries can give important impulses for policy reform in one's own country. For this reason, the Division for Analysis, Planning and Consultation at the Friedrich Ebert Foundation and the foundation's Nordic Countries Office have jointly commissioned a study to examine policies for further education and training in Denmark, Germany, Finland and Norway. This study takes a look at state support for further education and training for those who want to improve their qualifications and skills or move into a new professional field. The focus of the study is therefore on individual further education and training. Company-based training and qualification offers for the unemployed are not the subject of the study.

In view of the stark deficits in the existing system for further education and training in Germany, the issue has recently become a political priority. Although some individual reforms have already been implemented, more extensive reform proposals that are meant to establish a right to further education and training are currently under debate.

There are a number of reasons why a comparison between Germany and three Nordic countries is of particular interest. In addition to comparable economic structures, Nordic countries have, on average, a highly educated population in comparison to other European countries. The high level of education provides the basis for the countries' high productivity, small low-wage sector, high employment rate and overall welfare state. In rankings for further education and training¹ Nordic countries are already well rated in comparison to other European countries. Overall, Nordic countries also stand out with comparatively high spending on education. That being said, these Nordic countries also still urgently need to adapt their education systems to the kinds of changes that are currently disrupting labour markets and the ongoing need for further education and training.

We hope that the analyses of the comparative countries will provide you with interesting reading and offer valuable suggestions for the current debate on the topic in your country.²

Meike Büscher, FES Nordic Countries
Andreas Wille, FES Analysis, Planning and Consulting
Division ←

¹ Language note: Here the term 'further education and training', (in German: *Weiterbildung*), covers both informal and formal continuing vocational education and training (CVET) as well as further education that involves higher education and all kinds of tertiary education. Also meant here is adult education relevant to the job market, in short, all further training and education opportunities after entering the job market that enable people to gain skills and knowledge relevant to their working lives.

² We would like to thank Justus Reuling (Master student of sociology at the Goethe University in Frankfurt with a research focus on current transformation processes in labour market and social politics), Frederike Boll (FES Berlin, Analysis, Planning and Consulting Division, APB), as well as Niklas Kutschka (FES Nordic office) and Susan Javad (FES Berlin, APB), who actively supported us with the study.

INTRODUCTION

In order to ensure comparability of the four case studies, the country studies are structured in a largely identical way.

In each of the studies, an introductory chapter presents the labour market changes facing the respective country and the challenges that these changes pose, such as a shortage of skilled workers, that in turn dictate an increased need for further education and training.

The following chapter in each study presents the respective systems for further education and training in their current structures. Five aspects are then examined in more detail. Firstly, infrastructure for further education and training: Are the individual further education and training offers predominantly organised by the state, or the private sector, who are the most important providers and how is the quality of the offers ensured? Secondly, regarding governmental financial support for those who want to further their education or retrain: Which state funding options are available for which types of further education and training? Thirdly, the issue of time off work: What are the legal provisions for time off work so that the necessary time is available to acquire new skills and knowledge? Fourthly, the aspect of guidance for further education and training: Where can those who are in need of further education and training find guidance about the choices available? Are there innovative, digital instruments for this kind of guidance? The fifth chapter aims to shed some light on the role of collective and company agreements in further education and training programmes in the respective country.

Following on, evaluations of the respective systems of further education and training are presented. Among other things, this looks at participation levels. Of particular interest here, is the demographic analysis of those in paid work who most participate in the acquisition of new skills and whether the relevant programmes reach those who are most affected by afore described changes in the labour market, such as those with little or no existing qualifications, or those with atypical employment. The final chapters of each of these country studies look at the challenges that are not adequately addressed by existing systems, while tracing the most important reform approaches and debates.

The country studies conclude with an overall assessment and reform recommendations for the systems for further education and training in each of the four countries examined here. ←

FURTHER EDUCATION AND TRAINING IN DENMARK

Author: Morten Lassen

1.1 SKILL REQUIREMENTS OF THE FUTURE: CHALLENGES IN DENMARK

The Danish labour force consists of approximately 2.8 million people, of whom two thirds work in the private sector and one third in the public sector. Those employed in the private sector work in industry (about 12%), the building sector (about 6%), trade and transport (about 24%) and the rest in different parts of the service sector.

Recent developments in the Danish labour force are characterised by continually increasing levels of technology and a higher degree of automation whereby the production sector is diminishing. In more administrative jobs, the most significant development is digitalisation. Growth is evident in the service sector and the rate of growth varies within different sub sectors. Some jobs demand more qualifications, others are going in the opposite direction. In general, the public sector is becoming more digitalised and – here the welfare sector in particular – has increasing problems re-recruiting skilled labour.

All in all, the general picture is that job descriptions are changing, and some jobs are disappearing altogether. The majority of jobs are demanding higher levels of qualifications than before. Other jobs still only require a low level of qualification, which is called the polarization thesis. These structural traits are well documented in both German and Danish literature (Sengenberger 1978; Pedersen et. al. 2012).

Parallel to the developments evident in the work structures and job descriptions, there have been significant changes in the Danish educational system over the last twenty years. Young people are more likely to choose further education and training beyond compulsory schooling. Currently, each year, up to two thirds of students complete an education at upper secondary level (pre-tertiary qualification), while no more than one in five start a vocational education and even fewer end up completing secondary school till the final year before tertiary level, because of the number of students withdrawing before completion. The final result is that up to about one fifth of students each year will not get any vocational education before entering the labour market. These groups are partly picked up by the vocational training system (especially the AMU-system – see below). In this way you also see a confirmation of the polarization thesis in the output of the educational system – that while there is

a rapidly rising level of education overall, the proportion of formally unqualified individuals being fed into the labour market remains unchanged. This is a serious challenge for Danish society because these people will be still less equipped to tackle a rapidly changing labour market and similarly less mobile with the demand for new and higher qualifications. This situation sets an agenda for the importance of further training and training for those in the labour market with little or no vocational training or education.

1.2 FURTHER EDUCATION AND TRAINING IN DENMARK: MAIN CHARACTERISTICS

Before evaluating the Danish system for further education and training it is important to consider the history of the publicly funded training system.

We have had a well-established public system for further education and training that has been heavily influenced by the involvement of so-called social partners³ since the 1960s – for skilled and unskilled workers alike. The societal background for initiating this system was the transformation of Danish society from an agrarian to an industrial nation, which meant a growing need for job mobility. The system was created by politicians in close cooperation with social partners and these partners have since played a main role in driving the system ever since. The result was the AMU-system, which is an abbreviation for Labour Market Education (*Arbejdsmarkedsuddannelse*). Over just a few years it became institutionalised, consisting of about 30 AMU-centres spread out across the whole country. From 2001, most of these were integrated into vocational schools.

Parallel to this system for further education and training relating to specific vocations, another system was also developed for adults for basic skills such as reading, spelling, and maths. From the outset there was an ongoing discussion about the integration of teaching basic literacy skills alongside vocational skills. In spite of this idea to create a more comprehensive learning model through the integration of these areas into one system, basic literacy and further education and training relevant to qualifications for work are still organised in separate systems.⁴

From the 1990s onwards, a system was also built for vocational training for individuals with short- middle term and longer courses. These were developed by the existing

³ The term social partner is generally used in Europe to refer to a system in which representatives of both employer organisations and trade unions, and in some contexts public authorities, engage in social dialogue and shape social politics.

⁴ This system handling basic skills will not be mentioned further in this text, which concentrates on further education and training relevant to specific fields of employment.

providers of further education and training and are independent of influence from social partners. These courses are steered exclusively by the state and are primarily funded by user payments from the participants themselves.

1.2.1 FINANCIAL SUPPORT

The financing of further education and training differs a lot between the different target groups. Public financing is dominant for skilled and unskilled workers in trades. For individuals with a tertiary degree or higher, private financing is more prevalent, with nearly full individual payment by the participants, or voluntarily paid for by the companies they work in.

Looking more specifically at the public financing aspect, we need to differentiate between financing the running costs of publicly funded institutions providing courses, versus the question of fully or partly refunding wages for participants during their training. A public refund of wages (*VEU-godtgørelse* paid out by *Arbejdsgivernes Uddannelsesbidrag AUB*) up to the level of unemployment benefits is available for both skilled and unskilled workers but this is actually financed by obligatory contributions from all private companies in a government-administered fund. Furthermore, in reality, the vast majority of companies often provide further compensation up to the level of individual's normal wage.

In addition to this general financing mechanism of wage compensation is the fact that since 2007, special funds called Competence Funds (*Kompetencefonde*) have been established to finance vocational training for company employees organised in a labour union. These Competence Funds were a result of wage negotiations in 2007 between the social partners and is exclusively directed by representatives from the social partners. The deal between the social partners creating the Competence Funds was heavily stimulated by one billion Danish Kroner (approx. 133 million euros) from the state for training purposes. The right to draw on this money is reserved for employed individuals in organised companies. Here, individuals are allowed to choose their own courses provided that the course is relevant for the workplace. This progressive attempt to boost activity beyond the normal level of vocational training has only been moderately successful, since much of the available funds have not been put to use (A4Morgen 2020). In 2015, a parallel to this system of funding (*Offentlige kompetencefonde*) was set up in the public sector.

In the case of individuals with a tertiary education who seek further education and training we again must differ between the ideal process and the actual reality. The government made a law that envisaged that participants would be self-financing and use their leisure time to train, based on their own free choice on the education market. In reality, almost every participant comes to an agreement with their employer concerning the acquisition of further qualifications, so that they are partly free from job obligations while they are training and are still paid their usual salary during this time. Of course, the choice of qualification in this situation must correspond to the interests of the employer.

1.2.2 INSTITUTIONS AND LEARNING INFRASTRUCTURE

As mentioned earlier, the major player in systems for further education and training is the state. For the AMU-system, social partners are still very important both for steering the supply of available courses as well as for the financing of these activities. Private suppliers and user payments only play a marginal role, even if the financing for training for people with a university education is theoretically based on private contributions.

Quality standards are stipulated by the state which gives official approval for these courses via educational authorities and their institutions. As for the AMU-system, social partners are heavily involved in the steering mechanism. Their influence is organised in 11 vocational training two-party boards, covering all courses for the whole labour market. For people with a university education, approval is often given by the individual institutions that supply the courses. In this case social partners are not involved in the relevant steering mechanisms.

Different innovative approaches have always been used in education and are often led by teachers. The framework conditions for innovative approaches are largely provided by means of strategic management at these institutions, whose focus on innovation also affects the culture among teachers. The corona crisis has probably forced much more of these innovations because educational and training institutions are having to practice much more of what is called 'digital learning.' The experience is mixed. Many users report greater learning efficiency but many more underline the difficulties inherent within it, especially negative learning effects that arise from the lack of supportive social context. This situation is most problematic for unskilled workers for whom digital learning seems difficult.

1.2.3 A RIGHT TO EXEMPTION FROM WORK?

The right to time off work for further education and training measures is now only regulated by agreements between the participating social partners and are typically renewed every two years. For several years from the early 90's until quite recently, a law gave employees the right to educational leave. This law was prompted by an employment crisis in the 80's and allowed employed people to participate in re-training measures, while unemployed people took over their jobs during that time. This arrangement is now ended and is currently reserved for employees working for firms following wage agreements. Many of those working in the private sector have the right to leave the job for fourteen days for training purposes but in practice the training only happens with the approval of the employer.

That said, there is a difference between agreements in the private sector – where it is strictly regulated – and agreements within the public sector, where it is quite normal to go on courses as the demands of a job evolve. In the public sector you need to differ between the target groups – workers and civil servants – whereby the latter have the best opportunities because further training is often an integrated part of deals between the participating social partners.

In practice many private companies are quite passive about motivating their employees to take up further education and training, so apparently many agreements between social partners are too vague to be implemented at the workplace level.

1.2.4 COUNSELLING AND CAREER GUIDANCE

Guidance is offered by public educational institutions and carried out by professionals trained in advising potential participants in further education and training activities. It is also possible for the individual to refer to a website from the Ministry of Education. The site is called <https://www.ug.dk/> and has already existed for a number of years. Usage has been limited, mainly because unskilled workers are generally reluctant to seek information about training possibilities, while more educated individuals are self-determined about taking up further education and training. In recognition of the difficulties for unskilled workers in relation to gaining further training, for years the focus has been on shop stewards for motivating the colleagues they represent. Several attempts have been made, most often under the label of the campaign for appointing 'educational ambassadors' in the workplace. This initiative has shown limited success, mainly because shop stewards are generally focused on more traditional fields such as wage-negotiating.

1.2.5 THE ROLE OF COLLECTIVE AGREEMENTS

As shown earlier, collective agreements between the involved social partners are very important in agenda-setting for competence development in Denmark. Danish unions have been pioneers in the field since 1960, applying their significant influence to create a law-based public system with strong institutions supplying courses for both skilled and unskilled workers. Until now, unions have played a significant role in steering the system. As already mentioned, union activity was expanded in 2007 regarding new collective agreements. Social partners from the private sector made an agreement about pooling funds for the purpose of competence development for workers in their companies instead of raising wages. These social partners set up so-called Competence Funds where each branch made agreements concerning their own specific Funds.

Later on, in 2015, collective agreements were applied to the public sector for welfare workers but there have been massive problems with implementing these agreements at the workplace level. This is documented most clearly by the fact that only a fraction (if it is less than half) not all (if it is more than half) of the financing dedicated to this purpose has been put to use (A4Morgen 2020).

In the late 90's, unions for employees educated at university level took the initiative to set up a system for the further education and training for their members. In response to this pressure, the Danish Ministry for Education encouraged institutions for higher education and universities to create relevant courses for people who already hold diplomas and master's qualifications. The ministry provided some initial individual funding for this purpose.

1.3 EVALUATION AND CURRENT REFORM PROPOSALS IN DENMARK

1.3.1 ACTUAL APPLICATION

As described earlier, the Danish labour market consists of nearly three million people whereby about one million are unskilled workers and another million are skilled workers. The rest are typically people with medium and higher qualifications occupied in the private and public service sector who are functionaries, ordinary wage-earners, or self-employed people of different kinds.

The Danish labour market model is a 'flexicurity' model. This means that it is relatively easy for employers to hire and fire their staff, supported by the public welfare system and training institutions. The model can be illustrated by a yearly job mobility at a level of 8%, where 8% of the total number of jobs disappear but, at the same time, the same number of jobs will be created in other companies (Agner Damm 2020a). On the one hand this can be interpreted as a kind of instability, but on the other, it demonstrates great flexibility supported by good income assurance for the unemployed as well as a well-functioning training system, so that people with useful qualifications are always recruitable for employers.

The most widespread job mobility takes place in hotels, restaurants, and other branches in the service sector. The lowest level of job mobility is in long-established industrial sectors. Job mobility is at the highest for the group of unskilled workers (Agner Damm 2020a). Compared with other EU countries, Danish job mobility is very high.

The structural development of the labour force has shown a declining number of unskilled workers in the total workforce since 1990, and at the same time there has been an increase in the number of people with further education. The declining number of unskilled workers has been especially related to periods of economic crisis. It would appear that unskilled workers are the first group to lose their jobs in times of economic downturn, which was most markedly the case at the time of the financial crisis in 2009 (Agner Damm 2020b).

Falling participation levels in work-related further education and training

It is possible to measure further education and training participation rates in many ways. One method is to examine the activity levels of company employees in further education and training courses. There has been a decline in participation in further education and training among company employees: In 2010, 75% of employees in companies took further training courses. In 2015, this fell to 70%. In 2010, 63% of this activity occurred in external courses and 49% with internal courses. In 2015, the figures were 57% in external and 46% in internal courses (NYT 2019).

