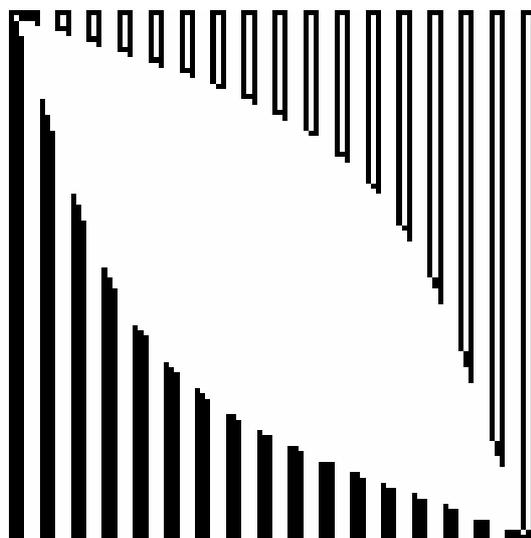


THEMATIC REVIEW ON ADULT LEARNING



THE UNITED KINGDOM

COUNTRY NOTE

Visit: April 2004

Final version: June 2005

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1 INTRODUCTION

1.1 Objectives and organisation of the thematic review

The main purpose of the thematic review on adult learning is to understand adults' access and participation in education and training and to enhance policies and approaches to increase incentives for adults to undertake learning activities in OECD countries. It is a joint activity undertaken by the OECD Education Committee (EDC) and the Employment, Labour and Social Affairs Committee (ELSAC) in response to the need to make lifelong learning a reality for all, to improve learning opportunities of low-skilled adults and sustain and increase employability.

A total of 17 countries will have participated in the thematic review. All related documents, Background Reports and Country Notes are publicly available on the OECD adult learning website (<http://www.oecd.org/edu/adultlearning>) and constitute a valuable source of information for international comparison. A comparative report providing an analysis of adult learning participation and policies as well as good practices and recommendations in the first nine reviewed countries was published in 2003 (OECD, *Beyond Rhetoric: Adult Learning Policies and Practices*, Paris).

Countries participating in the second round of the thematic review have chosen between two options: A full-scale review covering adult learning in a comprehensive view or a focussed review addressing adult learning of the low-skilled adults. From the nine countries participating in the second round, four have opted for the full-scale review (Austria, Hungary, Mexico, and Poland), and five for the focussed review (Germany, Korea, Netherlands, the United Kingdom, and the United States).

The thematic review methodology includes national analysis and cross country comparison. Countries prepare a descriptive Background Report on the status of adult learning in the country. This is followed by an OECD review team visit to the country that enables the reviewers to analyse adult learning on the basis of the Background report, discussions with representatives of government, administration, employers, trade unions, practitioners and site visits.

After each country visit, the team rapporteur, with the help of the review team, prepares a Country Note analysing the main issues concerning adult learning and policy responses in the country under review. In the case of the focussed review, the note addresses four major themes that can contribute to improve participation in learning by low-skilled adults, which include public policy making, how to improve motivation for low-skilled adults, raising the quality and effectiveness of learning, and promoting greater policy integration in adult learning. A final Comparative Report, published in 2005 (OECD, 2005 – Sept., *Promoting Adult Learning*, Paris), addresses the different issues and policy responses in a comparative perspective, including the insights gathered from the participating countries.

1.2 Participation of the United Kingdom/England in the review

The United Kingdom is participating in the review focusing on adult learning for low-skilled adults. Moreover, the review was primarily made for England. The devolution of responsibility for education and training to Scotland, Wales, and Northern Ireland implies that government services in adult education and training may differ from those in England.

The review visit to England took place between 26-30 April 2004. The list of members of the steering committee, the author of the Background Report and the members of the OECD review team are

presented in Annexes 1 and 2. The programme of the visit and the participants at the various meetings are included in Annex 3. The review team would like to express their deepest appreciation to the steering group, the authors of the Background Report and to the wide range of officials and individuals involved in the visit. Their participation and commitment in the various aspects of the visit and in the provision of information on specifics, contributed to the overall accomplishment of its analysis of the status of adult learning in England.

A focussed review means that all aspects of the review – the Background Report, the visit, and the Country Note – are more concentrated on adult learning for low-skilled adults than in a full-scale review. Still even a focussed review needs some general background: the issues raised by adult learning for low-skilled adults can only be understood in relation to the general economic and social development and the policy responses undertaken in the education and training system at large. Background is needed even more because the English learning system is a highly developed system full of diversity, flexibility and individual choice, and is specially characterised by frequent change.

1.3 Structure of the paper

The purpose of the review is to identify the key policy challenges and good practices in learning for low-skilled adults in the United Kingdom/England. The main issues covered in this Country Note are therefore grouped according to the themes of the OECD thematic review on adult learning focusing on low skilled adults: public policy priorities, how to make learning more attractive to low-skilled adults, different ways to improve quality and effectiveness of learning and how to promote greater policy integration and coherence in adult learning.

The Country Note begins with a short presentation of the general context of learning by low-skilled adults in Chapter 2. It reviews factors which motivate and explain the need for policies focussed on low-skilled adults: recent economic developments; education and training achievements; policy responses to the economic, social and training challenges; and organisational development in the education and training system. The following four chapters are devoted to each of the OECD themes underlying this review. The final chapter contains the conclusions in terms of strengths and challenges for the system of learning for low-skilled adults and points to some key policy issues for further consideration.

2 BACKGROUND INFORMATION – THE GENERAL CONTEXT

2.1 Economic development and education and training

The OECD (2004a) Economic Survey on the United Kingdom describes an impressive macroeconomic performance of the UK economy. The United Kingdom has almost closed its GDP per capita gap with the major European countries and the unemployment rate is among the lowest in the OECD. The country “seems to be well placed to take advantage of the global recovery and move towards a more broadly based growth ...”

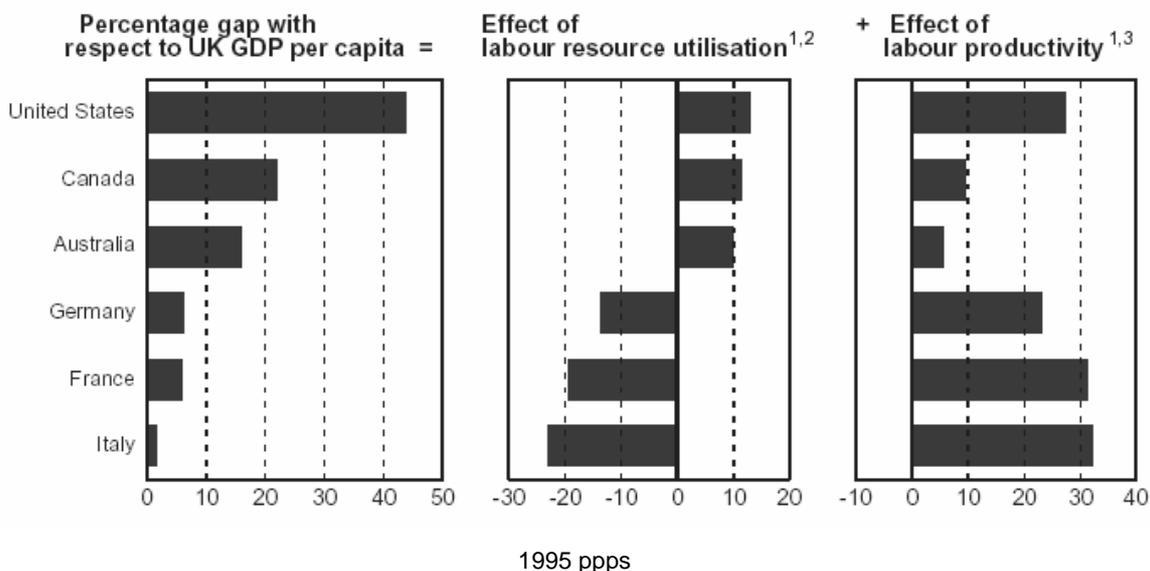
The OECD report points, however, to three challenges for the future. One of the long-term challenges is highly relevant to this report. It has to do with the “productivity gap” with the best performing OECD countries. It implies how to raise economic growth by reducing the productivity gap to the level of these countries while at the same time bringing down the inactivity rate of certain groups in the population.

The challenge for the medium term is also of interest to this report. It is concerned with improving the quality of public services in a cost-effective way in priority areas such as health and education. To get maximum value for spending on public services, continuous improvements in the performance management framework are necessary. The United Kingdom is at the forefront of applying quantitative outcome-focussed performance targets in the public sector. The system with national targets was introduced in 1998. The targets are set out in each Department’s Public Service Agreement, and revised in the biennial Spending Reviews. We shall come back to governance questions in Chapter 6 as far as policies for adult learning for the low-skilled are concerned.

2.1.1 Productivity and skills

Even though the United Kingdom has almost closed its GDP per capita gap with the major European countries, the gap with the best performing OECD countries – such as the United States, Canada, and Australia – has hardly diminished. It stems mainly from weaker levels of productivity (OECD, 2004a).

