Executive Summary

Recognition of non-formal and informal learning outcomes is high on policy agendas

Although learning often takes place within formal settings and learning environments, a great deal of valuable learning also takes place either deliberately or informally in everyday life. Policy makers in OECD countries have become increasingly aware that this represents a rich source of human capital. In many cases, this is fully recognised through the wage premiums paid to those with experience. However, there are some people who are not fully aware of their own stock of human capital or its potential value. There are also some individuals who are unable to put all the learning they have acquired to full use because they are cannot easily prove their capabilities to others. Recognition of non-formal and informal learning outcomes does not, in itself, create human capital. But recognition makes the stock of human capital more visible and more valuable to society at large.

Recognition gives non-formal and informal learning outcomes value for further formal learning

Recognition plays an important role in a number of countries by providing validation of competences to facilitate entry to further formal learning. This often involves exemption from certain coursework or parts of a formal study programme. This approach lets people complete formal education more quickly, efficiently and cheaply by not having to enrol in courses for which they have already mastered the content. Allowing people to fast-track through formal education by making the most of their non-formal and informal learning can also create a virtuous circle by making it more attractive for people to engage in self-directed learning.
Recognition gives non-formal and informal learning outcomes value in the labour market

Recognition provides greater visibility and therefore potential value to the learning outcomes and the competences of people in the labour market. This can make it more efficient and cheaper for workers and employers to match skills to jobs. In turn, this may make it more attractive for workers and employers to invest in on-the-job training, knowing that the outcome of that investment can be recorded and built upon. Such recognition of learning outcomes can also facilitate structural adjustment by enabling competences of displaced workers to be recognised and reapplied in other parts of the labour market. Recognition can also play a role in quality assurance systems within companies or in demonstrating compliance with regulatory requirements.

Recognition can involve several steps of increasing formalisation

Recognition of non-formal and informal learning outcomes involves a succession of steps. The first step is identification and documentation – identifying what someone knows or can do, and typically recording it. This is a personal stage, possibly with guidance. The second step is establishing what someone knows or can do. This may be a personal stage of self-evaluation (with or without feedback) or, where there is significant formalisation, it could involve reliance on an external evaluator. The third step is validation – establishing that what someone knows or can do satisfies certain requirements, points of reference or standards. In this stage, a level of performance is set and requires the involvement of a third party. The fourth step is certification – stating that what someone knows or can do satisfies certain requirements, and awarding a document testifying to this. This necessitates the involvement of an accredited authority to certify performance and possibly its level. The last step is social recognition – acceptance by society of the signs of what someone knows or can do. Ultimately, it would be possible for a recognition process to deliver fully equivalent qualifications to those obtained through formal learning.

Recognition delivers a range of benefits

Recognition generates four different types of benefits. First, it generates economic benefits. Recognition can reduce the direct and opportunity costs that are associated with formal learning, by shortening the time required to
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Recognition of non-formal and informal learning outcomes can also improve equity in three particular ways. First, it can make it easier for dropouts to return to formal learning, giving them a second chance. Second, it can be attractive to members of disadvantaged groups such as indigenous people and migrants whose competences may be less evident, or who for one reason or another have not been able to acquire qualifications through the formal education system. Third, it can help to rebalance equity between generations, since a much smaller cohort of older workers had access to higher education (and the corresponding qualifications) than is the case today.

Recognition processes are often marginal, small-scale and not yet sustainable

This review of recognition of non-formal and informal learning outcomes has revealed a wide variety of policies and practices across 22 countries. In many cases, recognition processes remain marginal, small-scale and even precarious, although a number of countries are trying to move towards more integrated systems. The challenges for policy makers are to find ways to raise the profile of recognition, simplify recognition processes, give them greater validity, and find the right balance between benefits and costs. Across all these efforts, a combination of national level policies and more localised initiatives is likely to be most effective.
Better communication about recognition is needed

The profile of recognition could be strengthened through clear communication and information about both the benefits of recognition and the processes involved. This would help to reach those who are unaware that they have acquired competences through non-formal and informal learning channels or that those outcomes have potential value. Career guidance and counselling services can play a role here, as can other services working with job seekers and other target groups. Careful targeting to groups most likely to benefit from recognition processes would help to contain the costs of communication. Effective communication with employers and unions on recognition of non-formal and informal learning and the benefits it offers them could also help to promote the acceptability of qualifications obtained through non-traditional routes.

Recognition processes could also be better integrated into lifelong learning policies

The profile of recognition could also be enhanced by more explicitly embedding it in a broader lifelong learning approach within countries. This would include encouraging a learning outcomes attitude across all learning settings – reinforcing and extending the trend already apparent towards greater emphasis on learning outcomes in the formal education system. In some countries education institutions might need to reorganise their study programmes into smaller modular study units to document what has been learned by those students who do not graduate. This can be particularly useful for those who might later take up “second chance” education. Better integration of recognition of non-formal and informal learning into existing qualifications frameworks would also reinforce its place as part of a coherent and comprehensive lifelong learning strategy.

Recognition procedures and processes could be improved

Another lesson from country experience is the scope to simplify and strengthen the procedures for recognition. A first step could be to provide a directory of qualifications that can be obtained through recognition of non-formal and informal learning outcomes. There is also scope for enlarging the range of competences that can be assessed through recognition processes and for integrating recognition processes within existing qualification
standards. This could also imply greater convergence, and even standardisation, of procedures for awarding qualifications whether the learning has occurred in a formal or non-formal/informal setting. Taken to its logical conclusion, qualifications awarded could omit any reference to where or how the learning took place.

Processes could be reshaped to give greater validity to qualifications obtained through recognition

The validity and the credibility of qualifications obtained through recognition of non-formal and informal learning outcomes can be strengthened by improving particular aspects of the recognition process. The assessment process itself is pivotal and must demonstrably deliver valid, transparent and consistent results. This may require putting in place quite rigorous quality assurance procedures. It also requires careful application of assessment techniques. Many countries currently rely mainly on portfolios, but the value of these is unclear. Instead, or in addition, countries could draw more extensively on the methods used in formal learning environments, including selective testing. Evaluators also need to be highly competent and specialised training of evaluators may be needed, even for those with experience in the evaluation of learning outcomes in formal education.

Recognition has benefits but also has costs

Although recognition of non-formal and informal learning outcomes can deliver a range of benefits, recognition processes also involve costs. Outcomes that are highly valued by users and in the labour market generate greater net benefits for a more extensive and formalised recognition process that results in qualifications. In contrast, other outcomes may not justify the additional costs incurred by going all the way to formal qualifications. This suggests that countries need to carefully examine costs and benefits when looking at options for extending recognition processes. A further trade-off to be considered is the balance of benefits and costs of recognition compared with formal learning. Formal education typically has economies of scale, and thus marginal costs fall sharply as more people enrol in a formal education programme. In contrast, recognition processes are likely to have increasing marginal costs if those whose competences are easy to validate are more likely to come forward. In any case, the expected benefits will only accrue if recognition procedures and practices put in place are of the highest
quality and consistency. Otherwise, misleading information about the learning outcomes of individuals could generate additional economic costs.

The challenge for policy makers is to find the right balance

This review has laid out the benefits of recognition of non-formal and informal learning outcomes and taken stock of policies and practices in OECD countries. Recognition policies can play a significant role in a coherent lifelong learning framework and there is clearly scope to improve present practices to allow recognition to realise its full potential for making visible the human capital people already have. The challenge for policy makers is to find the right balance by developing recognition processes that generate net benefits to both individuals and to society at large.