Course activity in the AMU-system peaked around the year 2000 with about one million participants per year completed by approx. 800.000 individuals. Looking at the activity among wage earners we can also see falling activity: In 2009, one in five people participated in publicly funded further education and training courses; today that number

is one in seven. This fall in public training participation rates is strongest for work-related further education and training, i.e.: including both further higher education as well as continuing vocational education and training (CVET), while more general adult education has in fact grown, primarily because foreign newcomers to the labour market need to be taught Danish. These developments are well-documented by registration data. It is important to note that such data is not available for private courses. For private courses, only interview data is available, and this confirms the above-mentioned tendencies. There is evidence of falling activity in all branches, except agriculture, forestry, and fishery. The decline in activity is most significant in the branches of hotel and restaurant and industry (Dalskov Pihl et al. 2020).

The self-employed are also entitled to join publicly provided courses that support their competence development. But they are themselves responsible for initiating and paying for the courses if it is necessary. Some investigations document that these groups are participating in further education and training with markedly lower intensity (Scheuer 2017).

Thus, in comparison to other western countries, the Danish system shows that further education and training measures have a significant impact. At the same time, one must conclude that in reality there are critical areas in which the Danish systems for further education and training fail to achieve the desired outcomes. Overall, the level of activity in further education and training is falling and many groups of manual workers are not at all active in further education and training.

Some barriers to further education and training in general

Even if the Danish system has documented a relatively high degree of performance for further education and training it is a fact that rather big groups of wage earners are not attracted by the range of courses on offer. Furthermore, further education and training measures from public institutions is dwindling. Many different barriers hinder the kind of higher performance that is the declared aim of all actors participating in further education and training measures.

First of all, there are some individual barriers, which typically involve a lack of motivation on the part of those requiring further education and training. Personal motivation can be significantly hindered by structural factors such as lack of time at the workplace, lack of relevance in the courses being offered, poor economic conditions, insufficient information about the courses themselves, and a hostile culture at the workplace towards training employees. This last phenomenon can exist both on the employer side and on the employee side. (EVA 2019a; EVA 2019b). Many of these barriers are well-documented in other investigations (EPINION 2017).

At the personal level there are also underlying conditions that hinder further education and training. Many potential participants see no relevance in further education and training and therefore have no desire to do it. Many workers are quite simply fearful of further education and training

and the reason for this is heavy negative experiences from their time in primary school, where they were labelled as having weak development and poor performance. But there is some optimism to glean from Danish investigations that show that people who start further education and training in the younger adult years before the age of 35 are more likely to participate in further education and training later on in life (Dalskov Pihl/Falbe Petersen 2020).

Another important reason for these lower levels of participation in further education and training comes from the workplace situation. Many companies do not have a dedicated HR-function and in this way, lack the basic institutional conditions for developing their staff, meaning that they do not plan further education and training for their employees. This is an example of managerial short-sightedness in securing competitiveness in the future (EPINION 2017). Companies too often define their demand according to what is currently available on the education market and do not see themselves as valuable actors in developing new courses for future needs.

Thirdly there is a level dysfunction in the supply of courses from the educational and training institutions themselves. This is partly a function of the social partners' inability to read the market. But most important here is how the state steers the financing of the institutions. The state uses a so-called taximeter system to allocate finance according to the number of participants. This means that the money follows the participant. This mechanism leads to widespread 'business think' on the part of the provider instead of a focus on future needs in the labour market.

The current demand for qualifications from employers and the taximeter system of financing education institutions prevent institutions from developing skills for future needs.

For individuals with a higher level of education, these barriers are not so apparent, since it is more natural for people with a positive experience of educational systems to engage in continual learning processes, especially for career-minded people. Carrying out plans for training is a question of mobilising personal energy to then make a good deal with the employers concerned. The institution will supply a course if they are convinced there is a secure demand for it, with the scope of making it profitable. These systems are not as dependent on state financing for balancing their budgets. Most earnings come from those using the courses.

1.3.2 WHICH OF THE COUNTRY-SPECIFIC CHALLENGES ARE INSUFFICIENTLY ADDRESSED BY THE EXISTING SYSTEM?

The above-mentioned barriers are not sufficiently addressed. That said, over the years, a large number of committees and commissions have analysed the situation – either when decisions had to be made with participation of the relevant social partners or solely with experts to investigate the agenda.

What is noticeable from the analysis is that the element of personnel planning is not truly addressed. This deficit is apparent right across the board: at the company level, in the public system, among the social partners, among most of the local HR-managers, and by shop stewards.

The majority of companies are satisfied if they are able to recruit from the open labour market. Today many workers from, for example, Eastern Europe, are recruited without any special intention of engaging these workers in further education and training activities. This means that the said companies exhibit short-sighted behaviour regarding investment in human resources. They remain unable to handle the large qualification challenges from a labour market developing in unpredictable ways in light of new technologies and growing internationalisation in a globalised world. Because of the lack of further education and training activity for many wage-earners, Denmark is facing a scenario with an increasingly polarized labour force. As mentioned, studies have already shown that if those who start further education and training are relatively young, they are more active as they get older, which indicates that it is important to start further education and training at a relatively young adult age.

Another overlooked issue is the critical fact that the public management system is not sufficiently interested in consequences related to the way resources are allocated for further education and training purposes. The taximeter system must be reformed, leading to a more need-oriented supply from public training institutions.

There has been very little research into further education and training activity for people with a higher education, with the result that the existing knowledge is very fragmented. (EVA 2019a). Activity in further education and training among public sector workers has been stagnating for more than ten years and this level has remained the same in 2015 as it was in 2005. The one exception was a sharp and significant growth in 2008 thanks to increased management focus in the public sector at this time.

Since 2011, there has been a noticeable fall in diploma participation for moderately educated people while the stagnation is very clear in other vocational training courses for those with a long-cycle higher education. The activity level for those with short-cycle education (academic level) and for long-cycle (master level) is very low: only about 1% of the occupied target groups in public as well the private sector frequent courses per year (EVA 2019b). This type of education is dominated by the social sciences and especially management education.

These structural challenges would appear to be more significant than the more individualised barriers outlined earlier.

1.3.3 MAJOR PROPOSALS IN DISCUSSION TO DEVELOP THE SYSTEM FURTHER

As already indicated, there have been intensified investigations concerning the status of further education and training in Denmark. These alternate between tripartite and expert committees.

To understand the current situation, we must go back to the late 1990s. Back then, a reform of the AMU-system was the result of a deep investigation done by a committee. One of their main proposals was decentralisation, wherein local course providers were endowed with more influence with respect to designing relevant courses (Finansministeriet 1999).

The most ambitious initiative was the tripartite committee in 2006, which was a contribution to the so-called

‘Globalisations-council’ that published a report in 2007 (Finansministeriet 2006). This report identified the need to prioritise higher levels of qualification and to give greater focus to more vocational education and training. This led to a temporary boost in activity around 2010 thanks to an amelioration in economic conditions, supporting the development of quality of courses and arguing for more cooperation between vocational and general courses. This was followed by a decline in activity from 2012 onwards.

In 2017 another tripartite committee was set up. This concluded with an agreement between the government and social partners. This led to a multitude of actions with the intention of stimulating further education and training activity. The final result was a minor adjustment with improvements to the economy for certain activities, as well as a decision about a new national IT-based tool for counselling citizens and companies with respect to possibilities in further education and training.

At the same time, a decision was taken by the government to close down VEU-centres that offer further education and training. This was a regional coordination organ created in the slipstream of the 2007 investigations. One can interpret this decision as an effort to please the employer’s organisation, who have always been reluctant to seriously stimulate training for their staff and create a good institutional framework for training in coordination with other relevant policies. At the same time the decision makers curiously called for more intensive coordination between further education and training institutions and other regional actors within industrial and labour market policy.

Related to the 2017 analyses, a further analysis was conducted about the steering of supply of courses with respect to the need for training. This showed that the actors involved in the VEU-centres have problems thinking across the traditional fields of competencies. The structures and processes supporting coordination between these actors are too weak, so that successful cooperation between actors is solely dependent their own abilities to independently build good relationships to each other (Plougmann-Copenhagen Oxford Research 2017).

In contrast to the well-established and rather centralised training system for skilled and unskilled workers, the further education and training system for more highly educated people has a much more decentralised steering system. Here there are more possibilities for stronger flexibility for adaptation with respect to the needs for further education and training, though there is a call for expanding the dialogue on a national level between the social partners and the training institutions. It is possible that the economic incentives for the supplier institutions pose a barrier for more activity in this area. To do more, further education and training must become more easily united with the business strategies of the institutions.

As a result of the corona pandemic with lay-offs in many branches, in mid-2020, political parties came to an agreement about strengthened upskilling for broad groups of people in the labour market. The focus in the agreement rested on unskilled workers and skilled workers with an outdated vocational education. This saw the introduction of better

rules and more money for people aiming for better qualifications and job opportunities, as well as the fact that unskilled workers got a chance to become skilled workers. The focus here was primarily on unemployed people. Rather interestingly, the opportunity was to again make a new arrangement with so-called education-ambassadors, targeted to start training for the unemployed.

In 2020, the current government set up a new expert commission that will analyse the situation for the next two years with respect to boosting activity. The commission has been launched to meet the need for so-called second-generation reforms to the labour market. The agenda is basically dominated by confronting the polarization thesis – i.e., the problem that those with more education get more, those with less get less – and calls for short-term investments in education and training, in order to secure a strong supply in the labour market for the more long-term future. This position fundamentally clashes with the former dominant supply-thinking from decision makers (Finansministeriet 2020).

Evidently, for years there has been lively activity by responsible actors, in and outside of parliament. Several analyses emphasised the clear need to reform the system and to boost the political will of the responsible actors for implementing the new goals. We must simultaneously conclude that the measured level of activity in further education and training for adults in Denmark is matter for concern. With an atmosphere of declining activity, the preparedness of the labour market has been insufficient to meet actual and upcoming challenges.

Final considerations regarding the need for reforms

Finally, I conclude that there are the following needs for reform: As a general statement, it is important to concentrate on both policymaking at the national level, and the implementation of decided reforms at the local level. I will mention three crucial prerequisites for developing the Danish flexicurity system:

First of all, it is necessary to reform the system that finances the public institutions that supply these courses. Policymakers must make a clean break with the massive taximeter financing of the courses. More basic funding will give the institutions the freedom to be much more sensitive in their orientation towards all needs of qualifications instead of their current business orientation. More basic funding is on the agenda, but the breakthrough is yet to come. If successful, it will be much easier for the institutions to be strongly need-oriented and to prioritise development purposes when providing further training opportunities.

Secondly, educational planning must be broadly upgraded in companies at the workplace level. They must plan for qualifying all groups among their staff in order to meet future needs in a more competitive world. This calls for a new, more long-sighted management strategy instead of the currently dominant thinking on short-sighted earnings to the company. Otherwise, in the coming years, there will be large numbers of people who will only be loosely affiliated to the labour market. This unfortunate situation for individuals will also be an unfortunate one for competing companies.

Regrettably, for years there in general has been silence in the political sphere with regard to deeper efforts to reform the system – and especially educational planning in the companies has not been given enough priority. The impression is that there is a fear of touching this theme, and of critically examining employer behaviour in discourse on the matter.

Finally, a huge responsibility lies on the shoulders of the social partners, perhaps mostly on the labour unions for being initiators of a great many of the further education and training measures. Social partners must ensure that the financing allocated in the Competence Funds is actually spent. While the social partners fully supporting training activity verbally, as indicated, they are not especially successful at implementing said training activities in practice. There is a large job to do for the shop stewards at the level where skilled and unskilled workers are employed who have the job of motivating reluctant colleagues for training activity. The more qualified they are, the more competitive they will be in a more competitive labour market, particularly in the light of ever-increasing internationalisation and the tendency towards an increasing use of more sophisticated technology.

1.4 CONCLUSION AND AUTHOR'S RECOMMENDATIONS

In Denmark, there is an on-going and well-established history of further education and training. Ever since 1960, the state has taken a responsibility to provide further education and training for both skilled and unskilled people. From the 1990s onwards, this was widened to groups of all educational levels on the labour market, although with high reliance on formally self-financed courses – that were often-times paid for by their employer. For all groups, the uptake of further education and training measures has been declining for years, even if the development in the job market calls for more activity in terms of vocational training and education. Since 2020, this system has become an even more significant element in the Danish flexicurity model.

Measures for further training and education for adults have been a relative success for those who have participated in them, but in many ways, it has failed non-participants. The system, for example, has not shown the ability to reach every person doing paid work and it is well known that many of those doing paid work have reservations about further training for a variety of reasons. What is more important is the fact that many companies are not prioritising further education and training for their employees. In small and medium-sized firms the HR-focus is generally undeveloped, and perhaps more than half of bigger companies exist solely by recruiting from the open job market – and are satisfied with this. This appears to be a risky business for the companies as well as for the non-participants, when seen in the light of rapidly advancing technological, global, and green development. These companies will be severely handicapped when the day comes where it is no longer possible to recruit suitable people from the open market. This painful

situation will be worsened when it becomes clearer that demographic changes will show there are too few people to replace working people retiring in the near future.

The political interventions have, up to now at least, been unable to significantly change the situation in favour of the Danish labour market, and especially for the non-participants who are doing paid work. A reform of the allocation model of finances for training institutions away from the so-called taximeter system is urgently required. ←

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THE CASE OF GERMANY – READY FOR THE FUTURE?

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2.1 SKILL REQUIREMENTS OF THE FUTURE: CHALLENGES IN GERMANY

Germany faces several labour market-related challenges that will lead to changes in skill demand. Consequently, many employees will need further training to remain employable. One of the main drivers behind this is digitalisation. Technological developments such as deep learning algorithms, as well as improvements in sensors, networks, and data storage, will replace or at least change many jobs. At the same time, new tasks and jobs will emerge. Already today, Germany is experiencing a growing skill shortage in the fields of science, technology, and informatics (Maier et al. 2020; OECD 2020). However, this skill shortage is not only driven by changes in technology but also by demographics. Since the birth rates in Germany have been lower in the last few decades, there are not enough younger skilled workers to replace the workers that will soon retire. This demographic trend will also lead to an increasing demand for workers in aged-care in the upcoming decades (Maier et al. 2020). In addition, the comparatively strong and competitive industrial sector needs adjustments to remain successful in the future. Here, not only digitalisation but also the need to reduce greenhouse gas emissions will lead to changes in skill requirements. For example, electric vehicles require fewer workers with different skillsets (Nationale Plattform Zukunft der Mobilität 2020). Because of these trends, many workers in Germany will need retraining in the near future to adapt to the changes in their jobs. This may be especially important for older workers who need to be retrained or whose skills and knowledge needs to be updated to avoid skill shortages. Some may even need help transitioning from declining sectors to those that are growing. Thus, further education and training will become ever more important to help older workers remain in the labour market.

Germany has a several structural peculiarities that may hinder effective further education and training measures. One important factor is the persistent gender inequality of the labour market. Even though labour market participation among women has grown in the last decades, most women still work part-time and are underrepresented in management. Consequently, there is a large under-utilisation of women's skills. This is mainly due to lack of childcare and conservative gender norms (OECD 2020). The fact that the German school system generates rather large achievement gaps between students from different backgrounds is also problematic. Children from families that are socioeconomically

disadvantaged and families with migrant backgrounds (of all socioeconomic backgrounds) in particular are less likely to do well at German state schools (OECD 2020). Finally, Germany is lagging behind in the adoption of digital technologies. This regards both the availability of broadband and the slow adaption of new technologies in schools, firms, and public administration (OECD 2020).

In terms of further education and training, it is very important to distinguish between formal and non-formal courses in the German labour market. Formal courses lead to a universally recognised credential such as a university diploma or a vocational training certificate that is part of the national qualification framework. Non-formal courses, on the other hand, do not come with this kind of certification. Examples of this include computer courses or language courses (Eurostat 2016). In Germany, formal credentials are especially important for labour market success. There are many occupations that cannot be entered into without the respective certificate. Hence, moving from declining to growing occupations often requires formal retraining in Germany. According to data from the National Educational Panel Study (NEPS), non-formal courses usually do not help with this kind of labour market mobility (Ebner/ Ehlert 2018).