Figure 1. Sources of real income differences, 2002

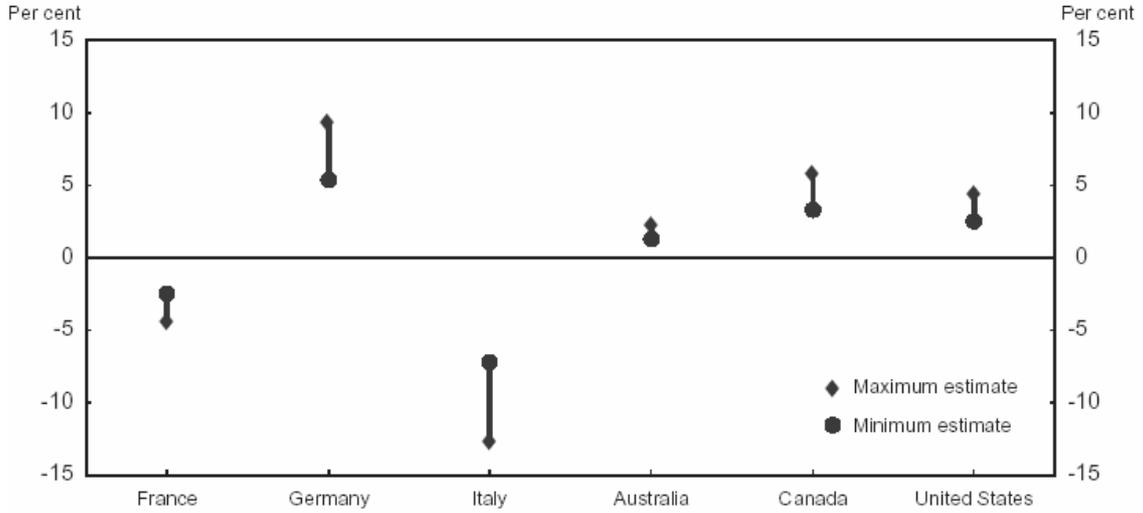


1. Percentage gap with respect to the United Kingdom level.
 2. Labour resource utilisation is measured as total number of hours worked divided by population.
 3. Labour productivity is measured as GDP per hour worked.
 Source: OECD (2004a).

Differences in human capital explain part of the productivity gap (see Figure 2). As the figure shows, an increase in human capital to the levels of that of the United States, Canada, Australia, and Germany would increase the GDP per capita in the UK. Other drivers for economic growth and productivity also highlighted by the UK government are enterprises, innovation, and competition.

Figure 2. Human capital explains part of the productivity gap

Estimated effect on UK GDP per capita if UK human capital was on par with that of other OECD countries,¹ 1998

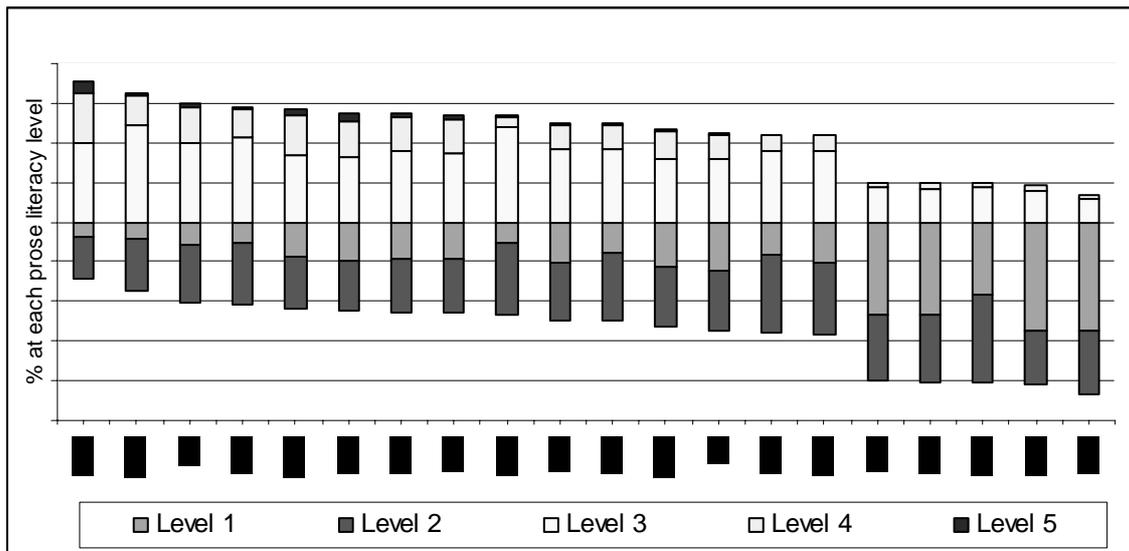


1. Based on the finding in the OECD Growth Study that a 10% increase in the average number of years of education of the working-age population produces an increase in GDP per capita of 4-7% (OECD, 2003c).

Source: OECD (2004a).

In terms of skills, the United Kingdom compares poorly with major competitors on two accounts: basic literacy and vocational skills. According to IALS, nearly 25% among the 16- to 65-year-olds lacked basic literacy skills (IALS level 1) in 1996. And more than 50% of the UK population was below IALS literacy level 3 (with still Ireland, the Czech Republic, Switzerland, Hungary, Slovenia, Portugal, Poland and Chile below this proportion). Figure 3 shows the distribution of skills across countries.

Figure 3. Adult literacy levels in selected countries, 1998



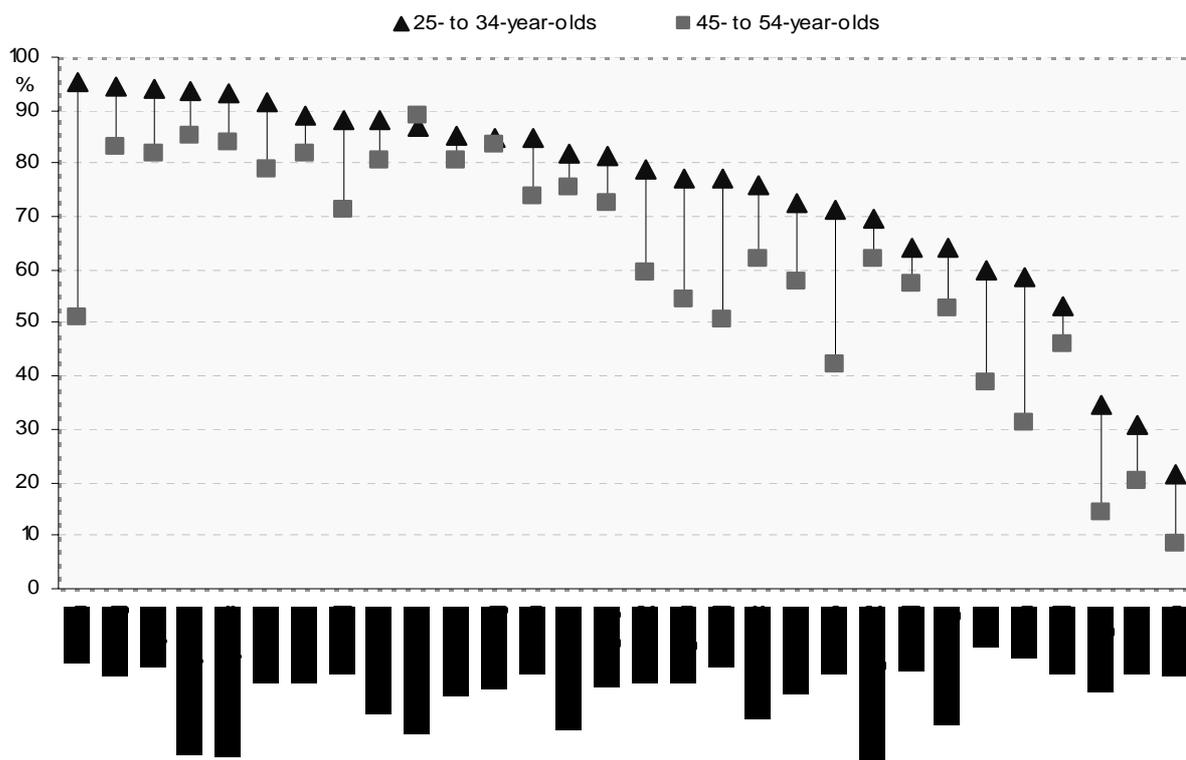
Source: OECD and Statistics Canada (2000).

The more recent Moser report (Department of Education and Employment, 1999a) indicates that approximately 20% of adults in Britain are at the lowest literacy levels (corresponding approximately to the IALS level 1 or below). Problems with numeracy are even more common; as many as 50% have been estimated to be at the lowest numeracy levels.

At the time of the team’s review visit to England 12 million people (29% of the population) were estimated to be below upper secondary level. Among the economically active, the corresponding figure was estimated at 7 million. In certain subgroups these shares are much higher: 43% of the unemployed, 48% of the disabled and 34 % of older workers with low educational attainment levels. The corresponding figures for Great Britain in 2003 were 10 million low-skilled adults in the working population, with 6.2 million employed and 3.8 million not working. The majority of the latter were inactive, approximately 3.3 million, and the rest, approximately 500 000 unemployed (Department for Work and Pensions, 2004).

The participation rates in schooling at the end of compulsory school age (16 years) also remain low, and a high proportion of youth still goes straight into the labour market without vocational skills. The skill shortfalls are pronounced for the younger cohorts on the labour market when compared to other countries. For the 25- to 34-year-olds, one-third has little or no formal qualifications beyond compulsory education (see Figure 4).

Figure 4 Population that has attained at least upper secondary education¹, 2002



1. Excluding ISCED 3C short programmes.

2. Not all ISCED 3 programmes meet minimum requirements for ISCED 3C long programmes.

Countries are ranked in descending order of the percentage of 25- to 34-year-olds who have attained at least upper secondary education.

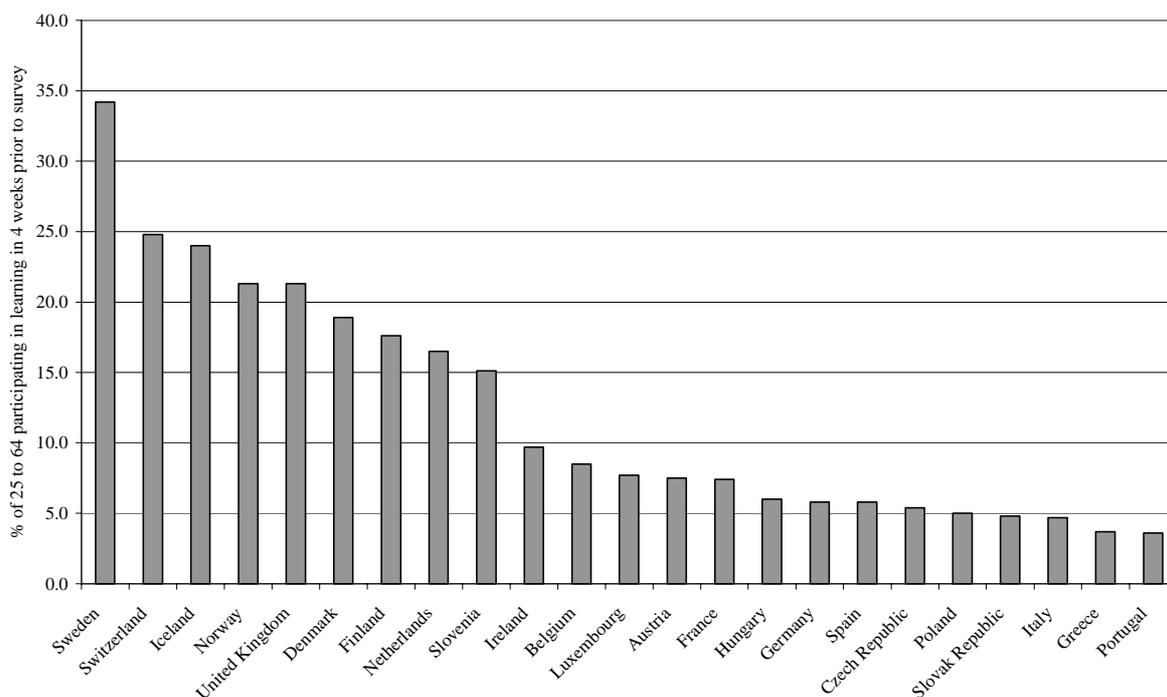
Source: OECD (2003b).

These concerns – low educational qualifications of young cohorts accumulating into a low-skilled adult population – are not new. For decades, awareness of the low skills of the population has been acknowledged and discussed. But it has only been more recently that action has been taken with measurable results. The situation has improved for the young, for higher education, and for adult education and training.

Results for 15-year-olds in the United Kingdom from PISA 2000, which assesses levels of educational achievement rather than qualifications attainment, were significantly above the OECD average on each of the combined literacy, numeracy and scientific literacy scales. And the share of 20- to 29-year-olds studying and graduating with a degree from tertiary education is similar to or above that in comparable OECD countries (OECD, 2004a).

Participation in adult learning is also high compared to other countries. According to IALS, overall participation was already relatively high in 1996; of 11 countries, the UK ranked number three for employer-sponsored training, number seven for self-sponsored training and number four for government-sponsored training (OECD and Statistics Canada, 2000).

Figure 5 Adult participation in learning in selected EU countries, 2003



Source: European Community Labour Force Survey (2004).

According to the European Union Labour Force Survey, 21.3% of adults aged 25 to 64 in the UK participated in adult learning in the four weeks preceding the survey in 2003, one of the countries with the highest proportions in the European Union after some Nordic countries and Switzerland (see Figure 5).

The review team’s impression from the visit was that the UK has made great progress in breaking negative attitudes towards learning and that the often referred to absence of a “learning culture” is disappearing, an impression corroborated by a recent EU survey (Cedefop, 2003). The survey shows that

86% of the citizens in the United Kingdom think that lifelong learning is important. This result places the UK in the middle third among the 15 original EU countries.

2.1.2 Activity rates

The UK unemployment rate of around 5% was one of the lowest among the major seven OECD countries in 2003. The UK inactivity rate is about 7% below the EU average and similar to that in Canada, the United States and Australia, but clearly higher than in the Nordic countries. The inactivity rate is by no means alarming but there is still room for improvements. While structural unemployment has decreased in the UK, there has been virtually no increase in the activity rate. Some worrisome features of the trends in the activity rates are:

- Male activity rates show a downward trend. Female activity rates have increased.
- An increasing number of men are reporting long-term sickness and disability.

The number of persons on invalidity benefits increased three-fold during the 1980s and the first half of the 1990s, and since 1995 the number claiming Incapacity Benefit (IB) – which has replaced the invalidity benefit – has continued to rise. As the rest of the income support system has been tightened, the invalidity benefits now seems to function as a pressure valve (OECD, 2004a).

When looking at key labour force variables by educational attainment, the inactivity problems are found to be concentrated on adults with low qualifications in the United Kingdom. Overall, the low skilled represent a large share of the employed, and even a larger share of the unemployed and inactive population in the United Kingdom. Among people claiming incapacity benefits or income support benefits (almost 5 million people), 60% are low skilled.

Table 1. Key labour force variables by educational attainment

In percentages, for individuals aged 25 to 64, 2004

	Less than upper secondary	Upper secondary	Tertiary
Unemployment rate	8.5	4.5	2.4
Labour force participation rates	57.8	82.7	90
Employment to population ratios	52.9	79.4	87.8

Source: OECD (2004b).

Also comparing internationally, participation rates for people with less than upper secondary education are lower in the UK than in other OECD countries. This low overall figure stems entirely from the low participation of men, while participation by women is above the OECD average (see Table 2). For upper secondary education and tertiary education the UK is also above the OECD average.

Table 2. Employment to population ratios for persons aged 25-64 with less than upper secondary education

	Both genders	Women	Men
UK	52.9	47.5	59.1
OECD	56.8	41.5	73.5

Source: OECD (2004b).

The productivity and skills gap as well as the trends in inactivity rates are strong arguments in favour of developing education and training policies in general, but especially policies for low-skilled adults, and in particular for low-skilled men. This is not only motivated by economic arguments but also related to wider and longer-term concerns of social inclusion.

2.2 Policies and programmes

Policy responses to concerns about productivity, inactivity and social exclusion have been developed in education and training as well as in the labour market. Before concentrating on current policies for low-skilled adults, an overview of general education and labour market policies concerning adult learning, and of policy planning and implementation in England, is necessary; these are at the roots of the policies for the low skilled.

2.2.1 Education and training policies

A range of different strategies have been set in motion to provide basic and vocational skills for young people and adults. With a constant rhythm of at least one per year, among the more recent policy documents to target skills improvements in the United Kingdom, the following can be mentioned:

- The *Learning Age* Green Paper (February 1998) set out a new (since May 1997) government vision and principles for lifelong learning.
- The White Paper *Learning to succeed* (1999) set out proposals for the creation of a new body, the Learning and Skills Council (LSC), to plan and fund all post-secondary education and training (up to but not including higher education).
- *Skills for Life* (2001) presented a national strategy to improve adult literacy, language and numeracy skills. It started for a three-year period but has been extended to 2007. The first target was that by 2004, 750 000 adults in England should have achieved national literacy and numeracy certificates. The next target is that by 2007, 1.5 million adults should similarly have improved their basic skills, including ICT skills.
- *Success for All* (2002) is a strategy for transforming further education. All post-16 learning providers should become more responsive to employers' and learners' needs.
- The most recent *Skills Strategy* (2003) guarantees tuition-free level 2 qualifications for those economically active adults who have not attained the upper secondary education level. It also includes an initiative to support learning at higher vocational skills levels to meet sector and regional skill needs (the level 3 programme).