2.2 FURTHER EDUCATION AND TRAINING IN GERMANY: MAIN CHARACTERISTICS

2.2.1 INSTITUTIONS AND LEARNING INFRASTRUCTURE

In Germany, the largest share of non-formal courses for further education and training is offered by commercial education and training institutes and freelance educators and trainers, which accounted for 29,8% of further education and training activities in Germany in 2018. Another important provider is the state, which offered 27,5% of further education and training activities. Within this share, universities, and other higher education institutions account for 72,4% of these activities. Another important public actor offering 20,3% of the public courses are adult education centres called *Volkshochschulen*, which usually offer short adult education courses in Germany. The remainder of the further education and training activities are mainly offered by associations such as chambers of industry and commerce (*Industrie- und Handelskammern*) or trade organisations (19,5%). Some of the activities are also provided by employers or by other companies, such as the vendor of a product (17,9%), and

other providers (Autorengruppe Bildungsberichterstattung 2020, figs. G1-4web, G1-5web). Formal further education and training is divided into vocational training and higher education. In the first sector, individuals mainly obtain vocational degrees from vocational schools. This comprises both fully school-based and 'dual' training courses, in which students learn the vocation both at school and in a firm as part of apprenticeships. Furthermore, graduates from vocational courses can obtain a 'Masters' (Meister) degree from certain trade organisations. Thus, this 'dual' vocational training provided through collaboration with the state, employers and occupational associations makes up the major portion of opportunities in the vocational training segment (Kuper et al. 2017, 157).

On the level of higher education, most adults who return to education attend regular universities. Yet about one third of those who return to study to attend university also attend universities of applied science (*Fachhochschulen*) (Kuper et al. 2017, 173). Unfortunately, the Adult Education Survey does not provide more information about the higher education institutions in these cases. More recently, Germany has experienced a growth of private higher education institutions, especially among universities of applied science. In 2018, almost 10% of all new enrolments were at private institutions (Autorengruppe Bildungsberichterstattung 2020: 179). Private higher education institutions focus more on formal further training for people who are already on the labour market than public institutions. A much larger share of the courses offered are designed so that workers can still take the courses while remaining in regular employment. Private institutions also offer more part-time and remote courses (Autorengruppe Bildungsberichterstattung 2020: 180). Nevertheless, public universities have increased the number of courses that cater to the needs of employees wanting to return to higher education. In sum, both private higher education institutions and public institutions play a major role in this segment of further training.

Most providers in Germany use quality management systems to ensure the quality of their services. Quality management systems establish standards for the organisation of the teaching activities. This includes, for example, evaluations of the courses and processes related to customer care. In 2018, 80% of the providers stated that they apply such a system. However, only 52% use externally certified systems. Interestingly, both purely state-run and purely commercial providers have the lowest shares of quality management systems (26% and 28%). The highest share of providers with such systems can be found among those run by employer or professional associations and non-profit organisations (Autorengruppe Bildungsberichterstattung 2020: 222). In international comparison, course quality and the certification of adult training is less regulated by the state in Germany than in other countries. Certification and quality management is only mandatory if the provider wants to offer courses paid for by the federal employment

office (OECD 2021). In some federal states certification and quality management is also required for courses that can be taken during paid leave as part of a break from work to pursue further education called *Bildungsurlaub* which literally translates as 'education holiday'.

2.2.2 FINANCIAL SUPPORT

The most well-known source of financial support for education in Germany called 'BAFöG' (short for *Bundesausbildungsförderungsgesetz*), is of limited use in most cases of further education and training. The program supports general school attendance as well as higher education courses, both of which could be attended in the form of formal further education. However, it is mostly limited to initial full-time education and the program has to be entered before the age of 30 and in the case of MA courses, before the age of 35 (Cordes/Dohmen 2019). Thus, older workers in particular and most of those who have already attained a first qualification are not covered.⁵ As a consequence of this, it is largely irrelevant for workers seeking formal further education and training. The allowance is need-based, i.e.: it not only depends on the financial circumstances of the claimant, but also of their parents or spouse. Generally, only children from lower-income families are eligible. In rare cases, the allowance is paid irrespective of the parents' incomes, for example if the claimant has been employed for at least five years before entering further education. One half is provided as an interest-free loan, which has to be paid back after graduation, and the other half is tax-financed support.

The AFBG (*Aufstiegsfortbildungsförderungsgesetz*) provides financial support for formal further training which leads to a recognised occupation-specific further education degree. These degrees certify expert knowledge in certain occupations such as, for example, the vocational Master's qualification (Meister) and are regulated by federal and state law (Grotlüschen/Haberzeth 2018). The prerequisite for this is usually a vocational training degree in the respective occupation. The support covers both the cost of the course up to a maximum limit and the cost of living. The latter is calculated on a need basis similar to BAFöG. As a result, the AFBG program is also often dubbed *Meister-BAFöG*. In addition to this, it is important to note that the funding is similar to BAFöG: 50% of the cost of living and 40% of the course costs are tax financed, the remaining sum has to be paid back later as part of an interest-free loan (Cordes/Dohmen 2019).

The Education Premium (*Bildungsprämie*) is a program that provides financial aid to cover non-formal training course costs for people with low incomes. It is funded through the European Social Fund (ESF). All employed and self-employed individuals with at least 15 hours of work per week and an annual gross income of less than 20.000 euros (40.000 euros for couples) are eligible for the support. It covers 50% of the course costs up to a maximum of 500 euros. Claimants have to attend a counselling interview in

⁵ There are some rare exceptions in which further qualifications after a first qualification are supported with BAFöG. This includes consecutive M.A. courses after a B.A. and a few specialisations after higher education that are needed for certain occupations such as, for example, teachers in special education (Cordes/Dohmen 2019).

order to get the voucher (Bundesinstitut für Berufsbildung 2020).

Furthermore, the German Federal Employment Agency (*Bundesagentur für Arbeit*, BA) provides financial support for further education and training, both formal and non-formal. This is regulated by the social code (*Sozialgesetzbuch II and Sozialgesetzbuch III*) and the support is funded through taxes (Grotlüschen/Haberzeth 2018). Until 2019, only older workers without vocational degree in small or medium sized firms were eligible as part of the WeGebAU Program (*Weiterbildung Geringqualifizierter und beschäftigter älterer Arbeitnehmer in Unternehmen*). Since 2019, this was changed through the *Qualifizierungschancengesetz* (literally translated: qualification chances law), meaning that, nowadays, all workers are eligible but only receive full funding if they are working in small firms. The *Arbeit-von-Morgen-Gesetz* (literally translated: work-of-tomorrow-law) enacted in 2020 further increased the financial support and reduced some barriers to application such as restrictions regarding course length and the complexity of the applications. Employees have the right to professional guidance about training measures that is provided by the federal employment agency. Still, the training has to be supported by both the employer and federal employment agency to be funded. Additionally, the main goal of the employment agency is still to combat unemployment and not to help workers to attain higher qualifications. Therefore, funding may be declined if it mainly serves the latter goal (Bläsche et al. 2017: 26; Kruppe 2020).

Another means of funding further training is available through tax breaks. Training costs (including travel and accommodation) are deductible from income tax. This means that up to 45% of further education and training costs can be refunded if individuals are in the highest tax bracket. However, if workers earn less, the refunded amount is reduced because it corresponds with their lower tax rate (Dohmen/Cordes 2018). The range of supported courses is quite large. The only prerequisite is that the course has to be related to the current occupation.

2.2.3 A RIGHT TO EXEMPTION FROM WORK?

For German employees wishing to be exempted from work as they undertake further education and training, there aren't many possibilities. The most important programs in this respect are state-specific regulations concerning the aforementioned '*Bildungsurlaub*' (Grotlüschen/Haberzeth 2018). In Germany, 14 out of 16 federal states currently have this legal provision in different forms. Through these regulations, employees have the right to five days per year paid leave for one educational activity in most states. Some states also offer the possibility for cumulative entitlement – ten days over two years, or even more. In most states, this activity has to be either vocational or political education, though in some circumstances, courses on cultural issues or voluntary service are considered. In any case, the course has to be officially recognised as being suitable for educational leave. Employees have to notify employers about their plans with sufficient notice, and employers can decline if they believe that urgent company issues should prevent participation.

2.2.4 COUNSELLING AND CAREER GUIDANCE

The choice of further education and training courses in Germany is vast, and there is only limited general guidance available. Currently, there are about 220 occupation-specific regulations for further education and training on the federal level. In addition to this, there are numerous further regulations on both state level and local levels (Pothmer et al. 2019). There is also a wide range of commercial programs and courses for professional development. Compared to this wide variety of offers, options that workers have for guidance are either limited in scope or reach. Below, I describe some of the possibilities that workers in Germany have to navigate the options for further education and training:

Firstly, many providers of further training offer counselling and guidance in terms of their own programs. This includes public further education providers (such as *Volks-hochschulen*, universities, or vocational schools), commercial further education providers, and chambers of commerce. Together these institutions make up the majority of information providers used by adults in Germany (Käpplinger et al. 2017: 260). The scope of their guidance, however, is obviously limited and workers have to find the right institution in order to receive guidance about the respective programs.

The German federal employment agency provides broader guidance about further education and training programs but, until recently, it was mainly focused on the unemployed. The agency offers a comprehensive online database of further training courses called '*KURSNET*'. Furthermore, recent reforms shifted the focus of the counselling from the unemployed to the employed (Fuchs et al. 2017). The agency developed the concept of life-accompanying vocational guidance (*Lebensbegleitende Berufsberatung*). Thus, the employment agency now plans to give guidance to workers before they lose their jobs instead of afterwards. This guidance should, in principle, cover all kinds of further education and training. However, it is unclear yet whether it will reach workers in need.

Finally, the German Federal Ministry of Education launched a toll-free telephone hotline for guidance on further education and training (*Weiterbildung*) in 2015. The counsellors provide information about possible courses, local sources of information, as well as possibilities for funding. They also offer the opportunity to look at possible courses online with the clients via telephone.

2.2.5 THE ROLE OF COLLECTIVE AGREEMENTS

Time for further training is a topic that is growing in importance as a subject matter thanks to collective agreements between trade unions and employers' associations in Germany. Trade unions recently reopened the topic of work hours and now advocate for more flexible arrangements (Lesch 2019). One such example is the introduction of a demography contribution (*Demografiebetrag*) that employers pay for each employee in the chemical industry. This money can be saved by the employees to finance, among other things, periods of leave for further education and training (Borgwardt 2019: 50). Another recent example for this is the collective

agreement by IG Metall, the major trade union for the industrial manufacturing sector in Germany concerning part time education (*Bildungsteilzeit*), which is possible to do parallel to part time work (IG Metall 2016). Employees who work under this agreement have the right to reduced hours or even exemption from work for up to seven years. They have the right to return to a comparable full-time job. Furthermore, they can use save up overtime and other sources to finance the leave. Unfortunately, there is no data on the actual take up of these provisions. However, the collective agreements reach a sizeable number of workers in Germany.

2.3 EVALUATION AND CURRENT REFORM PROPOSALS IN GERMANY

Overall, only very few people in Germany use the existing possibilities on offer aimed at supporting their participation in further education and training. This becomes especially apparent if we compare the numbers below to the total of about 40 million employed persons in Germany in 2019 (Destatis 2020). As indicated in previous sections, the status quo in Germany is characterised by many small and specialised programs, which is a confusing overall situation.

2.3.1 SUPPORT, GUIDANCE AND LEAVE TO UTILISE FURTHER EDUCATION AND TRAINING – AN EVALUATION

The largest program that provides financial support for formal further training in Germany is the AFBG (*Aufstiegsfortbildungsförderungsgesetz*), which supports advancement to the qualification of ‘Meister’ after vocational training (see Section 2.2 for details). In 2019, the program accepted claims from 167,094 individuals (Bundesinstitut für Berufsbildung 2020: 346). This comprises of about 0.4% of employed persons in Germany. Although the eligibility criteria have more recently become less strict, not everybody is eligible to enter a course leading to this title. This is, of course, a major barrier. Unfortunately, there is little data on the composition of supported individuals in the program. The data show that women only make up 37% of successful claimants. This is somewhat troublesome given the underrepresentation of women in leadership positions overall in Germany. Since this program only considers workers who are generally eligible for a Meister degree, the program does not support those without a vocational degree, who are among the most vulnerable workers.

There is no reliable data available on the number of people who use the financial support provided by BAFöG for further education. In general, participant numbers are larger than in the AFBG with about 518,000 in 2018. Yet, due to the regulations mentioned in section 2, this regards mainly initial education (Autorengruppe Bildungsberichterstattung 2020: 60). Dohmen and Cordes (2018) estimate that BAFöG reaches about 75,000 people in further education. There is also no demographic information about the supported individuals.

The number of employees participating in programs by the federal employment agency that can support both formal

and non-formal courses is even smaller. The latest accessible data shows that 11,504 individuals were enrolled in such a program in July 2020 (Bundesagentur für Arbeit 2020, Table 7, Förderung nach § 82 SGB III bzw. i.V.m. § 16 SGB II). Of the total employed population in Germany, this makes up less than 0.001%. Thus, the new regulations have not yet increased the take-up although the program has been made available to all employees. Research on the old regulations that targeted only older, less-educated workers in small firms showed that the low take-up is not due to lack of information. Even when they were given information about the possibility of support, workers did not use it (van den Berg et al. 2018). One reason for this finding may have been that the workers do not get permission from the employers to train, as the authors speculate. Also, their data suggests that employees see support by the federal employment agency as a negative stigma.

Unfortunately, the federal employment agency does not provide further data on the individuals who get the support according to the new regulations except for the size of the company they are from. This only reveals that the supported individuals come predominantly from small and medium sized firms (Bundesagentur für Arbeit 2020) as is stipulated by financial support guidelines since they are less likely to receive training from the company than in large firms. At the low actual level of participation, this support programme is unlikely to counteract inequality.

Finally, financial support for non-formal vocational courses through the Education Premium program (*Bildungsprämie*) reached more than 400,000 individuals between 2008 and 2019. This means that about 40,000 vouchers have been granted per year. About 75% of the vouchers have been redeemed (Bundesinstitut für Berufsbildung 2020: 357). Thus, the vouchers do not reach significantly more individuals than the programs by the federal employment office described above. Though the voucher is solely available for low-income households, only 3% of the successful claimants do not already have a vocational or higher education degree (Bundesinstitut für Berufsbildung 2020: 358). The program also reaches more women than men and especially part-time employees. Yet, since the supported training is non-formal, it is unlikely that the program will have any significant impact on the considerable gender inequality in the German labour market.

Tax breaks for further training reach much more individuals than the aforementioned programs. In 2010, about 1.9 million taxpayers received refunds for vocational courses (Dohmen/Cordes 2018). Thus, about 5% of the employed population in Germany use this form of public funding. However, as already mentioned, such tax breaks are mainly beneficial for employees with high earnings because refunds grow with the tax rate due to the progressive income tax system. Those who earn little and consequently have lower tax rates also get lower refunds. This means that tax breaks may even increase existing inequalities because they benefit those who are already more likely to take part in training.

The utilisation of paid educational leave (*Bildungsurlaub*) is very low in Germany. Unfortunately, there is only limited data here because the states employ different statistical

concepts – if they collect statistics at all. The latest attempt to gather data from all states concluded that about 1% of the eligible population use the program. Although there is some variation between the states, no state has a higher rate than 3% (Reichling 2014). There are some indications in the available data that most people utilise leave for professional development. Yet the participation among those with less formal education is low (Kuan et al. 2006). A recent evaluation of the introduction of paid educational leave in the state of Baden-Württemberg further showed that the policy has no impact on overall participation rates in further education and training (Rüter et al. 2020). Given the low uptake this is hardly surprising. Little is known about the barriers to making use of this support. Some speculate that there is a lack of knowledge about the program. Also, the lack of support by employers and even employees' fear of losing their job when claiming the legal entitlement may play a role (Grotluschen/Haberzeth 2018).

There is not much information available on the utilisation of the possibilities for guidance on further education and training. According to the Adult Education Survey, 28% of adults in Germany used the information made publicly available and 7% used counselling offers about further education and training in 2018 (BMBF 2019). It is not clear however, how much of this was about further vocational education and training. In 2018, 13,721 people called the information hotline on further training provided by the Ministry of Education and Research. This is a very low percentage of the employees in Germany. About 64% of the callers were female (BMF 2020). While this may be driven by the need of women in Germany to close the large gender gap in earnings and leadership positions, it is unlikely that there is an impact given the low number of callers overall. There is no data available on utilisation of the databases such as <https://www.wbv.de/berufenet>. Nevertheless, the majority of adults in Germany feel well-informed about further training possibilities (67%) and almost all of the 24% who actively searched for information also found it (BMBF 2019).

According to rough estimations, the amount of public expenditure on further education and training overall is about 5 billion euros per year (Bundesinstitut für Berufsbildung 2020: 356). This also partly includes expenditures for initial vocational training that cannot be separated in the public accounts. Therefore, the amount is presumably overestimated. This may be compared to overall public expenditure of about 1,6 trillion euros in Germany. Thus, the share of the public budget spent on further education and training is about 0,03%. This public spending is also much lower than private expenditure on further education and training which amounted to 17,8 billion euros in 2015 according to calculations by Müller and Wenzelmann (2018). Further calculations by Dobischat, Münk, and Rosendahl (2019) show that public expenditure accounts for only 23% of all expenditure for further education and training. The private share is roughly split equally between individuals and firms. This can be contrasted to initial schooling in which 96% of the costs are covered by public expenditure. The state also has higher shares in initial vocational education

(57%) and higher education (82%) (Dobischat et al. 2019: 20). Given the low levels of uptake and public investment, it is not surprising that the participation rates in further education and training are quite low in Germany. According to the Adult Education Survey, 3.3% of the population aged 25-64 in employment participated in non-formal courses for professional development that were not financed by the employer in 2016. Participation in formal training in this group is even lower in 2016 at 2%. This is under the assumption that all formal further training is professional. However, this is reasonably plausible since all formal certificates can be used on the labour market. Both indicators also show a downward trend despite an overall increase in further training participation in Germany (BMBF 2019). This indicates that firms finance a growing share of further education and training in Germany while individual and public investments stall or decrease.

2.3.2 REFORM PROPOSALS IN DEBATE

Many commentators have recently criticised the current fragmented system for further education and training as insufficient and suggested reforms to make it more encompassing and to boost participation rates. The proposals range from reforms of existing measures to entirely new programs, especially the national further training strategy initiative (*Nationale Weiterbildungsstrategie*) introduced by the Federal Ministry of Labour (BMAS) and the Ministry for Education (BMBF) spurred the exchange about possible reforms. In the two years that the initiative has existed, many policy ideas have been implemented and further demands identified (BMAS/BMBF 2021). The main goal of the initiative was to develop a coherent strategy for the promotion of further education and training. This includes, among other things, improvements in financing, guidance, quality, and also data in the field of further education and training. It was already accompanied by new policies such as the qualification chances law (*Qualifizierungschancengesetz*) and the work-of-tomorrow-law (*Arbeit-von-Morgen-Gesetz*) described above. Furthermore, it generated new initiatives such as a call for tenders for online platforms for further training by the German Federal Ministry of Education (BMBF 2021). The idea of this competition is to foster the development of innovative search engines for training courses or novel digital teaching systems.

One influential proposal is to reform the federal employment office so that it focusses more on qualification than on putting the unemployed in new jobs quickly. Furthermore, employed people should also be considered for measures before they lose their jobs, for example by providing further education and training for those working in industries that are in decline. Hence, the advocates of this reform argue that the federal employment office should engage in preventive instead of reactive measures. This idea is often summarised as employment insurance (*Arbeitsversicherung*) (Hans et al. 2017) and is based on the idea of transitional labour markets by Günter Schmid (2006).

Furthermore, there are several proposals to improve the funding of further education and training (Borgwardt 2019). One idea that builds on existing institutions is the

extension of BAFöG so that it also covers adults in later stages of their career (Cordes/Dohmen 2019). Others propose a personalised account for further training and other activities that every citizen gets at birth (e.g.: BMAS 2016, 181ff; Mau 2012). Some proposals also combine funding with the right to leave such as the idea of a basic income for education (*Bildungsgrundeinkommen*) (Zentrum Liberale Moderne 2021).

2.4 CONCLUSION AND AUTHOR'S RECOMMENDATIONS

Further education and training could potentially help many workers in Germany but there is little support for those willing to enter onto such courses.* This may be especially severe because those who work in declining sectors might not receive further training from firms, who are still the largest provider of further training in Germany. Also, employees on fixed-term and marginal contracts usually do not receive training from firms, while freelancers do not even have access to firm-based training at all. This means that there are significant labour market groups that would benefit from further education and training, but do not have adequate access. Yet, even among those in employment in firms, participation in this type of training is low. This is especially the case for formal courses. Despite their importance in the German context, further education and training measures are rarely attended by those who are already in employment.

The overview in this chapter showed that people in employment in Germany who want to learn new skills outside their current job face a confusing and scattered field. Indeed, there are a host of formal and non-formal courses, a wide variety of providers, scattered sources of financial support, and little guidance. Interestingly, despite this situation, many Germans feel well informed about opportunities for further education and training according to the Adult Education Survey. However, this may be influenced by the increasing prevalence of firm-based further training. Support and guidance for further training within the firms has clearly increased over time. This, however, may not help workers to develop their skills beyond the needs of their current employer. Also, those who have no support from firms are left out, for example self-employed and marginal workers.

There are many interesting policy proposals to improve this situation. Yet, recent reforms such as the work-of-tomorrow law (*Arbeit-von-Morgen-Gesetz*) were mainly geared towards workers in regular employment. Policies that also address the needs of marginal or self-employed are largely absent. If anything, there are some signs of improvement in terms of guidance, such as the online information platform by the Federal Ministry of Education are currently on the political agenda. Policies that improve the funding of individual training or the leave from work for all kinds of workers are currently still not on the horizon.

Nevertheless, the political discussion gained some momentum through the national further training strategy initiative (*Nationale Weiterbildungsstrategie*). Also, workers themselves seem to see an increased need of retraining: About 30% of adult workers wish to attain a new formal degree according to data from the National Educational Panel Study (NEPS) (Rahner et al. 2020).

Next to improvements in guidance, financial support, and leave, the provision of suitable courses for further education and training is very important, especially in the case of Germany. Given the value of formal certificates on the labour market, courses offering such certificates should be made more accessible. For example, they could become shorter and could be based on previously attained skills and certificates. Also, part-time and distance learning opportunities that lead to formal certificates could be fostered. This could improve the compatibility of further education and training while in paid work.

However, even if there were more policy instruments that help workers to take up further education and training, it is questionable as to whether or not these would really boost participation rates due to the structure of the German labour market. Regular careers in Germany are still characterised by long-term employment at the same firm and in the same occupation, despite some erosions at the margins (Dütsch et al. 2013). Also, part-time work is rare among men and among women it is mainly used to make the job compatible with care work for children or relatives (Wanger 2015). Thus, even if there were more opportunities, generous income replacement, and leave schemes, it is unclear how many workers would make use of them because it goes against the norm of relatively rigid full-time working culture. Reforms therefore need to be accompanied by addressing barriers to part-time work, among other things. It may, therefore, be some time before reforms lead to an increase in individual educational efforts during prime working age. ←

* However, it must be noted in this context that the new German coalition government that came into power in December 2021 has committed itself to a rather ambitious agenda with regard to further education. It will be interesting to see what and how these projects will be implemented during the current election period.

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AN EVALUATION OF POLICY FOR FURTHER EDUCATION AND TRAINING IN FINLAND

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3.1 SKILL REQUIREMENTS OF THE FUTURE: CHALLENGES IN FINLAND

Finland is known for its high educational and equal opportunity standards. It is a story of how a very poor, agrarian and remote nation climbed to the top of international value chains in just 50 years. The idea of overcoming crisis by promoting education is carved into the national ethos (SITRA 2019). The predecessor of the current system of Adult Education Allowance (AEA) – the so-called resignation fund (*Erorahasto*), was built in 1970. In 1989, the elements that have funded study leave have been added gradually so that people in employment have been able to study full time in Finland since the early 1990s.⁶ The data collected between 2001 and 2019 showed that 97 per cent of adults receiving AEA were employees while three per cent were entrepreneurs (Metsämäki/Vanala 2021).

In the meantime, the environment in which the policy for further education and training is executed has drastically changed. In 2020, processes of digitalisation continue to add pressure to the welfare state. Artificial intelligence and industrial robotics are increasingly able to perform many of the tasks traditionally done by human labour. According to the Organisation for Cooperation and Economic Development estimates, the Finnish employment market faces a risk of eight per cent of jobs becoming automatised in the coming 10 to 20 years (OECD 2020). By 2040, the content of work is estimated to be altered by digitalisation in one fifth (21%) of the jobs (OECD 2020).

In this context, the National Forum for Skill Anticipation finds that more than half of the new entrants to the labour market will need higher education degrees to satisfy the skill demands of the future (Finnish National Agency of Education 2019). It also finds that meta-cognitive skills that enable individuals to analyse and adjust to change, such as problem-solving skills, the ability to learn, and information evaluation skills, will become increasingly important across jobs. In terms of specific skills, skills in the customer-related development of services, knowledge of sustainable development, and skills related to digitalisation are highlighted as the most important skills needed in tomorrow's jobs in Finland.

By 2030, the Finnish working population aged 15-64 is projected to decrease by 57,000 people, and by 208,000 people by 2050. This is equivalent to a two per cent and six per cent drop in population, respectively, compared to 2020 (Finnish National Agency of Education 2019). Population ageing is expected to lead to skill shortages in the future because it leads to both to a decrease of the working population and an increase of the need of skilled work in sectors such as care services. Additionally, older workers are playing an increasingly important role in the labour market. Employment rates of people between the ages of 55-64 have risen by almost 30 per cent over the past two decades. This illustrates a need to keep the skills of workers updated over longer careers (EAEA 2017).

The extent to which individuals, firms and economies can harness the benefits of these changes in the labour market will critically depend on the ability of the Finnish skill development system to equip people with the right skills. Given that the demand for high-level skills in Finland will continue to increase, this will need the concentrated effort of the public and private sectors to shift the entire skill distribution of the adult population upwards towards higher levels.

3.2 FURTHER EDUCATION AND TRAINING IN FINLAND: MAIN CHARACTERISTICS

3.2.1 INSTITUTIONS AND LEARNING INFRASTRUCTURE

As in many countries, the responsibility for the development of a continuous learning policy is shared within and across government ministries. Most of the continuous learning system falls under the responsibility of the Ministry of Education and Culture.

A number of other agencies and expert bodies support the work of the Finnish National Agency of Education. This agency assists the Ministry by developing education and training, including through educational standards, core curricula and qualification requirements. The Finnish National Agency of Education also hosts the National Skill Anticipation Forum for the anticipation of skill needs. Evaluating the operations of education providers is the responsibility of the Finnish Education Evaluation Centre.

⁶ The system was also reformed in 2002, 2010 and 2020, which is also discussed in the forthcoming chapters.

TABLE 1

Types of education providers involved in the delivery of adult learning in Finland

Basic & general education	Vocational education	Higher education	Adult liberal education	Staff training
<ul style="list-style-type: none"> - Upper secondary school for adults - General upper secondary schools - Vocational schools - Folk high schools - Adult education centres 	<ul style="list-style-type: none"> - Vocational institutions 	<ul style="list-style-type: none"> - Universities - Universities of Applied Sciences 	<ul style="list-style-type: none"> - Adult Education Centres - Folk High Schools - Summer universities - Study centres - Vocational institutions 	<ul style="list-style-type: none"> - Vocational schools - Universities - Universities of applied sciences - Adult education centres - Folk high Schools - Summer universities - Study centres - Private providers

Source: OECD 2020

At the regional level, 311 municipalities have substantial responsibilities for skill development policy, covering early childhood education and care, basic and general upper secondary education, and Adult Liberal Education⁷. Municipalities' responsibilities cover funding allocation, staff recruitment, as well as curriculum design and implementation.

Education and training providers have a high degree of autonomy in the Finnish education system. Continuous learning providers are predominantly public or quasi-public education institutions. There is only a very limited presence of private education and learning firms. Where they exist, they typically serve employers for the purpose staff training (e.g., ICT or languages), rather than individuals themselves. This is largely because most further education and training is provided free of charge or at very low cost to the individual. This makes it more challenging for private providers to break into the market.

Non-state actors have a limited role in the further education and training in Finland. Social partners and civil society organisation, such as the Finnish Adult Education Association, typically have a consultative role in the policy-making process.

The Finnish system for further education and training encompasses a wide range of formal and non-formal learning opportunities at different levels, including basic and

general education, vocational education, higher education, adult liberal education and staff training. With the exception of basic and general education, there is little distinction between adult and youth education. Both groups learn alongside each other at the same education institutions.

The vast majority of further education and training in Finland is delivered by public institutions or government-dependent private institutions, such as specialised vocational institutions owned by enterprises. Independent private education providers play a limited role. Table 1 above summarises the type of education providers involved in the delivery of formal and non-formal learning opportunities in Finland.

It can be difficult to distinguish between formal and non-formal learning opportunities in the Finnish context, as non-formal learning opportunities constitute the building blocks for gaining a formal qualification. Adults taking non-formal learning modules such as Open University⁸ studies, for example, can get them recognised towards a formal qualification when they register as students. Unlike many Open University systems in other OECD countries, Open University Studies in Finland are run by individual higher education institutions. Open University Studies typically encompass the same courses and modules that are also offered through degree studies at Universities and Universities of Applied Sciences.

⁷ Adult Liberal Education Institutions emphasise their values and ideas, educational goals or specific educational tasks in their educational agenda. For example, one of the Adult Liberal Education providers is a worker's education union that has its roots in the labour movement. Adult Liberal Education Institutions can provide basic education, upper secondary education, vocational training and basic art education.

⁸ Open University in Finland provides university-level studies for people willing to pay for it. The best performing students in Open University can enter degree programmes without an entrance exam.

3.2.2 FINANCIAL SUPPORT

Given the dispersed responsibilities for further education and training, it has traditionally been difficult to assess the total amount of funding available for further education and training in Finland. In 2019, the Finnish innovation fund SITRA published a costing exercise of the Finnish life-long learning system. It estimated that 8,4 per cent of GDP (18,9 billion euros) was spent on life-long learning from early childhood to adult education in 2017 (SITRA 2019). According to the authors, approximately one quarter of this amount represented spending on further education and training, which excluded the costs of adults learning in the initial formal education system. This may be an underestimate, given that adults also take part in the regular education system such as vocational or higher education (SITRA 2019).

A large share of the cost is borne by private employers, who pay 1-1,5 billion euros per year for training costs depending on the estimate (Employment Fund 2021). In addition, public employers pay around 174 million euros on training (Employment Fund 2021). It is estimated that individuals pay around 500 million euros for course-related costs in upper secondary, vocational and adult education, such as materials and tools and – in the case of some types of further education and training – in the form of enrolment and participation fees.

Government spending in the sub-sectors most often used by adults (vocational, higher and liberal adult education, as well as labour market training) was estimated to be just under 5 billion euros annually (Employment Fund 2021). As adults over the age of 25 constitute more than half of all students receiving further education in these sub-sections, it can be assumed that government spending on further education and training is at least 2,5 billion per year (Employment Fund 2021). This figure includes the unemployed who are not eligible for the Adult Education Allowance (AEA).

Living costs in education and training, i.e., indirect costs of learning, are either covered by employers through the continued payment of wages or through allowances and study support. The funding to support living costs amounts to approximately 1 billion euros per year (Employment Fund 2021).