This more recent *Skills Strategy* (2003) brings together earlier initiatives and calls for the further development of a number of activities¹:

¹ The Skills Strategy has since been revised and updated in the recent White Paper publication - "Skills: Getting on in business, getting on at work", March 2005. This new White Paper builds on the progress made since the 2003 Skills Strategy, some of which are detailed in paragraph 32, and sets out the next stage of reform to ensure employers have the skills to support the success of their businesses and individuals gain the skills needed to be employable and personally fulfilled.

- The *Skills for Life* programme mentioned above.
- The *Success for All* strategy for transforming further education, for which new funding processes are now foreseen, including funding of private training providers.
- The Employer Training Pilots (ETPs) introduced in 2002, to run for a period of one year, have now been extended to 2005. This programme includes time off for employees to gain basic qualifications, wage compensation for the employers, and free training provision (see Box 1).
- The Sector Skills Councils (SSCs), also known as the Skills for Business Network, started to be built up in 2003. The network is to be developed in each major sector to identify and deliver the skills that employers need to raise productivity.
- The Modern Apprenticeships (MAs), which are to be developed as the primary work-based vocational route for young people. The age cap of 24 years for the MAs will eventually be removed.
- The National Qualifications Framework (NQF) includes identification of skills for employability, translation of skills into standards, delivery of corresponding learning programmes, basing learning programmes on units, building units into qualifications, and streamlining of the assessment processes.
- A new Skills Alliance partnership bringing together key government departments and agencies with employer and union representatives. The work of the Skills Strategy will be integrated with work on innovation and regional development.

Box 1. Employer Training Pilots (ETPs)

These pilot programmes were introduced in September 2002 to encourage employers to invest in upskilling of their low-skilled workforce. There are now 18 pilots (from September 2004) covering about one third of England. The ETPs enable employees to attain basic skills and/or their first level 2 qualification. All pilots run under slightly different conditions regarding entitlement, wage replacement, etc.; this will facilitate evaluation in 2005 and introduction of a national model in 2006. All pilots offer free or heavily subsidised basic skills and level 2 training, help to source training, paid time off to train (35 or 70 hours dependent on company location), and information, advice and guidance to employers and learners. The pilots also offer wage compensation to employers for releasing staff during working hours to undertake training. The wage compensation ranges from 0% to 150% depending on company size and location. The variations in the offer will facilitate evaluation in 2005 and introduction of a national model in 2006. Subsidies for SMEs are usually at 100% or above.

At end of January 2004, more than 17,000 employers and almost 124,000 learners were engaged in the programme, which is administered by the local Learning and Skills Councils. Council staff in the particular ETP region that we visited (East London) noted that over two-thirds of participating companies were SMEs – 70% of the employers taking part have fewer than 50 employees – and many of these employers had never engaged in training at the targeted level before. One in six employees of participating firms enrolled in courses under the pilots.

These measures are being tested throughout the UK to eventually establish a National Training Programme.

Source: *Department for Education and Skills, 2004*; visit to local LSE, "Profit from Learning", Stratford, 29 April 2004.

2.2.2 Labour market policy

Labour market policies have developed around helping the young and unemployed find employment. The government established the “New Deal” (ND) in 1997, intended to help young and unemployed people to move out of welfare and into work. Since then, the New Deal has developed nationally and through pilots for different groups with different conditions and requirements.

Another important change in labour market policies was the introduction in 2002 of Jobcentre Plus (JCP). Great Britain’s Employment Service and the Benefits Agency, which administered income support for the unemployed and those on welfare benefits, were merged into a single agency. The New Deals are administered by the JCP. Most of them contain training elements, for example:

- New Deal for Young People (NDYP): Mandatory for 18- to 24-year-olds who have been claiming unemployment benefits for six months. Participants first enter a gateway period of four months. Those who do not find a job during that period move on to four options including a course of full-time education or training.
- New Deal for people aged 25 and over (ND25+): For people who have been claiming unemployment benefits for 18 months. Participants first enter a gateway period of four months followed by an Intensive Activity Period where various activities are available including employability training. It is mandatory for 25- to 49-year-olds but voluntary for those aged 50 or older beyond the Gateway.

Adaptations to the Skills strategy are also underway (since April 2004):

- Extended screening for basic skills by Jobcentre Plus (JCP) for customers, especially those on Job Seeker Allowance (JSA) and on inactive benefits (Income Support and Incapacity Benefit allowances).
- Greater use of existing powers in the Jobseekers Act to direct JSA customers screened as having a basic skills need to attend a more detailed independent assessment to assess the level of need.
- Payment of financial incentives to those on basic skills provision. An additional GBP 10 per week and GBP 100 for achieving a relevant qualification will be paid.
- Mandatory training pilots for jobseekers with basic skills needs in operation in 12 Jobcentre Plus districts in England over a 12-month period from April 2004.

The *Skills Strategy* White Paper also tried to develop some synergies between the different systems and institutions that cater to potential adult learners. It requested the National Employment Panel (NEP, see below) to examine measures to increase collaboration between the “welfare to work” system for unemployed people (mainly Jobcentre Plus clients) and the “workforce development” system (for Learning and Skills Council clients). They came up with eight key recommendations, including shared objectives and performance indicators for the two systems, JCP and LSC, and the alignment of the benefit systems in JCP and LSC training.

The New Deal for Skills was thus announced by the Chancellor in his Budget of March 2004. A number of areas were outlined to be developed under the New Deal for Skills: the need to set up better co-operation between JCP and the Information, Advice and Guidance services; the need to develop a training allowance for full time study for those on welfare benefits to gain a first level 2 entitlement; the development and trialling of a skills coaching service; and the need to develop a skills passport to record

skills gained. The Department for Education and Skills (DfES) and the Department for Work and Pensions (DWP) are at present working together to develop the New Deal for Skills.

2.3 Partners in the adult education and training system

There are many different partners involved in the definition of public policy and provision of adult learning and post secondary education. Furthermore, just as there is constant change and development in policies related to adult learning, there is a constant change and creation of institutions and bodies devoted to different tasks within the lifelong learning arena. In fact, many of the institutions involved in adult learning have been created quite recently.

The DfES and the DWP are rather new ministries. DfES has taken over the education part of the Department of Education and Employment (the latter was created in 1995 as a merger of former separate education and employment ministries). DWP was created in 2001 and is responsible for unemployed individuals and people on other types of inactivity benefits.

The department most heavily involved in the skills policy is the DfES. The most important agency in the post 16 education and skills sphere is the Learning and Skills Council (LSC). The LSC has 47 local offices, which have replaced the Training and Enterprise Councils (TECs) introduced by the Conservative Government in the 1980s; the TECs, in their turn, had replaced most of the Industrial Training Boards that had been in operation since the 1960s.

The LSC is the first organisation in the UK with a legal duty to involve employers in adult training, and has a leading role in increasing the nation's competitiveness and productivity. Launched in 1999, it is responsible for all post secondary education and training (up to but not including higher education) in England. From its budget for 2004/05 we can see the magnitude of its different activities (see Table 3). The budget for the ETPs and for local projects amounts to approximately GBP 100 million and GBP 250 million, respectively.

Table 3. Learning and Skills Council budget, 2004-2005 (in billion pounds)

Work Based Learning (including Modern Apprenticeship)	0.97
Further Education (post compulsory education and workforce development, including ETPs)	4.53
Schools Sixth Forms (16-18 years schools)	1.51
Adult and Community Learning	0.21
Other (local projects, capital, administration)	1.45
Total	8.67

Source: Learning and Skills Council (2004).

The LSC is also responsible for Information, Advice and Guidance (IAG) activities and for the framework for local IAG Partnerships, which provide free services for adults (aged 20 years of age and over), that were originally set up by the DfES. The University for Industry Ufi/learnirect is an important partner in this respect (see Box 2).

Box 2. Information, Advice and Guidance in England (IAG)

There is a strong focus on providing appropriate information, advice and guidance to improve participation in training in England. There are two nationally available IAG services. Ufi/learnirect provides information and advice by telephone and internet on learning opportunities. Worktrain is a website linking information on job opportunities with relevant training opportunities.

Many Ufi/learnirect outreach and teaching initiatives have been very successful using modern devices, e.g. IT games in teaching and unconventional meeting places as learning centres.

The local IAG Partnerships, funded through the LSC in each local area contract with different actors such as career service companies, Connexions (the network for IAG for young people), higher education, further education colleges, voluntary community organisations, libraries and Jobcentre Plus for services for adults. The services of the local IAG Partnerships are free of charge for adults, which is, of course, very important for low-skilled adults who may be hesitant to participate in training.

The development of "learning ambassadors" is also widespread in England as a way to reach potential learners. This practice is based on the use of informal networks to reach those in need of learning. People who are convinced of the benefits of learning and who are known to members of the community are paid and trained to become advocates of learning and to spot and convince those in need. A good example is Link Up, a local programme in Stoke on Trent that has developed a course enabling volunteers to become advocates of learning in their local communities, and to help them identify those who might need basic skills and send them to appropriate IAG and training.

Source: IAG; Learnirect; Meeting at Link Up, Stoke on Trent, 27 April 2004.

Another agency that needs to be mentioned is the Quality and Curriculum Authority (QCA). It has responsibility for maintaining the National Qualifications Framework. It accredits qualifications based on the learning and development necessary to achieve the occupational standards confirmed by appropriate assessment methods.

The Sector Skills Development Agency (SSDA), in operation since 2002, is leading the introduction of the employer led Sector Skills Councils (SSCs) or Skills for Business Network (SfBN), as they are collectively known². The SfBN aim to improve the quality of training and are also developing Sector Skills Agreements to identify priority skills issues and respond to employer needs. These agreements aim for collective voluntary agreement and action on skills and productivity with the major funding partners, including the LSC and the Regional Development Agency (RDA) and higher education so that funding is prioritised. The network also defines occupational standards for skills for each sector as a basis for qualification and courses.

The most important actor in the field of labour market policies is Jobcentre Plus (JCP). Managed by the Department for Work and Pensions, JCP services are provided through local centres. They use approximately GBP 800 million per year for the education and training of their clients (NEP, 2004). Broadly speaking, the JCP is responsible for training those who are unemployed or inactive in the labour market.

The trade unions are also involved in improving training in the workplace. A network of Union Learning Representatives has been established for this purpose. The Union Learning Representatives have

² It is co-sponsored by the DfES, DTI and the UK devolved administrations.

been given a statutory right to time off to pursue their duties. Further support has been provided to help the unions to engage in learning through the Union Learning Fund (administered by the LSC).

The National Employment Panel (NEP) is an employer-led body which provides advice to government ministers on the delivery and performance of UK government labour market policies and programmes. As mentioned above it has been involved in the implementation of the Skills Strategy, examining measures to increase collaboration between the education and labour market policy systems. Also worth mentioning is the Small Business Service (SBS), which was established to provide a range of support to small businesses through the Business Link network.

At the regional level, the Regional Skills Partnerships (RSPs) are led by the Regional Development Agencies (RDAs) and report to the Regional Development Agency (RDA). RSPs also include representatives from the LSC, Jobcentre Plus, the Small Business Service (SBS) and the Sector Skills Development Agency (SSDA). They aim at integrating action on skills, training, business support and labour market services at the regional level. The first three RSP partnerships were in place in 2003.

The Adult Learning Inspectorate (ALI) provides an independent assessment of the quality of adult learning provision. The ALI inspects all work-based learning, adult and community learning and learndirect provision funded by the LSC for those aged over 16 and Jobcentre Plus provision. It inspects college provision for learners aged over 19 in colleges, working with OFSTED, which inspects provision for 16-18 year old learners, and is the lead inspectorate for college provision. It also inspects adult learning in prisons. Inspections are carried out on a 4 –year cycle, with grades ranging from outstanding to very weak. Those that are found unsatisfactory are re-inspected.

Finally, a Skills Alliance has been forged to bring in the four departments involved in education and training issues – the Department for Education and Skills, the Department for Work and Pensions (DWP), and the Department of Trade and Industry (DTI) and the Treasury to drive implementation of the Skills Strategy. This alliance also brings together key delivery partners and the Confederation of British Industry (CBI), the Trades Union Congress (TUC) and the Small Business Council as the social and economic partnership.

In sum, the education and training system has recently been characterised by important policy changes and energetic re-organisations. These policy changes address the lack of skills of specific adult groups and vocational training for young people. Wide-reaching learning programmes have been developed for both informal skills development and formal qualifications for adults.

One purpose of the organisational changes has been to make the learning system more responsive to labour market demands and less supply oriented. In this context, the Department for Education and Skills and the LSC have been made responsible for employment-related training. Meeting employers' needs and individual employability have become overarching goals of adult education and training. However, the demand side considerations do not stop at providing the skills demanded by employers. Both employers and providers need support – the first to formulate and express their requirements, and the second to be able to respond effectively to the needs of the employers. While reforms have been led somewhat by market considerations, the existence of market failures calls for policy interventions.

Another related trend is the development of partnerships. At least three levels of arguments may be raised to support partnerships:

- Efficiency in delivery. A skills policy with such a wide coverage as the one the UK government is pursuing has to rely on the competence and information of many actors. A special aspect of this challenge is the need for closer co-operation between the Department for Education and

Skills and the Department for Work and Pensions (DWP) and between the Learning and Skills Council and Jobcentre Plus. Employers and trade unions and other stakeholders already seem to be engaged in the process.

- Efficiency in financing. Market failures are not evenly distributed across the skills policy field. Some aspects may need 100% government funding while others can to a varying extent be co-financed by the state, employers and individuals.
- Delivery implementation. Traditional policy delivery has been implemented through public agencies, but the complexity of tasks and increased need for flexibility require more use of networks and collaboration between different public and private actors.

As indicated in the *Skills Strategy*, the reform process is continuing. In a number of areas, pilots are underway and their results may influence future policy decisions. New areas for policy actions may be the interface between the “welfare to work” system (for JCP clients) and the “workforce development” system (for the LSC clients).

3 PUBLIC POLICY PRIORITIES REGARDING LOW-SKILLED ADULTS

There are clear public policy efforts to improve the skills of low-skilled/low-educated adults in England. The key efforts have focussed on raising the skills of those without skills or with very low skills levels. The Skills for Life programme and the Skills Strategy are both very clear as to their priorities – to raise the knowledge level of the population/workforce from an employability perspective – and as to their quantitative targets.

The means are also indicated – first of all, actions directed towards individuals. But the employers are also involved, which is important to create a demand for better-skilled workers. And educational providers must offer a high-quality supply of vocational training that meets individuals’ demand for training and employers’ needs for profitability. The status of vocational training must be high if the demand for training from individuals and employers is to increase. This chapter analyses the policy priorities focussed on improving the skills of low-skilled individuals, mostly employees in low-skilled jobs and unemployed people, and also comments on complementary policies.

3.1 Down to basics: improving basic skills

A large-scale effort has been introduced to promote basic skills acquisition in England. The Skills for Life strategy has established clear priority groups in order to be effective. The target for 2007 is that 1.5 million adults in England should have achieved national literacy and numeracy certificates (including ICT certificates), with an intermediate target of 750 000 adults in England to have achieved such certificates by 2004. Table 4 summarises the priority groups that have been selected and the targets for 2007 for each of these groups.

For example, of the 800 000 unemployed in England at the start of the programme at least 30% are estimated to have literacy, language and/or numeracy needs (250 000 in Table 4). The target is to reach

almost all of these individuals by 2007, i.e. 220 000. Similarly, of 3.5 million adults in receipt of other working-age benefits approximately 40% are estimated to have literacy, language and numeracy difficulties (1.5 million in Table 4). In this case the target is less ambitious, 110 000 to be trained by 2007.

Table 4. Skills for Life priority groups and strategy objectives, 2007

Skills for Life priority groups	Targets for 2007
250 000 unemployed with low skills	220 000 unemployed
1.5 million benefit claimants	110 000 benefit claimants
300 000 prisoners and other "supervised" individuals	80 000 prisoners and other supervised individuals
About 200 000 public employees	20 000 public employees
Approximately 1.5 million low-skilled people in employment	320 000 adults and young people in low-skilled jobs 420 000 other general literacy and numeracy skills learners including those on learndirect courses
Up to 1 million refugees who do not speak English as their first language	100 000 refugees and native speakers of other languages
Parents with poor skills, including 250 000 single parents	120 000 parents
About 1.7 million adults in disadvantaged communities	150 000 people who live in disadvantaged communities

Source: Department for Education and Skills (2003a).

As Table 4 illustrates, the programme is directed towards many different groups of people lacking basic skills besides the unemployed and the benefit claimants: low-skilled employees, prisoners, immigrants, parents, and adults in disadvantaged areas. However, in absolute numbers the highest target figures are for employees in low-skilled jobs and the unemployed. In relative terms, given the established priority groups, the largest focus is on the unemployed, parents and low-skilled employed people. This means that the programme has a pronounced growth and labour market profile. Those already on the labour market and closest to it have the highest priority. Other people who might be well in need of learning opportunities, such as those who are not in the labour force, benefit claimants, immigrants, adults living in deprived areas, or adults with the very lowest skills levels, are not addressed to the same extent.

Jobcentre Plus is to play an important role in this strategy, among other partners such as prison and probation authorities, public and private employers, trade unions, SSCs, local LSCs, local authorities and voluntary and community organisations. Jobcentre Plus is to screen its customers more broadly and energetically and even compel individuals on Job Seeker Allowance to undertake skills assessments. In a single year about 1 400 000 are expected to be screened, at least 30 000 to start JCP basic skills training and 12 000 to gain basic skills qualifications. Altogether, by 2007 some 200 000 individuals are expected to have achieved basic skills training through JCP. Other benefit claimants will gain basic skills certificates through training funded by the Learning Skills Council. Jobcentre Plus will be able to try incentive payments for those who take up basic skills training and continue with further pilots of mandatory training.