In the next paragraphs, there is a brief description of the way wages, scholarships and student aid are understood in the system for further education and training in Finland. The chapters that follow are dedicated to the AEA.

Wages: When adults take part in training organised by their employers, they typically continue receiving their regular salaries. SITRA estimates that employers pay around 691 million euros in wages during training participation (SITRA 2019).

Scholarships for qualified employees: Employees with at least 5 years of employment history are eligible for a 400-euro monthly scholarship in order to complete vocational upper secondary qualifications, a further qualification or specialist qualifications. The scholarship, however, cannot be granted for a higher education degree.

Financial aid for students: Individuals can receive financial aid from the Finnish Social Insurance Institutions KELA to

participate in formal education below the lower secondary level (including adult basic education). Individuals are eligible for a study grant, a government-guaranteed student loan and a housing allowance (if the requirements are met). These benefits are paid in addition to other benefits received. Individuals receive an average of 385 euros per month (Finnish National Agency of Education 2019). Less than one-third (29%) of individuals receiving aid are older than 25 years (Finnish National Agency of Education 2019).

Social Assistance: Unemployed people participating in training provided by a municipal social services department are eligible for Social Assistance. The Social Assistance recipient's eligibility for other forms of further education is situation-dependent, since the benefit is means-tested.

The social security benefit enabling full-time study for the self-employed is the same for all entrepreneurs. This means that the further education system does not provide any specific assistance for those who are self-employed. The amount of the benefit is about 600 euros in 2021 and the eligibility criteria is quite restrictive. Firstly, the study leave should either shrink the business, or the business should be shut down completely during the study period. This criterion can be challenging for those in self-employment if the clientele or customer base is not very stable. The self-employed must have also paid mandatory social contributions (in taxes and mandatory social insurance fees to health, retirement, and unemployment funds) for eight years as a worker or as an entrepreneur, and the last year must have been as a full-time entrepreneur. This is an obvious obstacle for self-employed people whose work history does not reach eight years or who have just started up their business. In Finland the self-employed can't register as unemployed, therefore the courses from employment and social security offices are out of their reach. These might explain why currently, the self-employed very rarely end up in upskilling activities of the system for further education and training. They can still participate in the courses, for example, offered by the Adult liberal education system, but the fact that their source of livelihood is almost totally market dependent severely restricts the actual availability of this option (Employment fund 2021).

3.2.3 THE MAIN CHARACTERISTICS OF ADULT EDUCATION ALLOWANCE

In this chapter, focus is put on the analysis of Adult Education Allowance (AEA) since it is the main component of the social security system that enables adults to train or to study full or part-time. The AEA is financed by social contributions and taxes. The adult student is required to have an employment contract during the eligibility period of the AEA (Metsämäki/Vanala 2020).

Adults who take up unpaid educational leave of 1-15 months, have an employment history of at least 8 years and a minimum income of 250 euros per month are eligible for support through the Adult Education Allowance (EAEA 2017). Adult students' employers should approve the unpaid leave for studying and the applicant should have worked

for the employer for at least one year.⁹ The allowance has a basic and an income-related component. The minimum amount paid is 592,11 euros per month, yet on average individuals receive 1 460 euros per month (EAEA 2017). The amount received is subject to tax. In 2019, the Employment Fund paid 187 million euro in Adult Education Allowances (Employment Fund 2021). While the full allowance is reserved for full-time study, adults can access an Adjusted Adult Education Allowance for part-time study. In 2020, a new record in the popularity of AEA was reached when 25,700 adults studied with this assistance (PAM 2020). This equals 0.75 per cent of the Finnish workforce.

In 2010, changes were made to AEA to make the system more efficient and flexible. The level of support was raised to correspond to the level of earnings-related unemployment allowance. This is the level of AEA today.

The employment history conditions for receiving support and the duration of the support period were then put at a set level. From 2010 to 2020, a person with an eight-year work history was entitled to an 18-month AEA once during their career. From 2020 onwards, this number dropped down to 15 months (Metsämäki/Vanala). In other words, after 8 years of work people in full-time employment are entitled to the maximum duration (i.e.: equal to someone who has been working for 20 years) if their employer approves it.

The aim of the amendment was to encourage the development of competence during one's career. Improving support conditions led to an explosion in the popularity of support for further education and training. As of 2010, growth was up to 20 per cent per year (Metsämäki/Vanala 2020).

The growth came entirely from the use of full support for further education and training. One element was also the possibility of a better work-life balance in comparison to previous conditions. From 2010 onwards, it was possible to receive support in a coordinated manner when the proposed study was a part-time, and the absence from work was agreed with the employer.

3.2.4 A RIGHT TO EXEMPTION FROM WORK?

As already mentioned, the AEA is dependent on an employer's approval of unpaid study leave. As the AEA requires the employer's approval, it is not a subjective right of the employee. In addition, the employee should have been in the firm for at least one year, have an employment history of at least 8 years and a minimum income of 250 euro per month in order to be eligible for support. If the application is accepted, the adult student is entitled for AEA for 1-15 months depending on the study plan.

3.2.5 COUNSELLING AND CAREER GUIDANCE

In the context of AEA, counselling and career guidance is mainly conducted at the firm-level. For example, the applicant may provide a plan for their employer describing how the intended further education will benefit the company. The AEA application in itself is not dependent on the relevancy

from the perspective of career prospects. For unemployed people who can't apply for AEA, counselling and career guidance is mainly available through employment offices and municipal services.

3.2.6 THE ROLE OF COLLECTIVE AGREEMENTS

The AEA is based on the law, not collective agreements. In principle, no collective agreement should provide more favourable terms for adult students in AEA, as the funding comes from the Employment Fund (*Työllisyysrahasto*).

Due to the AEA system, the role of collective agreements in the system for further education and training is rather minor. Although collective agreements grant the right for training of shop stewards, the right to exemptions from work due to further education and training activities are most often linked to the employer's permission, not collective agreements.

The role of social partners is central in the development of the AEA with the government. For example, in 2017, there was a threat that state funding would be removed from support for further education and training altogether. The impact would have been disastrous for adult education support for both entrepreneurs and employees. The conservative government led by Prime Minister Juha Sipilä justified to the idea as being the cutting non-essential costs. The social partners, however, saw support for further education and training as a cost-effective means of preventing unemployment and the cuts in spending were abandoned.

3.3 EVALUATION AND CURRENT REFORM PROPOSALS IN FINLAND

The Finnish system based on AEA is not optimal from the perspective of equality or future needs in the labour market. In Finland the odds are very high that the adult student is a 35–44-year-old, highly educated woman working in the social and health care sector with permanent contract of employment. The governing body for further education and training has admitted that the system fails to reach those who would most benefit from re-education. These are less-educated, low-paid workers in an unstable labour market situation and males in general. There is broad consensus that the system is unable to match to the changing needs in the Finnish labour market (Metsämäki/Vanala 2020).

Although the right to apply is basically the same for all adults, in 2019, over 75 per cent of people on AEA were women (Metsämäki/Vanala 2020). Of these, the majority are already highly educated. In 2018 (latest data available), almost half of the beneficiaries already had a master's degree before starting their further professional education. Almost 75 per cent of the students studied at university level (Metsämäki/Vanala 2020).

In 2019, 35 per cent of those who received AEA worked in the social and health care sectors (Metsämäki/Vanala 2020). In the administrative sector, the share was 17 per

⁹ If an employer declines an employee's request for unpaid study leave, the employee is not eligible for AEA. If an employee quits the company and becomes unemployed, they are not entitled to AEA but for training for unemployed instead.

cent and for the humanistic and education sector 13 per cent (Metsämäki/Vanala 2020). The humanistic sector includes teachers and those working in early childhood education and care, elementary schools, and secondary schools. Of those who received an allowance for further education and training, just 18 per cent worked in the sector of polytechnics and transportation. It is also important to note that almost 70 per cent of people on AEA were under 44 years old (Metsämäki/Vanala 2020). Taking into account the age distribution in the Finnish labour market (half of the workers are above 44 years old), the Finnish system for further education and training seems appeal to younger demographic groups while the potential for benefits through upskilling is also evident among people older than 44 (Metsämäki/Vanala 2020). Although the reinforcing the skills of younger adults is important, the system for further education and training does not get through to those over 50, whose skills are most likely to require updating. In the case of 70 per cent of the AEA beneficiaries, the main motivation for further education is in changing their branch or work or improving the content of their work. This motivation is clearest for adult students from the social- and health care sector (Metsämäki/Vanala 2020).

These demographic patterns appear even clearer with international comparison. According to the OECD (2020) Finland has the one of the largest participation gaps between adults with low basic skills and those with higher skill levels amongst all OECD countries. This is a concern as the employment opportunities for low-skilled adults is shrinking. Given the low participation of adults with low basic skills, the current continuous learning system further widens the skill gap existing at the end of initial education. Furthermore, over 60 per cent of new jobs in the past five years were located in high skill occupations (OECD 2020). At an individual level, the lack of upskilling or reskilling decreases the employability of adults with low skills by putting them at risk of job loss or limiting their chances of finding employment (Woessmann 2016). It can therefore lower their incomes and wellbeing (EAEA 2017).

The key question is, why adults with low skills so rarely take up learning opportunities. Low-skilled workers may be more likely to underestimate the potential increase in earnings while overvaluing the costs incurred through studying (e.g., cognitive effort, fees, and forgone earnings) (Woessmann 2016). This leads to the perception of lower returns on education. They also tend to disregard indirect benefits of additional education such as wider networks, and an improved ability to take care of their own health, cope with changes and manage risks (Woessmann 2016). It may also be that the working culture in some segments of the low-skilled labour markets do not encourage workers to further their education, although they would benefit from it the most (OECD 2020).

According to study by Innolink Research (Metsämäki/Vanala 2020), financial concerns constitute the main reasons inhibiting employees from entering further education and training. More specifically, the drop in income when transitioning from worker to adult student is the biggest obstacle to participation. The low willingness to train may also stem from negative experiences encountered in the

compulsory education system. Experiences such as failing in a subject or feeling inferior to classmates can stick with individuals even in adulthood building up the fear of learning (Kauhanen 2018).

This lowers individuals' confidence in their own abilities to perform well in an academic context, which is strongly correlated with worse educational outcomes and lower persistence in education. Negative attitudes and low motivation are strongest towards formal and classroom-based education but can even spill over to specifically designed informal opportunities (Kauhanen 2018).

In Finland, career guidance opportunities for low skilled adults doing paid work are limited. Information is fragmented and understanding the rules around financial support can be challenging for many people. Lower literacy proficiency makes it more difficult to process and analyse vast amount of information available and to make good training decisions. Those who do not participate in education often have little or no knowledge about the available opportunities. Many, for example, believe that education is always formal, inflexible, exam-oriented and classroom-based. This highlights the need for guidance services for low-skilled workers (Hyvönen 2016).

Another characteristic of adults with low basic skills in general is that they tend to face multiple barriers at the same time. This is a clear difference from those with a high skill level, who can typically pinpoint one obstacle. Comprehensive advice and guidance services that address the complex barriers of adults with low skills are therefore critical for engaging them in training. However, there are currently a number of gaps in the provision of these services in Finland (Hyvönen 2016).

The effectiveness of support for further education and training has also been examined in a study conducted at ETLA (Kauhanen et al. 2019) that assessed the effectiveness of support for further education and training on the completion of degrees, job changes, income and employment using statistical methods. According to the study, support for further education and training has had a major impact on graduation and career change. The effects on income and employment, on the other hand, vary between different levels of education and groups of workers. The income and employment effects for those who started off with lower levels of education were more positive than those of the other groups.

3.3.1 THE LATEST ATTEMPTS AT IMPROVING THE SYSTEM FOR FURTHER EDUCATION AND TRAINING IN FINLAND

In this chapter, I present the four latest measures aimed at improving the system for further education and training. I then shortly describe the NOSTE and KYKY programs designed to improve the labour market prospects of low-skilled adults and migrant groups. Subsequently, I show how the Helsinki Metropolitan Universities of Applied Sciences utilised artificial intelligence (AI) to adjust course contents for the future needs of the labour market. The latest AEA reform from 2020 and the aims of parliamentary efforts in 2021 are discussed in the last section.

3.3.2 THE NOSTE AND KYKY-INITIATIVES FOR TACKLING THE INEQUALITIES

The NOSTE programme was implemented by the Ministry of Education and Culture between 2003 and 2009. It aimed to raise the attainment of education for low-skilled adults who were already in the labour market. The goal was to improve the labour market prospects of this group by providing an opportunity to attain a vocational upper secondary qualification or specialist vocational qualifications. The NOSTE program also provided opportunities for IT training and finishing initial education (Antikainen 2014).

The programme increased awareness about the importance of adapting educational programmes to low-skilled workers and cooperation between stakeholders. The NOSTE programme dedicated ten per cent of the funds to outreach activities. Awareness raising took place by means of radio advertisements, through online articles and a printed magazine named Nostetta. The programme also had a truck that did road shows around Finland, promoting the programme (Antikainen 2014).

Over the implementation period of 2003–2009, the NOSTE programme attracted 25,680 participants who gained 20,000 qualifications, reaching 73% of its initial target. The evaluation of the project found that this improved self-esteem and work motivation, but it failed to improve labour market outcomes (higher wages, new position etc.). According to the follow-up research, common features of effective outreach activities include direct, personal contacts, a multiple-channel approach and peer activities (Antikainen 2014).

The second experiment presented, is the Helsinki Skills Centre's programmes KYKY I & KYKY II (*Koulujen Yritysten Kiihdytetty Yhteiskehittäminen*) that took place 2015–2019. One of the target groups of the KYKY projects were stay-at-home parents who typically have little contact with authorities. Here, the main target groups were Somali, Kurdish and Arabic speaking migrants. Outreach took place with the help of municipalities, NGO language-learning groups, but also by approaching individuals about the programme in food shops frequently used by immigrants. The programme employed counsellors from within these communities, as it was recognised that personal contacts and common language were the keys to engaging participants. The programme is funded by European Social Fund and it has been operational since 2014 (KYKY 2020).

The KYKY I project reached 180 first-generation immigrants, of which 85 per cent were stay-at-home parents. After 12 months of the program, 40 per cent took up vocational training or paid work, 30 per cent basic or general education and 30 per cent were still stay-at-home parents (usually mothers) or unemployed. In the KYKY II project, the results were closely similar. There, 65 per cent of the participants took up paid work or education and 35 per cent remained as stay-at-home parents or unemployed after one year in the program (KYKY 2020).

3.3.3 AI FORECASTS THE FUTURE FOR FURTHER EDUCATION AND TRAINING

The Helsinki Metropolitan Universities of Applied Sciences collaborate with Headai Ltd., a for-profit organisation specialised in artificial intelligence (AI). The objective of this collaboration is to analyse the gap between the skill-needs of the labour market and their further education offerings. Through artificial intelligence, 10,749 course contents at The Helsinki Metropolitan Universities of Applied Sciences were optimised from the perspective of anticipated skills in the Finnish labour market (Headai 2019). Headai uses AI to analyse job advertisement and extract real-time information on the demand for skills in the labour market. This information is then compared to the skills conveyed in the existing education programmes, extracted from curricula and study programmes using the same technology. Both skill demand and the skills supplied through existing education programmes are visualised in competence maps. These maps are also useful in comparing the skill content of different education programmes (Headai 2019).

These institutions aim to use this data to improve the understanding of current and future skill demand. The aim is to provide information and guidance to students on course selection and individual learning paths. In addition, the data is used in shaping curriculum development and for developing the competencies of university staff. The AI unravels the shortcomings of the current education offers from the perspective of labour market needs, which creates a competitive-based motivation to readjust the education offers. Headai received the Ratkaisu 100 Challenge Prize in 2017 for its innovative work on skill mapping. The competition was organised by Finnish Innovation Fund SITRA (SITRA 2019).