Public support has also been provided for firms to provide basic skills training through the Employer Training Pilots, as well as training up to NVQ level 2 (see Box 1). Training is also funded by the Trade Union Learning Fund. According to the Learning and Skills Council (2004), the Fund has recently helped 36 000 individuals return to learning, supported training of 6 500 Learning Representatives and contributed to the opening of some 200 new training centres.

The Learning and Skills Council will also play an important role in providing basic skills. It is responsible for planning, funding and co-ordinating the training supply provided by the Further Education Colleges (FE) and Ufi/learndirect and it may use the Adult and Community Learning Fund for engaging voluntary and community organisations in basic skills training. It will also – together with other relevant

bodies – promote basic skills training through work with the development of the IAG Partnerships, the NQF, outreach and motivation for learners, quality assurance, monitoring, evaluation, research, and innovation (as further described in Chapters 4 and 5).

3.2 Raising the educational attainment of the low-skilled population

In addition to the problem of skills, a large proportion of the English population has low educational attainment levels. Apparently there are around 7 million people in the English workforce who lack NVQ level 2 or equivalent. The Skills Strategy (2003) has been designed to “reduce by at least 40% the number of adults in the workforce who lack NVQ2 or equivalent qualifications by 2010; and working towards this, 1 million adults already in the workforce to achieve level 2 between 2003 and 2006”. By 2010 another 3 million are expected to have achieved that level. This programme highlights the workforce, although the share of individuals lacking level 2 is higher among the unemployed and the disabled. It may, however, be more efficient to start with those already employed and engage the employers while creating a more dynamic labour market demand.

The programme started in autumn 2003 on a partial basis. Subject to experience from the first year, the idea is to roll out the programme nationally from 2005/06 onwards. “That will give time to identify and develop those learning programmes and qualifications which will best support the policy objective of helping people gain foundation skills for employability” (DfES, 2003b).

Among the *means* to achieve this target are:

- An entitlement to free tuition for anyone in the workforce or of working age to achieve a full level 2 qualification. Learning at work is also included in sector skills agreements. Employers will be expected to contribute as well.
- An Adult Learning Grant, which will offer a means-tested grant of up to GBP 30 per week for priority groups, including adults who are studying full time for a first full level 2. It was initiated as a pilot scheme in 10 pilot areas in 2003.
- Support for the acquisition of training up to NVQ level 2 for people working in firms (see Box 1).
- Better IAG (Information, Advice and Guidance). Combining the local network of IAG partnerships with the national helpline provided by Ufi/learnirect will provide better services to learners (see Box 2).
- More flexible training supply. By drawing together the network of the 6 000 UK online centres, the 2 000 Ufi/learnirect centres and the many community, college and local authority learning programmes, learners can have access to a responsive and effective training supply. A high quality *vocational* supply is also developed by LSC through the Network of Centres of Vocational Excellence (CoVEs) with input from individual SSCs/Skills for Business Network and the SSDA. Some colleges and training companies can become CoVEs. They are supposed to work with employers and reach world-class standards of teaching and training, and they get extra funding to reach their goals. They also co-operate locally with the RDAs.

Of course, a number of other types of policies must be in place to make the adult learning programmes for the low skilled function efficiently. Attitudes towards learning must be positive, a supply of teachers is needed, teacher training and re-training must be provided along with teaching material,

buildings, etc. – a whole infrastructure for learning. Chapter 4 will discuss in-depth outreach, information, counselling, a flexible supply of training and financial incentives, and Chapter 5 the qualification framework, along with a whole range of activities including skills needs analyses, standards, and training programmes that are also part of the learning infrastructure.

Before closing this chapter, it is important to add that the Adult and Community Learning Fund managed by the LSC to safeguard learning for culture, leisure, community and personal fulfilment is also an important general element in the infrastructure. Broad public involvement in education and training can be enhanced through adult and community learning. A positive general attitude is especially important if the low skilled are to be reached.

3.3 The efficiency of training processes, economic returns and evaluations

Increasing the efficiency of training apparently represents a great challenge. The OECD review team saw some indications of problems with training for low-skilled adults in terms of lack of skills upgrading, high attrition rates and low rates of completion for specific groups.

Certain earlier provision of basic skills training has been ineffective. One study found that while one- third of adults in literacy and numeracy skills education improved their skills, half stayed at the same level and 20% saw their skills level decline (Brooks *et al.*, 2001). Furthermore, the attrition rate in basic skills training for individuals with Job Seeker Allowances (JSA) has been high. For 100 clients identified with a potential need, 54 attended assessment, 17 began training and 5 completed training (Figure 11, Department for Work and Pensions, 2004). The National Employment Panel (NEP) further reports that 30% of JCP clients with job search assistance in basic skills training get a qualification. Of the ESOL (English for Speakers of Other Languages) participants, only 20% complete training. These results indicate that between 20 and 30% of those in training complete training and/or get a qualification. The goals for the future as indicated by the figures in § 61 are much higher – 40%.

The UK Background Report (Department for Work and Pensions, 2004) also shows that the employment outcomes for training of jobseekers are sometimes disappointing, especially for short courses and to a lesser extent for longer courses. Low-skilled adults who are not employed often have many other disadvantages besides low qualifications. Being a single parent, belonging to a minority group, having a criminal record, suffering from drug addiction, or being elderly and impaired pose multiple problems that must be tackled at the same time as the skills needs if the learning process is to be successful.

Some programmes or policies have been successful in improving retention and success in training:

- Students receiving the ALG have shown higher retention rates than normal adult retention rates.
- The success rates of the ETPs seem to be relatively high and the dropout rates relatively low but these preliminary results will be confirmed in the upcoming evaluation (Hillage & Mitchell, 2003).
- Further Education (FE) colleges have increased their pass rates at:
 - Level 2: 50%
 - Level 3: 62%

- College level: 65%.
- WBL (Work Based Learning): 41% (a measurement not directly comparable to that for colleges).

The final economic returns – training costs compared to economic returns in terms of higher employment and wages – to the new training initiatives also need to be closely followed. Given efficient training, it would theoretically seem easiest to have a positive return on training investments in young unemployed/inactive people without multiple problems. For unemployed/inactive people there are less opportunity costs (no employment and earnings lost when they start training); for young people the time span for reaping the benefits of training are longer than for older people; for people without multiple problems the success prospects would seem brighter than for those with multiple problems.

When it comes to employed adults, the results will depend on the extent to which people are taken training during production time, how much of the training is part-time, given at the workplace or at distance, or may take place during weekends or leisure time. Grants for full-time studies may, according to empirical evidence, be good for retention rates and socio-economic benefits, but they increase the economic costs of training.

Courses with a cultural, leisure, community or personal fulfilment purpose are interesting from a socio-economic perspective to the extent that they reach low-skilled individuals and individuals living in disadvantaged areas and motivate them to start studying. In such circumstances the courses could be motivated on purely economic grounds, as they could be expected to increase employment and earnings for participants and society. However, wider social considerations of social inclusion and attitudes could also motivate them but, again, only to the extent that they really reach individuals who risk social exclusion and live in disadvantaged communities. In other circumstances this type of course could be considered educational consumption and, as such, they should perhaps not be publicly subsidised.

In official documents, the investments in the Skills for Life programme and the Skills Strategy are motivated by general arguments about the need for further education and training at the workplace and the effects of training on earnings and unemployment. Without any explicit discussion and argumentation, there seems to have been a change in policy priorities – *from* the very low skilled individuals in general (though with a bias towards the unemployed and employees) acquiring basic skills *to* the employed low skilled individuals acquiring qualifications at level 2. Of course, from an economic perspective, level 2 still represents a rather low skill level, but it is still a higher skill level than basic skills. It seems to be NVQ3 or equivalent which really makes a difference in terms of labour market outcomes and returns. But on the other hand if investments at these levels are profitable, it might not be necessary for the government to subsidise them. Anyhow, there is an apparent lack of priority for very low-skilled groups and also for low-skilled individuals who are out of the labour force.

All low skilled are risk groups. One way or another, they can inflict costs on society. The state has an interest to help them into productive activities. Which strategies are best from a socio-economic point of view remains to be seen – broad investments starting from the bottom and then moving upwards or more focussed strategies, e.g. starting in the middle and working downwards.

It will be interesting to follow the monitoring, evaluation, and research that has been initiated through the Skills for Life programme and the Skills Strategy. There are many pilots of different kinds in place and evaluations are being prepared for the ETPs (Hillage & Mitchell, 2003). As far as the OECD review team could see during the visit, there seemed to be a lack of earlier evaluations of learning for low-skilled adults (Hillage et al., 2000).

The government seems committed to monitor and adapt programmes as results present themselves, and prepared to shift allocation of funds accordingly. We believe, however, that we noticed some impatience with evaluations. For the level 2 entitlement the timetable was the following:

- start of the programme in autumn 2004 on a partial basis.
- collection of experience in the first year.
- roll out the programme nationally from 2005/06 onwards.

It was stated that this timetable allows identification and development of those learning programmes and qualifications which will best support the policy objective of helping people gain foundation skills for employability, which seems very optimistic. The same phenomenon was noted for ETPs where the original timetable was only one year to start, implement and evaluate the programme.

4 MAKING LEARNING MORE ATTRACTIVE TO LOW-SKILLED ADULTS

4.1 Access, outreach and motivation

Most of the policies and strategies mentioned above are designed to bring adults, especially low-skilled adults, back into learning, motivating them to become lifelong learners through different available means such as information, advice and guidance, learning in the workplace, and different incentive structures. The specific instruments to reach out to the low skilled, motivate them to start or re-start training, retain them in training and make them progress are reviewed below.

There are both national and local aspects of Information, Advice Guidance (IAG). This system is quite useful, especially in light of the wide range of programmes and the constant changes in this field in the UK, where potential adult learners may become confused about the availability of courses. Information and guidance is thus a key step in a system which is in flux. Much of the IAG is publicly funded and most of the public funds are channelled through the Learning and Skills Council. The LSC is responsible for funding the local IAG partnerships, while the Ufi/learnirect national advice services were funded by the government. However, it has recently been decided that the Ufi/learnirect national advice services will also be funded by the LSC in order to support a consistent overall planning of IAG.

During the review team visit to England, there were many examples of formal and informal outreach frameworks for low-skilled adults. A case in point is the work done by North Warwickshire and Hinckley College (a further education college we visited) on behalf of the local LSC for Coventry and Warwickshire. They adopted a model with four steps:

- Fact-to-face contact with potential learners to encourage engagement – through, for example, contacts in shops in town, in market stalls, in college centres based in the local communities.
- First-stage learning – through, for example, taster courses and fee-remitted community education.

- IAG to support choice.
- Access to mainstream learning.

They also paid some of their former students to become “Learning Ambassadors” and to promote the courses they have already taken in their local communities. For basic skills, the teachers were in favour of “embedded learning”. Basic skills could to a much greater extent than at present be included in occupational-oriented courses and therefore obtained without much effort. They were also in favour of credits, and of bigger learning blocks such as the NVQs being divided into smaller pieces to be successively accumulated by adult learners.

Other innovative examples in the area of outreach and motivation for low-skilled adults are:

- Link Up, a local programme in Stoke on Trent (see Box 2).
- The LSC’s Bite Size campaigns that offers short, informal taster sessions lasting one to three hours in accessible locations including pubs, village halls and supermarkets.
- Efforts in prisons to help offenders to use their time in prison to acquire useful skills. At our visit to HMP Lewis prison, the staff pointed to assessment and individual development plans going with the prisoner as motivating elements for low-skilled offenders.
- A similar project at the Salvation Army for homeless people tried to motivate them to learn basic skills at the same time that they prepared for individual living.
- E2E (Entry to Employment) is a pilot for young people to help them advance from training at pre-entry level to training for qualifications. This programme is innovative in many respects. It not time bound. It stresses personal needs to prepare for progression into employment, education or training. The results of the programme may be transferable to similar programmes for low-skilled adult learners.
- The Trade Union Learning Representatives are important links for outreach to low-skilled workers. The development of basic skills is also a priority theme with the Union Learning Fund.
- As the ETPs develop, employers may also become partners in advocating adult learning for low-skilled employees.

In sum, improving participation through outreach and motivation is a key objective in adult learning in the UK. As shown by OECD (2003a), motivation is key to bring adults back into learning and the UK seems to be working seriously on this issue. But the challenges are impressive. According to the UK Background Report (Department of Work and Pensions, 2004), among the individuals with no qualifications, 32% said that they were not interested in training and 49% that they were not at all likely to participate in training in the future. When asked about a great number of factors that might facilitate their participation in training, 55% said that the support suggested in the questionnaire would not be helpful to them. However, 14% said that help with health and disabilities, and 12% help with literacy, would be useful. Also 28% said they were nervous about training and 23% that they were too old – attitudes that might be possible to change.

It is still not clear how successful all these new initiatives are. There seem to be many experiments going on in different localities, and many actors are involved. Maybe the review team missed a discussion about recognition of prior learning and modular learning that may be important for low-skilled

adults to access training. Apparently, the NVQ system allows recognition of informal learning for people who might already possess the skills required, but from the information we obtained this was not evident. The model “assess – train – assess” was, however, mentioned, as was the breaking up of bigger learning blocks into modular pieces. Together, such reforms can have similar effects as a modular system of recognition of prior learning, though the latter may be preferable from a communications point of view. These questions are raised again in Chapter 5, as they also fit into the national qualifications framework.

The time may have come in the UK for review and consolidation of outreach and motivation work. Perhaps more one-stop-shops are needed? Are the different actors sending reinforcing or contradictory messages? Which approaches are most cost-efficient? Different methods can be used to evaluate the results – in terms of processes, participation and retention – from the various initiatives:

- Dialogue among stakeholders.
- Monitoring of responsible agencies.
- Evaluation and research.

As there are many aspects to the different policies, and many different pilots, it would be important to disseminate the different results to help choose among the alternatives and mainstream for more transparency.

4.2 Improving incentives to participation

There is a wide range of incentives for participation of low skilled adults in learning. The UK tries to get potential learners into learning with free provision through financial support to learning institutions, individual financial incentives or incentives to employers. Incentives for providers will be discussed in chapter 6.

Individuals – Tuition-free courses and allowances

Generally speaking, individual learning support has been channelled through institutions. In this way subsidised courses have been made available but other financial mechanisms have also been used. An Individual Learning Account programme was run in England from September 2000 to November 2001, with similar counterparts in Northern Ireland, Scotland and Wales. This idea of individual accounts could have developed into individual accounts financing courses and living costs while studying with a certain degree of public subsidy. The concept, however, turned out to be used rather for virtual accounts as opposed to real accounts and the programme was only based on discounts for learning. When the programme was introduced, one million grants of £ 150 each were available. Later a discount of 80 % (on a specific list of basic IT and maths courses) and a discount of 20 % (on the cost of a wide range of eligible learning) were added.

The programme was successful, as it did attract the target groups, low-skilled adults. The range of providers was also widened and accompanying learner support strengthened. However, the programme had to be closed down due to allegations of fraud— apparently mainly at the level of training providers. At present, there is free provision of basic skills courses such as literacy, numeracy and language including ESOL (English for Speakers of Other Languages). There is also free provision of NVQ level 2 courses for

those who have not yet reached this level. Adults in receipt of relevant state benefits are also entitled to full fee remission.³ Jobcenter Plus also funds courses for the unemployed and other public benefit recipients.

There is also financial support for FE colleges, which provide courses for 25% of the actual price for learners, although the latter may not be aware that they are attending subsidised courses. Learners pay, on average 40% of the costs of their courses. When employers want training packages tailored to meet their needs, they have been expected to make a contribution of 50% towards basic course costs.

In recent years the fee income from individuals and employers has fallen. Colleges have worked with ambitious quantitative targets and have tried to encourage the disadvantaged and inactive to take up learning. They might have feared to be undercut by other publicly funded providers who do not charge fees. The fee setting framework is, however, in the process of change. Broadly speaking, with the Skills Strategy the fees for NVQ level 2 courses will come down. And the costs are expected to increase for courses at level 3 or higher, and for people who already have a level 3 qualification or above and are seeking further qualifications at the same or lower levels.

Until recently, support for living expenses during learning has been limited: Young people have had access to Education Maintenance Allowances (EMAs) that encourage education and training beyond the minimum school leaving age of 16. The EMAs were extended nationally in 2004 and offer up to GBP 30 per week to young people if they stay in school or college.⁴ A new measure, the Adult Learning Grant (ALG), will offer a means-tested grant of up to GBP 30 per week for adults who are studying full time for a first full level 2 qualification or young adults studying for a level 3 qualification. It was initiated as a pilot scheme in 2003. Other costs for further education students – the costs of books, materials, travel, childcare and examination fees – will continue to be provided through the Learner Support Fund. The level of help for each student will remain to be determined locally by each college.

Some JCP clients receive a training allowance while in training, and some are eligible to receive extra support. Individuals on JSA who undertake basic skills training (i.e. training in literacy or numeracy) can get an additional GBP 10 on top of their JSA as an incentive while in training and GBP 100 when a qualification is obtained. The JCP can also give some learners support for materials, child care, travel, etc.

People on Income Support and Incapacity benefit are, of course, also entitled to Skills for Life (basic skills) training and can get free training for a first full level 2 qualification without losing benefits. Work is even under way to develop the Learning Option under the New Deal for Skills to provide a new training allowance (benefit equivalent plus GBP 10 per week) for those on benefits who study for their first level 2 qualification. In the past, those on inactive benefits have been free to enroll on adult education courses but previously there was little incentive for them to join a Jobcentre Plus training programme as this could have called into question their eligibility for incapacity benefit. This may have created confusion which is reflected in the finding that among the low skilled with no qualifications 12% indicated that their "benefits would be cut" if they did a course. For those at NVQ level 1 the corresponding figure was 6% (National Adult Learning Survey 2002).