3.3.4 THE AEA REFORM OF 2020 AND FUTURE WORK

The problems of the existing system are widely acknowledged. One of the main issues has been the reconciliation of work while studying. As has already been illustrated, the main barrier in the Finnish system is the lack of financial incentives. In August 2020, the parliament passed a bill that allowed adult students to earn 1500 euros in salary without losing the full benefits of the AEA. In addition, if the salary from the study month is more than 50 per cent of normal salary, students must complete at least 2 course credits. If the salary is less than this amount, the minimum requirement for AEA is 4 course credits. While previously any income reduced the eligibility period of AEA, now the work income reduces AEA months by 0,5 if the income is over 50 per cent of the salary. If the work income is less than 50 per cent of the original salary, AEA-months are reduced by 1. The maximum period of AEA is still 50 months, but this is reduced by 0,5 or 1 depending on the extent of work income. The overarching goal of the reform is to make the AEA population more heterogeneous so that the underrepresented groups, like older males in working in manufacturing, would attend further education and training (Met-sämäki/Vanala 2020).

The work on making the system more viable for under-represented groups continues. In September 2019, the Ministry of Education and Culture created a working-group that has the task of preparing the next reform by March 2023. The mission is to review further education and training in its entirety and to prepare a proposal for reforming the system. The review of lifelong learning takes into account the whole educational path from linking the provision and financing of education, social security, unemployment security, voluntary and labour market education, and the identification of skills to the new system. Further preparation will examine, among other things, the development of benefit systems to better support, for example, course-based, non-degree education. At the same time, the guidance services offered to employees will be developed in further work. The aim of the project is to create a comprehensive digital service that would combine labour market information, training provision and guidance services.

The Finnish Parliament approved the reform of support for adult education and training in the spring of 2020 with the requirement that the effects of the reform be monitored and then reported to the Parliamentary Committee on Working Life and Equality by the end of 2021.

3.4 CONCLUSION AND AUTHOR'S RECOMMENDATIONS

Is Finland ready for future? In short, the answer is 'no'. Currently, the system for further education and training caters to groups that are not at the centre of labour market polarisation caused by globalisation and technological change. The Finnish system is characterised by insider-outsider divide meaning that the system for further education and training does not reach the unemployed (or self-employed) as effectively as employees with a permanent contract.

Although further education and training has value in itself, it is also important to channel it to the groups that most benefit from it/groups most affected by rapidly redundant skills. From the perspective of the size of the Finnish system for further education and training, in addition, it is highly unlikely that it is ready for the challenges occurring as the older population exits the labour market at record levels. Due to the fact that the re-educated adults are rarely from the most vulnerable groups, the system isn't ready as the working-age population shrinks by 111,000 (of 3,4 million) in the next two decades due to ageing.

The positive aspect¹⁰ is that the challenges are widely acknowledged by the administration and researchers. Due to the plurality of providers of further education and training and the theoretical ability to adjust, the Finnish approach has its merits and potential for future. However, reforms

making the AEA viable option for the low-skilled have to be made quickly. The negative aspect is that from the viewpoint of challenges, very little has happened at the political level. The ministerial working-group have been given an ambiguous task to inspect the system as a whole and to give its recommendations for reorganisation in 2023. Because policies for further education and training are not at the top of the Finnish political agenda, it is likely that the outcomes remain thin in 2023 and the years that follow.

Concerning the future recalibration of the Finnish policy for further education and training, the case of self-employed may suit as an illustrative example. For those in self-employment, many of the eligibility criterion of AEA seem unreasonable. Of the long list of requirements, the work history of eight years combined with the demanded negative impact for business or shutting it down completely basically rules out a significant portion of self-employed from further educational support. Lowering the eligibility criterion might make AEA a viable option for self-employed in the future. In Finland, the self-employed can't register as unemployed, which puts courses from employment and social security offices out of their reach. This might explain why the self-employed rarely participate in up-skilling activities in the system for further education and training. Surely, they can participate in courses, for example, offered by the Adult liberal education system, but the fact that their source of livelihood is almost totally market dependent severely restricts the actual availability of this option.

It is clear that no single change is enough to secure the skills needed in working life for all groups, and especially for workers in the most under-represented groups¹¹ in the Finnish system for further education and training. It is important that reform and development work takes a wholistic approach with consideration of the structures of working life, educational pathways, and the financing of studies.

Currently, information and guidance that helps adults in under-represented groups to overcome the multiple barriers they face to learning is not comprehensively available. To ensure up-skilling of all adults continuously, Finland should:

1. Further develop one-stop-shops that provide comprehensive advice and guidance.
2. Strengthen the capacity of the employment offices.
3. Improve the understanding of the target groups by collecting and analysing data.

Finland should also consider the introduction of a targeted programme to improve the learning motivation and the skill levels of all adults, especially the ones in most vulnerable groups. To be successful, the programme must be easy to access, low cost or free of charge, not too time intensive

¹⁰ This is not to say that the Finnish system lacks positive aspects entirely. The AEA is a relatively well-acknowledged social security benefit among younger demographic groups. It is popular in social and health care sectors, in administration and education where it may provide career opportunities that otherwise wouldn't exist. Further education and training is focused on vocational and polytechnic degrees and the plurality of education providers means that there are alternatives when it comes to study selection.

¹¹ The under-represented groups in systems for further education and training mainly consist of people vulnerable to changing skill-requirements. People in both groups are often less-educated, low-paid workers in an unstable labour market situation, and workers in male-dominated industries and/or with longer work history.

and providing flexibility outside working hours. Some stakeholders suggest that the Liberal Adult Education system may be well placed to deliver such programmes, making use of their well-known brand, nation-wide coverage and strong links to the local community. Other options include the provision of contextualised learning of basic skills, for example in the workplace. To ensure that education opportunities are relevant and useful for all adults, Finland should:

1. Develop a programme of short courses that aim to improve motivation towards learning.
2. Contextualise the learning activity / activities.
3. Further promote the reconciliation of work with adult learning starting from the benefit system. ←

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4

POLICIES FOR FURTHER EDUCATION AND TRAINING IN NORWAY

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4.1 SKILL REQUIREMENTS OF THE FUTURE: CHALLENGES IN NORWAY

Norway has a population of about 5,4 million. Employment rates are high in an international context, and Norway has a high level of productivity. Women account for 47 per cent of the work force. However, employment rates for both men and women have decreased over the last decade. In 2018, employment rates were 77 per cent for men and 73 per cent for women (Nilsen 2020). The coronavirus pandemic has drastically changed the outlook for the economy. In 2020, the Norwegian economy entered a recession that is expected to last for years to come (EURES 2020).

Tripartism or tripartite cooperation between trade unions, employer's associations and government has been important in order to generate competitiveness through moderate wage increases, thereby ensuring high employment rates (Nilsen 2020). Since the 1990s, skills development and training have become increasingly important as a topic for tripartite cooperation. In order to maintain high wage levels and high productivity, Norway needs a highly skilled workforce with opportunities to upgrade skills and qualifications according to changing labour market demands (Alsos et al. 2019). The state has the main responsibility for the formal education system, but social partners have particular influence on the content and organisation of initial vocational education and training (VET) (Alsos et al. 2019; Bowman 2005).

The general level of education in Norway is high, but there are a number of challenges affecting the future need for further education and training. Despite high public spending on education, student performance in PISA has stagnated over time. Performance gaps between boys and girls and between immigrants and non-immigrants are among the largest in the OECD countries (OECD 2020). Dropout rates in upper secondary education are high, especially within vocational programmes. The share of 25–34-year-olds with at least upper secondary level education decreased in the period from 2005 to 2018 and is now below OECD average levels. In the same time period, tertiary qualifications among 25–34-year-olds increased, but the increase was moderate compared to other OECD countries. Nevertheless, tertiary education levels still remain above the OECD average (OECD 2020).

Globalisation, technological change, demographic change and climate change are often referred to as the main drivers or trends expected to shape the future of work (Dølvik/Steen 2018; International Labour Office 2017).

These trends will shape skills demands in different ways depending on national conditions. The favourable economic developments related to the petroleum sector activity in Norway since the 1970s will not necessarily be followed by continued high growth rate in the years ahead. In the last decades, petroleum sector activity has stimulated the development of a large and technically advanced petroleum service industry. In addition, revenues from the petroleum sector have formed the basis for high employment growth in service industries serving the domestic market. However, demand impulses from the petroleum sector is expected to decline in the coming decades (NOU 2015 1).

The skills of the workforce need to be developed and adapted to changing needs in the future. In order to address these issues, in 2017, Prime Minister Erna Solberg, five government ministers and the heads of eight main confederations of trade unions and employers signed the Norwegian Strategy for Skills Policy 2017–2021. A tripartite group, the Skills Policy Council, was established and given the responsibility for implementing the strategy (Alsos et al. 2019).

An ageing population is one of the challenges addressed by the Skills Policy Council in their latest report (NOU 2020 2). The Norwegian population is getting older and working longer. Accordingly, skills policies have to be adapted to the needs of older workers in order to prolong professional careers. Research shows that facilitating access to formal education among older workers may be an important contribution for extending their working lives (Midtsundstad 2019; Midtsundstad/Nielsen 2019). An ageing population also increases the need for labour in the health and care sector. In the future, a combination of urbanisation and a decline in immigration is expected to lead to an unmet demand for health personnel, especially in rural districts.

For many years there has been a shortage of engineers and skilled workers in the Norwegian labour market. The situation has improved when it comes to engineers, but the shortage of skilled workers is expected to increase in the years to come. According to projections from Statistics Norway, there is likely to be a shortage of workers in the education and healthcare sectors, whereas there will probably be a surplus of social scientists and business administration graduates in the years ahead (NOU 2015 1).

4.2 FURTHER EDUCATION AND TRAINING IN NORWAY: MAIN CHARACTERISTICS

4.2.1 INSTITUTIONS AND LEARNING INFRASTRUCTURE

Adults who have not received adequate primary or lower secondary education have a statutory right to such education. People who have completed primary and lower secondary school education or equivalent, but who have not completed upper secondary education have the right to access such education upon application. Municipal or county education authorities are responsible for covering the cost of primary and secondary education for adults.

For vocational qualifications at the upper secondary level, there are two main routes available for adults: adult apprenticeships or the experience-based route based on informal learning through work. Both routes lead to the same formal qualifications as those achieved by youth through the standard 2+2 model (two years of school-based education followed by two years of apprenticeship). Adult apprenticeships are similar to youth apprenticeships, but adults can absolve all their training in the workplace, except for study in general subjects. Through the experience-based route, adults with long (normally at least five years) and varied work experience within a trade can acquire a trade certificate if they pass the written exam and the ordinary trade examination. Most candidates also follow a theoretical preparatory course (Bratsberg et al. 2019). In industry, it is quite common for employers to cover the costs of these courses. In the public and private service sectors, the candidates typically have to cover the costs themselves. The experience-based route was first introduced in the 1950s and is an important institutional mechanism for adult learning in Norway. For trade unions in industries and sectors with many unskilled workers, the formalisation of skills through this arrangement has been an important part of their wage policies, as higher wages for skilled workers are regulated by collective agreements (Bowman 2005; Skule et al. 2002). The experience-based route accounts for as much as one third of all new trade certificates each year (Bratsberg et al. 2017).

Vocational colleges (*fagskoler*) (EQF level 5) offer courses with a duration of between six months and two years. There are about 80 public and private vocational colleges in Norway. Vocational colleges receive funding primarily from the county administration with programmes that build on upper secondary education or the equivalent prior learning and work experience. Tertiary vocational education is based on tripartite cooperation at national and regional levels. At the national level, cooperation is organised in the National Council of Vocational Colleges, with representatives from the vocational education sector, trade unions as well as employer and student organisations. The council has an advisory role to the Ministry of Education and Research. The county authorities offer programmes within technical,

maritime, and healthcare work. Private providers offer programmes within a variety of areas like arts, business administration, media and information and communications technologies (ICT) studies (Kyvik 2016). Technical, maritime and health work programmes mainly recruit students with a vocational qualification and often with relevant work experience. Vocational colleges within these areas largely serve as providers of further education for adult students (Støren/Waagene 2015). The majority of students in vocational colleges have work experience. About 60 per cent are more than 25 years old, and 40 per cent are 30 years or older (Kyvik 2016).

University colleges and universities (EQF levels 6 and 7) are regulated by the Act Relating to Universities and University Colleges (*Lov om universiteter og høyskoler universitets- og høyskoleloven*). The same legal framework applies to education at this level, regardless of the age of the students. University colleges mainly provide further education at the level of a bachelor's degree in the areas of teacher training, nursing, engineering, social work, economics, and business administration, as well as programmes at masters' and doctoral levels. Universities and specialised university institutions offer academic bachelor and master's programmes, as well as professional programmes (Kyvik 2016).

The legislation that regulates external funding of life-long learning at public colleges and universities supports the principle that education should be free. However, under certain circumstances institutions may sell educational services, either through fees from individual students or as contract education aimed at companies. There is no unified interpretation of the legislation within the sector (NOU 2019: 12).

4.2.2 FINANCIAL SUPPORT

Further education and training are financed by private actors more often than in other parts of the education system. However, public support still constitutes a significant share. The share of public funding varies widely across different educational institutions and study programs. According to an estimate in a report from 2013, about 1.2 per cent of GDP was spent on further education and training in Norway (FiBS/DIE, 2013). The state financed about 55 per cent, whereas businesses and individuals financed 22 and 23 per cent, respectively. For the individual participants, the largest costs related to further education and training are often lost earnings (Eggen et al. 2018).

The State Educational Loan Fund (*Lånekassen*) provides financial support for school fees and subsistence for adults in courses of further education and training. All students in universities, university colleges and vocational colleges approved by NOKUT¹² are entitled to basic support from State Educational Loan Fund for up to 8 years. Students in upper secondary education with statutory rights as adults are also entitled to basic support. People with statutory rights as adults in upper secondary education need to be 25 years or older, with completed basic and lower secondary

¹² NOKUT (the Norwegian Agency for Quality Assurance in Education) is an independent expert body under the Ministry of Education and Research.

school, but not upper secondary school, or with upper secondary education in another country that is not approved in Norway (Lånekassen, 2021a). Adult apprentices may receive financial support in accordance with the rules that apply for universities and university college education. Basic support is a loan, not a grant, but up to 40 per cent may be converted to a grant for students who complete their educational programme and have income and assets below set limits. Adults in further education and training will normally exceed these limits, meaning that their loans will not be converted to grants. All students have to apply for a loan, but most applications are processed quickly, normally within 24 hours (Lånekassen 2021b). Students above the age of 50 will receive less loans, and people above the age of 65 are not eligible for funding from the State Educational Loan Fund. The financial schemes are primarily developed for full-time students in initial education. The level of funding is low compared to the income level for most employees. To qualify for a loan, studies must take place at a formal educational institution, have a duration of at least one semester, and the student must aim for at least 50 per cent study progression. The State Educational Loan Fund is currently the only universal, public instrument for financial support during further education. In the academic year 2017–2018, 12,500 persons between age 35–59 received loans from the State Educational Loan Fund. There is no similar system for financial support for non-formal education (NOU 2019: 12).

A separate law on informal adult learning regulates organised learning activities outside the formal education sector. The law regulates funding for study associations and is administered by Skills Norway. Skills Norway is the Directorate for Lifelong Learning under the Norwegian Ministry of Education and Research.¹³ Study associations mainly provide educational and training opportunities that are independent of curricula and exams. However, they can also provide formal training. Study associations receive public funding based on hours of further education and training activity and according to special applications for pedagogical work, but participant fees constitute their main source of funding.

The Norwegian folk high schools are regulated by a separate law.¹⁴ The folk high schools generally do not grant academic degrees. They offer short courses lasting between two days and three months, and long courses with a duration between four and ten months.

Skills Norway is responsible for increasing the participation rate in adult learning with a special emphasis on programmes focusing on basic skills. Skills Norway works

in close co-operation with social partners to advance adult learning in working life.¹⁵ Skills Norway administers Skills Plus, a programme aiming to provide basic work skills. The main objective of Skills Plus is to prevent the exclusion of persons with low skills from the labour market.¹⁶

Data from the Learning Conditions Monitor¹⁷ shows that 58 per cent of all participants in adult education and training in 2018 were students in universities and university colleges. 37 per cent were at bachelor level, and 21 per cent were at master's level. 16 per cent of the students were studying at vocational colleges, and 26 per cent were students at upper or lower secondary level (Kompetanse Norge 2019).

One group of workers that is often missing in the literature or in statistics on participation in further education and training is the self-employed. However, data from the Labour Force Survey show that participation in formal and non-formal education in 2008–2014 was significantly lower among self-employed than among ordinary employees. One important explanation is that it is more difficult and also more costly for self-employed persons to be away from work. Self-employed who participate in further education and training have to cover both the direct costs as well as the lost revenue themselves (Grünfeld et al. 2016: 39).

4.2.3 A RIGHT TO EXEMPTION FROM WORK?

The right to exemption from work related to further education and training is regulated by the Norwegian Working Environment Act. In order to be granted educational leave one must have worked for the current employer for at least two years. Employees who have been in paid employment for at least three years are entitled to full or partial leave to participate in organised training. The educational leave can be either full-time or part-time for up to three years. The course of education must be work-related, but the education program does not have to be relevant to the students' current job. Educational leave does not cover subsistence or other financial support. However, some professions have paid educational leave as part of their collective agreements.

4.2.4 COUNSELLING AND CAREER GUIDANCE

Public career centres offer free career guidance and job search assistance to anyone over the age of 19. Some career centres offer courses and are therefore also a provider of further education and training (NOU 2019: 12). Skills Norway coordinates the career guidance field in a National Unit for Lifelong Guidance that was established in 2011 (Kompetanse Norge 2021).

¹³ On 1 July 2021, Skills Norway became a part of the new Directorate for Higher Education and Skills. For further information, read: <https://hkdir.no/the-directorate-for-higher-education-and-skills/> 08/09/2021.

¹⁴ The folk high schools are independent and exam-free boarding schools. There are around 80 folk high schools in Norway, spread all over the country. The folk high schools constitute an alternative supplement to the formal education system. For further information, read: <https://norwayconnects.org/2015/10/14/what-are-norwegian-folk-high-schools/> 08/09/2021.

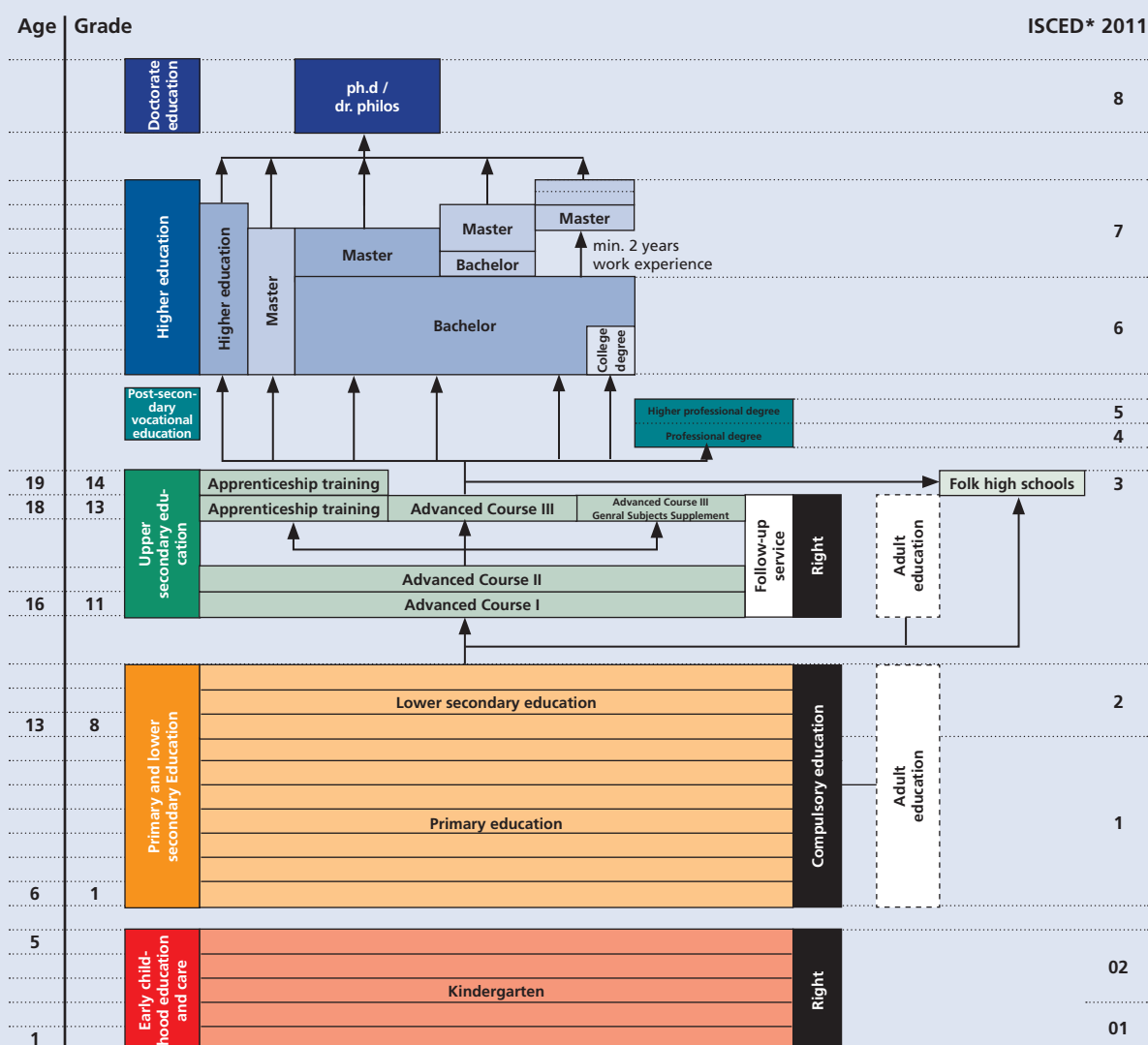
¹⁵ For further information on Skills Norway's efforts, read: <https://www.kompetansenorge.no/English/About-Skills-Norway/> (08/09/2021).

¹⁶ To gain further insights into the objectives of Skills Plus: <https://www.kompetansenorge.no/english/basic-skills/competenceplus/> (12.09.2021).

¹⁷ The learning conditions monitor is an annual survey of the conditions for learning and skills development among adults, with a special emphasis on employed persons. The Monitor is carried out as a supplement to the Labour Force Survey (Dæhlen/Nyen, 2009).

FIGURE 1

The Norwegian education system 2020



Source: Statistics Norway 2019

* ISCED = International Standard Classification of Education

Most counties have established career guidance partnerships. The objective is to develop cooperation and coordination between the different career guidance services in each county and to ensure equal access to career guidance for everyone. Career guidance partnerships include regional authorities, the educational sector, the work and welfare sector, social partners and other relevant stakeholders.

Government websites like *utdanning.no* provide information about the education system and available study programs in addition to information about right to educational leave and funding opportunities. In 2018, Skills Norway launched a national digital career guidance service at *karriereveiledning.no*. The aim is to provide a supplement to regional services and to provide public and free career guidance regardless of age, place of residence, work and educational

situation. This is offered either online to the public with a chat function or by means of a telephone service.

4.2.5 THE ROLE OF COLLECTIVE AGREEMENTS

In 1994, the Norwegian Confederation of Trade Unions (*Landorganisasjonen i Norge*) (LO), the principal Norwegian labour federation, succeeded in negotiating a new chapter in the Basic Agreement (*Hovedavtale*). According to Chapter 16 of the agreement, employers have the obligation to co-operate with employees in determining the firm's skill requirements. It is then the responsibility of the employers to finance the additional training needed to meet those requirements (Bowman 2005). Collective agreements in the public and private sectors state that employers are responsible for

updating the work-related skills of their employees. Collective agreements create incentives for employees to participate in further education and training, as well as strengthening the relevance of further education programs and establishing funding schemes that stimulate participation. About 69 per cent of employees in the labour market are covered by a collective agreement (2017). In the private sector, the coverage is about 52 per cent (Nergaard 2020).

Some collective agreements, both in private and public sectors, have provisions on funds and support schemes for further education (Olberg et al. 2018; Talberg 2019).

Support for subsistence during education and training is usually not covered by collective agreements. It is common for employees to receive pay during learning activities that are necessary to perform their current work tasks. For those who want to undertake a course of study or training that is not directly relevant to their current job, the opportunities are more limited. The employer has little incentive to pay salaries or tuition fees for learning activities that are outside the company's needs. Such costs are often covered by the individual student or through other schemes (Seip 2018). The main schemes for adults are currently provided by the State Educational Loan Fund. Since 2019, new funding schemes have also been developed as part of the government's competence reform. Current examples are the establishment of tripartite industry programs for competence development and an ongoing pilot project aiming to develop a new scholarship scheme for skilled workers.

4.3 EVALUATION AND CURRENT REFORM PROPOSALS IN NORWAY

As a country with a high wage level and a high cost of living, Norway is depending on a highly skilled workforce at all times. A good basic education is necessary, but not sufficient in order to meet the skills needs in a labour market that is constantly changing. A well-functioning system for lifelong learning should provide training opportunities for workers so that they can update their skills to changing needs throughout their working lives. There are a number of factors indicating that the general challenge of matching the supply of further education and training with the demands of labour markets is insufficiently addressed by the current system. In 2020, six out of ten companies organised in NHO (the Confederation of Norwegian Enterprise), which is the largest employer organisation in Norway, report that they have unmet skills demands. Over the last few years, there has been an increase in the proportion of companies that report a large degree of unmet demands for skills (Rørstad et al. 2021).

National survey data from the Learning Conditions Monitor (*Lærevilkårsmonitoren*) indicate that an increasing share of employees in Norway experience that they have a learning-intensive job. However, the share of employees who participates in further education and training seems to have decreased in the last ten years, from 10 per cent in 2009 down to 6 per cent in 2019. In addition, participation

in courses, seminars and other non-formal learning activities has decreased since the early 2000s (Meld. St. 14 (2019-20)). The reasons for the decline are not clear. It should be noted here that there is an apparent discrepancy between data from the Learning Conditions Monitor and other data sources. Registration data from education and training providers show stable participation rates or even a slight increase in participation in further education and training (NOU 2019: 12). Nevertheless, increased participation in lifelong learning is currently a matter of great political concern in Norway.

Companies and enterprises play an important role in facilitating participation in further education and training. When time and resources are limited, it can be challenging to find relevant further education and training offers and to find time for to participate in them. In order to meet the demands for skills there is a need for more flexible, shorter and more customised courses than the courses currently offered by many further education providers (Brandt et al. 2009; NOU 2019: 12).

Participation rates vary considerably between different groups of employees. These differences have been stable over time. Persons with high level of formal education participate more in further education than those with a low level of formal education. There are higher rates of participation from employees in full-time employment than those in part-time employment. Older employees participate less than younger employees do, and slightly more women participate in further education than men. The explanation for the gender difference is mainly that many women work in sectors with a particularly high participation rate in formal education (Dæhlen/Nyen 2009; Ulstein 2019). The majority of workers with low skills or low formal education state in surveys that they do not want to participate in education, courses or training if given the opportunity. One possible interpretation is that workers with low formal education do not perceive a need for such education or that they do not know of education programs that cover their needs. Another possible explanation is that motivation for further education is low due to negative experience related to earlier education. In either case, the facilitation of adequate learning opportunities is necessary, but probably not sufficient to increase participation. Short and work-related courses and training taking place in the workplace seem to be the preferred form for learning for workers with low participation in learning activities (NOU 2020: 2).

An official committee report on further education and training concludes that the main challenge in the current system for further education and training is that the educational offers that exist are not sufficiently adapted to the changing skills needs of labour markets. More flexible, shorter and more customised study programs need to be developed in close cooperation between education providers, employers and employees (NOU 2020: 2).

Further education and training that employees can combine with work is also important in order to reduce the need for subsistence support. Taking time off from work to participate in further education and training may at times be necessary, but this option will always be expensive,

whether the employees, the employer or the public is carrying the costs (NOU 2019: 12).

Formal access to upper secondary education for adults has been strengthened in the last few years, but so far, this has not led to a significant increase in demand. One possible reason is insufficient information, another is that the study programs available for adults are inadequate given the adults' life circumstances and needs (NOU 2019: 25). Adults who have not completed upper secondary education, have a right to such education, but the programs offered are often difficult to combine with work.

Adults may apply for upper secondary education even if they have no statutory right. Figures show that 30 per cent of those who applied for upper secondary education in 2018 did not have a legal right to such education. Only 14 per cent of those without a right received an actual offer, indicating that the current legal framework is a barrier to participation in further education at the upper secondary level (NOU 2018: 15).

A new government white paper, *The Completion Reform (Fullføringsreformen – med åpne dører til verden og fremtiden)*, was presented to Norwegian Parliament in March 2021 (Meld. St. 21 (2020-21)). Here, the government proposes to extend the right to upper secondary education by granting everyone with a completed upper secondary education the right to get new vocational education and training at the upper secondary level. The government suggests that the requalification should be offered as training specifically organised for adults and that module-structured training should be the main model for all adult education. The government also plans to propose changes to State Educational Loan Fund (*Lånekassen*) regulations in order to adapt these to module-structured study programmes.

Vocational colleges are expected to be a major supplier of further education and training, and it is a stated political goal that more people should participate in study programs offered by vocational colleges. However, several factors currently limit the role of vocational colleges in further education and training. One of these factors is that vocational schools can mainly offer training programs that correspond to six months to two years of full-time education. Shorter programs are not eligible for public funding (NOU 2019: 12). More recently, there have been signs of a change on this front. In the government white paper titled the *Competence Reform (Kompetansereformen)*, the government has proposed to remove the restriction on the minimum length of study programmes in vocational colleges and to present a new strategy for higher vocational education in 2021 (Meld. St. 14 (2019-20)).

Universities and colleges are often criticised for not adapting their further education and training programmes sufficiently to the needs of the labour market. There has been a steady increase in the number of students in basic programmes in higher education. A large number of students in ordinary programmes may contribute to a downgrading of further education and training programmes aimed at the working population. The public committee on further education and training has proposed that the financing system for higher education should be changed in order to

give stronger incentives for institutions to offer further education and training adapted to the needs of employees seeking to gain new skills. The committee also proposes that public funding should support the development of flexible learning programmes and shorter courses (NOU 2019: 12).

A general conclusion from the public committee that presented their report on further education and training in 2019 was that there is a strong need to strengthen the offer of training programmes defined by the needs of the labour market. The committee points out that at least two conditions must be in place for an education or training programme to be relevant to the labour market. It must have a content and scope that is in demand, and it must be possible to combine further education and training with work.

4.4 CONCLUSION AND AUTHOR'S RECOMMENDATIONS

More than two decades have passed since a government white paper, the *Competence Reform (Kompetansereformen)* was approved by the Norwegian Parliament in January 1999. The reform emerged through national wage bargaining rounds between the social partners and the state (Payne 2006; Skule et al. 2002). The last competence reform led to a number of regulatory changes to improve the conditions for lifelong learning. Adults now have a statutory right to primary and secondary education. Employees who have been in paid employment for at least three years are entitled to full or partial leave to participate in organised further education and training. Administrative processes have been developed and implemented for the documentation and assessment of prior learning for adult students in upper secondary education, and adults over the age of 25 can be admitted to higher education based on prior learning. The rules in the State Educational Loan Fund have been better adapted to the needs of adults, and employer-financed education and training is a tax-free benefit for the employee. However, the question of how to finance life subsistence costs for employees in educational leave has not been resolved. The demand that employers should contribute to the funding was rejected by NHO who argued that employers could not be expected to pay for further education and training that was not directly relevant to business needs (Payne 2006: 481).

In June 2020, a new government white paper, *The Skills Reform – Lifelong Learning (Kompetansereformen – Lære hele livet)*, was approved by the Norwegian Parliament. The focus of the reform is upskilling and reskilling in the workforce. Improved access to educational loans for adult students and improved career guidance at the national and regional level are among the measures in the new reform. The reform measures address employees who need to develop their skills in order to find a new job, as well as those who need to develop new skills in order to keep their current job or to qualify for new positions in their current workplace. In addition, the government has allocated funding for flexible training programs and tripartite industry programs for

skills development. In the tripartite industry training programs, the aim is to increase participation in training within selected industries. In 2019, training programs were established in the municipal health and care sector. In 2020, the scheme was expanded to seven new industries. These initiatives may lead to the development of training programs that are considered more relevant and accessible to firms and employees, but it is still too early to say if these measures will be sufficient in order to achieve a better match between the supply and demand of further education and training in the future.

One major challenge related to further education in Norway is that the supply of further education and training is not sufficiently adapted to the needs of the labour market. There seems to be an unmet demand for more flexible, shorter, and more targeted training developed in close cooperation between educational institutions and labour market organisations. Another challenge is funding. As previously mentioned, employees have a statutory right to education leave after three years in working life. However, opportunities for financial support covering subsistence as well as fees are limited, meaning that long educational leaves are unrealistic to most adults. For the self-employed, it is often difficult and costly to be away from work, and there are few funding opportunities available. A third challenge is the uneven distribution of further education and training among workers with different educational backgrounds. Those with higher education participate more often in further education and training, meaning that the current system of further education and training tends to increase educational inequalities in the adult population. There is therefore a need for further education and training policies targeting the needs of workers with low formal education in order to increase their participation in further education and training adapted to current and future demands for skills in the labour market. ←

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CONCLUSION: FURTHER EDUCATION AND TRAINING SYSTEMS IN COMPARISON

The countries studied here are all being confronted with major labour market policy challenges that will only intensify in the foreseeable future. In order to meet these challenges, these countries rely on differently structured further education and training systems. This study has compared these systems and examined which successful instruments and regulations could serve as impulses for reform.

5.1 LABOUR MARKET POLICY CHALLENGES

Digitalisation constitutes the most central change seen in labour markets today. The application of artificial intelligence has meant that routine activities, information processing and decision-making processes can now become partly or fully automated. As a result, new skill requirements are emerging, professions are changing or disappearing, and in some cases, completely new fields of work are emerging. This trend runs through a large number of heterogeneous sectors: From health professions to administrative jobs to industrial labour. A broad stratum of people on labour markets must to acquire new skills and qualifications in order to secure their employability.

In Germany, Norway and Finland in particular, this development is additionally burdened by ageing societies in which large sections of the workforce have already been working in their professions for decades. Older demographic groups are particularly threatened by the devaluation of their skills. At the same time, as the population ages, the increased demand for skilled workers in the care sector is difficult to meet with existing staff. This is already quite evident in Germany but is also foreseeable in Norway and Finland. Lower birth rates among younger generations mean that the number of young people entering the workforce cannot replace the number of people retiring from the labour market, therefore, also meaning a shortage of skilled workers in nursing professions. This development is also most pronounced in Germany.

While industry in Denmark is now only of secondary relevance for economic development, in the other countries looked at here it continues to be a high-employment sector. In Norway, the foreseeable declining growth rates in the oil-processing industry will lead to job losses. The Finnish and German metal industries, and in the latter case the automotive sector, also face the challenges posed by the decarbonisation of the transport sector, which will require extensive re-skilling of the workforce.

In all the countries studied here, high educational disparities among the workforce are hampering further education and training across the board. Low-skilled workers have a special need for support. The success of the transformation of the workforce will be determined by the ability to better integrate this group.

5.2 THE INSTITUTIONAL DIVERSITY OF FURTHER EDUCATION AND TRAINING SYSTEMS

Systems of further education, qualification and training are central policy instruments for overcoming the challenges facing today's labour markets. The designs of these systems differ greatly in the countries studied, both in terms of the relevant actors and funding possibilities, as well as a number of other framework conditions. In a first and simplified approach, the three Nordic countries, which despite all heterogeneity show many similarities, can be summarised in one group. Compared to Germany, the three Nordic countries are characterised by comprehensive public further education and training offers for employees along with relevant guidance and financial support. In contrast, Germany has long been concentrating its labour market policy primarily on the unemployed, or groups of people acutely threatened by unemployment, and has only ever had a comparatively rudimentary offer for those in paid employment. In the next paragraphs, the individual facets of the systems for further education and training will be examined in more detail.

Denmark and Norway are similar in that their social partners cooperate with the state and have a great deal of competence in the development, management and provision of further education, and training. The predominant education providers in Denmark are the AMU Centres, which were established in the 1960s in tripartite cooperation between the state, the trade unions and employers' associations, and specialise in the needs of employees. In Norway, in addition to the usual formal educational institutions, continuing education is mainly provided by the vocational schools that are run by the social partners in cooperation with the state. In Finland, on the other hand, trade unions and employers' associations have only a subordinate relevance in further education and training for employees. Here, state authorities are primarily responsible for the needs analysis and development of further education and training, which is generally provided by public bodies. This is where Germany stands out in comparison, owing to its low-level of state

steering functions and the widespread use of private education and training providers in the area of non-formal education and training offers.

In all countries except Finland there is an entitlement for those in secured employment to take time off work in order to participate in further education and training. This is regulated by law in Germany and Norway, while in Denmark the collective agreements between the social partners provide for a corresponding legal entitlement. In Finland, on the other hand, time off is strongly dependent on the employer's consent.

When it comes to financial support for individuals undertaking further education and training, Denmark and Finland stand out with comprehensive wage replacement benefits. Social partners in Denmark have special competence in this area. People of all skill and qualification levels in secured paid employment can receive a wage replacement benefit equivalent to unemployment benefits from a fund that is fed by employers' contributions. In 2007, employees in companies that are members of an employers' association became entitled to the alternative of receiving benefits from the Competence Funds, which are also financed by employers. These funds were introduced through an agreement between social partners and have since administered by them ever since. Further education and training for people with higher education qualifications are usually financed directly by their employer. In Finland, the most common source of funding for employees to undertake further education and training is the Adult Education Allowance (AEA), which is financed by a combination of social contributions and taxes. Those who have worked for at least eight years are eligible, and the amount of benefit is based on salary. In addition to the AEA, many employers additionally contribute to the funding by covering the costs associated with the course of further education and training.

In contrast to the two constellations described above, in Norway, living expenses and some study costs are mostly financed through loans from the State Educational Loan Fund (*Lånekassen*). These loans are mainly granted for the acquisition of formal qualifications at recognised educational institutions such as vocational colleges and are sometimes significantly below the previous wage level. Participation in non-formal training at study associations, on the other hand, must be financed by the employees themselves, although in some cases, employers are obliged to provide to paid time off according to collective agreements. In contrast to the three Nordic countries, Germany has few funding options for further education and training for employees. The most comprehensive programme is based on the Upgrading Training Assistance Act (*Aufstiegsfortbildungsförderungsgesetz*) and promotes continuing education on the basis of an already acquired first professional qualification. Also worth mentioning here are the Education Premium (*Bildungsprämie*) and the Qualification Opportunities Act (*Qualifizierungschancengesetz*), under which people can undertake further training even if they start off with little or no formal education or training. The corresponding application

procedure was simplified by the Work of Tomorrow Act (*Arbeit-von-Morgen-Gesetz*). However, there is no general legal entitlement to funding. It is dependent on approval by the Federal Employment Agency. In addition to receiving the aforementioned benefits, further education and training measures, and the costs these incur (such travel, accommodation and required materials within reason), are tax-deductible.

Career and education guidance becomes increasingly important as skill requirements on the labour market change rapidly and those engaged in it are confronted with a broad array of possible further education and training measures. In Norway, there is a well-developed counselling and guidance service through the Public Career Centres. In addition, many municipalities have also established career guidance partnerships between social partners and administrative, educational and welfare institutions. In Denmark, further education and training guidance services are less locally networked but nevertheless comparable. Here guidance services are provided by staff from public educational institutions. In Germany, on the other hand, until recently there were no specialised public guidance services to assist with further education and training opportunities for people already in employment, so that the education providers themselves, which are often privately run, were the first point of contact for potential participants. More recently, the Federal Employment Agency, which primarily focuses on providing assistance for the unemployed or those threatened with unemployment, started to offer specific guidance services for people in employment requiring further education and training. In Finland, there are also no relevant guidance facilities and guidance is generally provided in consultation with the employer.

5.3 PERFORMANCE AND SHORTCOMINGS

There are large differences between the countries in terms of participation in further education and training. It is noteworthy that these divergences are not directly related to funding opportunities. The particularly high participation rates in Denmark are striking. Here, around 14 per cent of employees recently participated in external further education and training measures, although the figures have fallen significantly compared to the previous survey in 2009. The participation figures in Norway are at a significantly lower level, where around six per cent of employees have undertaken further vocational qualification in 2019. Here, too, the trend points downwards. Germany is at a similar level with around five per cent of employees recently undertaking external further education or training. The figures for Finland are particularly remarkable. Although the AEA is a very accommodating financing instrument for enabling the acquisition of new skills for working adults, less than one per cent of employees used it in 2020. All in all, it can be said that participation in publicly funded qualification measures is below the desired level in all four of the countries looked at here and, contrary to its increased importance, in some cases, participation in further education and training has even recently declined.

In addition to general levels of participation, the demographic composition of participant groups is particularly useful in evaluating the efficacy of systems for further education and training. Here it is remarkable that across all four of the countries looked at here, those who most utilise opportunities for further education and training are younger and more highly qualified. The particularly vulnerable groups of low-skilled and older employees are not sufficiently reached in any of the four countries. This is partly explained by cultural distance from the education system, negative learning experiences, insufficient wage replacement benefits or a lack of guidance services. Figures on the participation of self-employed are only available for Denmark. According to these figures, this target group has lower rates of participation in further education and training, which is also related to the fact that they are not eligible for subsidies and have to pay for their own costs and upkeep. A lower level of participation can also be assumed in Finland and Germany. In principle, self-employed persons in Finland have the possibility to receive financial support from the AEA, but due to their specific professional situation they usually do not meet the eligibility requirements. In Germany, too, the funding opportunities for this group of people are insufficiently developed.

In Denmark and Norway, there were significant inadequacies in the available courses of further education and training. The foci of the courses themselves were misaligned with the skills requirements of labour markets. In addition, in both these countries, as in Germany, the courses offered are incompatible with work life. There is a great need for part-time courses and short learning modules.

5.4 PROPOSALS FOR REFORM

The comparative evaluation has shown that none of the systems of further education and training studied are adequately prepared for the challenges ahead. These four countries have low or declining participation rates. In addition, exactly those groups that are most vulnerable on the labour market are hardly reached. Finally, deficiencies in the provision of further education and training could be identified for some countries. Since these systems are designed very differently, reforms must be based on the specific structures of each country. Nevertheless, there are still significant findings that can be useful for other countries, most particularly in those tools that have proven successful.

The system of further education and training in Germany showed the greatest deficits. Here, there is a clear deficit in the broader provision of financial support. In expert circles, the introduction of a work insurance scheme is being discussed. In a similar way to the AEA in Finland, this could be financed by social security contributions (which are financed in Germany by both employers and employees) as well as a tax subsidy in order to provide sufficient financial support for those undertaking further education and training measures. However, the Finnish example also shows that financial support alone does not generate high participation

rates. To ensure success, work insurance would need to be flanked by comprehensive guidance services for people already engaged in the labour market. In Germany, the project called Lifelong Career Guidance (*Lebensbegleitende Berufsberatung*) provided by the Federal Employment Agency is already such a first step. It is important that the vulnerable groups on the labour market are specifically addressed. Local cooperation between the Federal Employment Agency, social partners, welfare organisations and providers of further education and training, as in Norway, could extend the reach of guidance services. In addition, the self-employed should be included in the work insurance schemes and also supported with guidance services.

The expansion of guidance services for low-skilled workers is also very important in Finland. Here central contact points that can provide one-stop advice on courses and financing options are currently under discussion. While financial support is comparatively well developed, especially in the form of the AEA, this still poses high hurdles for the self-employed. This group of people should be better integrated through adapted access to their work situation. Finally, Finland shows some deficits in regard to time of work for those who intending to participate in further training. This depends on the employer's approval. A statutory or collectively agreed right to time off would strengthen the possibilities for employees.

In Norway, there is a need for reform, particularly with regard to the quality of further education and training offers. This is explained separately in the next paragraph. In addition, in order to better reach the vulnerable groups, offers for guidance on courses of further education and training should be further adapted within the framework of the current reform. Despite a broad range of existing offers, the most vulnerable groups are not sufficiently reached. This shows that there is still no best practice model in this respect among the countries studied and that innovative and target group-oriented approaches are needed. In addition, a reform of public funding is being discussed in Norway. Financing further education and training with loans does not present a very attractive option for long continuing education measures, and most especially considering that vulnerable groups are the intended target here. One possible solution could be to deliver partial or whole support in the form of a grant. As is the case in Finland and Denmark, the involvement of employers in the financing of further education and training measures should also be considered.

The focus of reform in Denmark is mainly being put on the framework conditions of the further education and training system. Danish companies typically plan in short cycles, so that the qualification of employees is not given high relevance. What is needed here is first and foremost, an upgrading of personnel development within companies. Furthermore, Denmark, like Germany and Norway, has deficits with regard to the market relevance of the further education and training measures offered. This is to be improved in Denmark through needs-based basic financing of AMU Centres. In addition, pilot projects like the one in Finland could be tested and further developed. Artificial

intelligence has been used there to evaluate job offers in terms of the competence requirements they contain and to match these with the existing training on offer. Artificial intelligence could be one of many tools to identify needs for further education and training more quickly and accurately. In addition to high-quality and relevant content, however, further education and training programmes must also be compatible with the working lives of the groups targeted. In Germany and Norway in particular, there is still a huge lack of relevant short and part-time qualification opportunities. ←

APPENDIX

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The Norwegian education system 2020

LIST OF ABBREVIATIONS

- AEA** Adult Education Allowance
- AI** artificial intelligence
- AMU** Arbejdsmarkedsuddannelse/ Labour Market Education
- Bafög** Bundesausbildungsförderungsgesetz
- CVET** Continuing Vocational Education and Training
- Fafo** Forskningsstiftelsen/ Fafo Research Foundation
- GDP** Gross domestic product
- ICT** Information and Communication Technologies
- ILO** International Labour Office
- ISCED** International Standard Classification of Education
- KYKY** Koulujen Yritysten Kiihdytetty Yhteiskehittäminen/ Accelerated Co-Development of School Enterprises
- LO** Landorganisasjonen i Norge/ The Norwegian Confederation of Trade Unions
- NHO** Næringslivets Hovedorganisasjon/ The Confederation of Norwegian Enterprise
- NOU** Norges offentlige utredninger/ Official Norwegian Reports
- OECD** Organisation for Economic Co-operation and Development
- PISA** Programme for International Student Assessment
- VEU-centres**
Centres for adult education and continuing training
- VET** Vocational education and training

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PROFIT



Countries in Europe are being confronted with inexorable changes to their labour markets. The broad uptake of digitalisation and artificial intelligence, as well as the transition off of fossil fuels has caused a rapid change in skill requirements across the board, while previous work experience is increasingly losing value. In view of these kinds of labour market challenges, many European countries are becoming increasingly aware of the need for further education and training.

This study takes a closer look at the provisions for further education and training in Denmark, Finland, Germany and Norway for those who need or want to improve their qualifications and skills or move into a new professional field. The focus of the study is therefore on individual further education and training. Against the backdrop of these four different institutional settings, the analyses provide useful insight into the factors that favour or hamper further education. The study thus is a must-read for policy makers committed to implementing further education policies that work.

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