Employers

Support for employers has recently been initiated through the Employer Training Pilots (see Box 1). As mentioned above, the incentives for employers to have their employees participate in ETPs are free

³ Learners aged 19 or under pay no fees in LSC-supported learning.

⁴ Extra support will also be available for young adults from low income backgrounds entering higher education.

information, advice, courses and to some extent wage compensation. Employers contribute by giving the employees time off for training and by participating in evaluation. The wage compensation might be a good argument to make employers interested in training, but perhaps not a necessary precondition once they have experienced the benefits of training (Hillage and Mitchell, 2003).

In sum, interesting reforms have been undertaken to strengthen incentives to learn. The UK approach seems to apply the carrots more than the sticks approach. Free tuition learning is offered in many cases. Living costs are covered for JCP clients, and have begun to be covered for other low-skilled adult learners. It will be interesting to follow the development of participation rates and labour market effects of these initiatives.

The level 2 entitlement for all workers to tuition free learning may seem reasonable perhaps not for short term productivity, but for longer term productivity including the socio-economic problems that can be caused by social exclusion. For short term economic benefits, NVQ3 or equivalent levels are probably more important but investments at these levels might not need public subsidies to the same extent as lower levels.

As already mentioned in section 3.3, net positive socio-economic effects of subsidies to leisure courses and grants to full-time studies may be more difficult to obtain. The same goes for employer compensation. The opportunity costs increase as students are taken out of employment and with employer compensation there is a risk of dead-weight loss in the case of employers who might have trained even without the payment.

5 QUALITY AND EFFECTIVENESS OF LEARNING – THE QUALIFICATIONS FRAMEWORK

In this chapter we will focus on supply of learning and the National Qualifications Framework (NQF). The NQF can be seen as a grid through which the supply of training is kept together and controlled for quality. There are other aspects to the quality of supply – the efficiency of learning (as already discussed in section 3.3), the flexibility of the supply (referred to in section 3.2), and the development of a high-quality supply (also in section 3.2).

The backbone of the National Qualifications Framework (NQF) is the national framework for qualifications and skills including the National Vocational Qualifications (NVQ) and the General National Vocational Qualifications (GNVQ) (see Table 5). The most interesting part of the table in relation to low-skilled adults is the lower right hand side. It shows how low learning levels, those below NVQ level 2 and target of much of the public policies focused on skills, fit into the more general qualification structure.

Table 5. Overview of England's National Qualifications Framework

National Qualifications Framework Levels	General Academic	Vocationally Related	Occupational	Basic Skills*	Corresponding school age
5	Higher level qualifications: Post Graduate, Degrees, BTEC Higher Nationals		NVQ level 5		
4			NVQ level 4		
3 – Advanced level	2 A levels	1 Vocational A level (Advanced GNVQ)	NVQ level 3		
2 – Intermediate level	5 GCSEs Grades A-C	Intermediate GNVQ	NVQ level 2	Level 2	16 (end of secondary compulsory schooling)
1 – Foundation level	5 GCSEs Grades D-G	Foundation GNVQ	NVQ level 1	Level 1	11
Entry level	Entry level Certificate			Entry 3	9
				Entry 2	7
				Entry 1	5

*Basic Skills include literacy, numeracy, ESOL (English for Speakers of Other Languages) up to and including Level 2.

The NQF serves many purposes in relation to low qualification levels. It can be used:

- In skills analyses.
- For setting standards.
- For developing training programmes.
- For recognition of informal and non-formal learning.
- To deliver IAG.
- To make training learner-friendly and employer-relevant.
- To work systematically with quality assurance.

The NQF requires the participation and involvement of a large number of actors such as the Quality and Curriculum Authority (QCA), the Learning Skills Council (LCS), the Sector Skills Development Agency (SSDA), the Sector Skills Councils (SSCs) or Skills for Business Network, the Adult Learning Inspectorate (ALI) and OFSTED.

This ambitious framework can be a cohesive way to approach the provision of adult learning, to ensure certain quality standards and to include informal learning. This approach, however, is not without problems. And many new problems have arisen when qualifications needed for the low skilled are integrated in the NQF.

On one hand, the NQF may be too broad as it stands. Currently the NQF consists of 4 160 accredited and approved qualifications. There are 1 310 qualifications at level 2, but only 900 of them are

estimated likely to contribute to the level 2 target. Similarly at level 3 there are 1 620 qualifications of which around 900 are estimated likely to contribute to the level 3 target. The remaining qualifications are smaller than a full level 2 or level 3 qualification. Given the present drive for full level 2 or level 3 qualifications, those which do not fulfil full qualifications could either be excluded from the NQF or expanded to full level 2 or 3 qualifications.

On the other hand, the NQF may be too narrow, as there exist many non-NQF qualifications that could have been integrated on similar grounds as those already included, whether they contribute to qualifications or not. There is a large proportion of learning going on outside the NQF framework provided by different public and private providers (publicly funded or not). A balance must be struck between what training should be included in the framework and what should be left out. But it is not always easy to find and recognise what is valuable and leave out the rest. And criteria may change over time. For the time being, employment-related qualifications at low qualification levels have moved to the fore and necessitate changes in the qualifications structure.

There is also a special problem with the level 2 entitlement. The official definition says “A full level 2 refers to any qualification equivalent in standard and breadth to 5 GCSEs at A-C or a National Vocational Qualification at level 2” (DfES, 2003b). The expression “equivalent in standard” raises many questions. Some are technical – how to go about defining what is equivalent and what questions to ask in the Labour Force Survey (LFS) to measure the skills of the population. But there are also some political issues. Depending upon how “equivalent in standard” is defined, the content of the targets for the Skills Strategy can change.

A comprehensive framework covering all employment sectors and all training levels that continuously has to be kept up to date is costly. There have to be sector processes to define and redefine skill needs. Other processes have to be in place to develop curricula corresponding to the training needs and have them accredited. Qualification-awarding bodies must be engaged. As an example, it is mentioned in the Skills Strategy that in certain cases it has taken up to two years to develop these standards.

Another interesting question refers to the different levels of quality of different NVQs. Some NVQs might be occupationally oriented and as such not contribute much to raise general skills levels. Apparently the NVQs at level 2 include literacy, numeracy and ICT to widely varying degrees. Generally great efforts must be devoted to understanding and controlling quality in the NQF.

Another potential contradiction within a broad qualification framework is that between making it learner-friendly and at the same time transparent. From a low-skilled learner perspective it is positive to have a system facilitating:

- Different learning routes.
- Assessment and recognition of prior learning.
- Opportunities to build qualifications from units and credits.

However, all this can lead to less transparency, which can be de-motivating and make IAG for low-skilled adults more difficult, in the same way as the present drive for full level 2 qualifications. Work is, however, underway to tackle many of these challenges. Since 2002 the QCA is leading a joint review of vocational qualifications, aiming at:

- Standards and curricula being developed quickly and kept up to date.

- Unitisation, where appropriate, of qualifications. Units could then be assigned credits using a standard system.
- Encouraging learners to progress towards whole qualifications.
- Streamlining the accreditation process.
- Examining the application of credit to learning and qualifications outside the NQF. Integrating employer-based qualifications or units (e.g. certificates offered by companies recognising proficiency in using their products, or certifying training for firm-specific skills) into the national qualification framework.
- Rationalisation of qualifications. The QCA and the Skills for Business Network will review and remove outdated qualifications and fill in gaps.
- Recognition of existing skills and knowledge. Training programmes will start by assessing peoples' existing skills and the model "assess – train – assess" should be developed. Apparently, this is possible in the NQF at present but is not evident for potential beneficiaries.
- Simplification of the assessment system. The QCA will simplify the regulatory criteria for vocational qualifications to ensure the best match between assessment and content. This will remove unhelpful barriers between NVQs and other vocational qualifications.
- Better communicating the benefits of vocational learning and flexible qualifications (DfES, 2003b).

As the NQF is extended, the list of which full level 2 and equivalent qualifications are paid for by the LSC should be revised as well as the so called Section 97 used for determining funding of the ETPs.

All courses in the Skills for Life programme are based on national standards and backed up by core curricular and national qualifications. The intention is to also embed them in workplace-based vocational programmes and over time converge them into level 2 qualifications.

In sum, the qualifications structure is quite complex. Apparently, it responds to efforts to provide a more "democratic" system of education, allowing for access into learning and progression for those who have dropped out of the very academic-oriented route. It is, however, a formidable task to keep the NQF updated and at the same time adapt it to the needs of low-skilled adults. The NFQ may be a good tool for internal consistency – internal to the education and training system. It may also be positive in terms of recognition of informal learning for low-skilled adults. But the level of complication rises enormously when it is also expected to be a good tool for external consistence as well, for example between the education and training system and all individuals in society and on the labour market.

As it stands, the qualifications structure looks rather fragmented. Work is under way to broaden it and make it correspond better to present-day priorities. It is a great challenge to put the whole system in place. The benefits to a complete system are probably much higher than to a partial one. But whether it is worth the investment and current costs we can not yet know. Perhaps this one mean (the NQF) is not enough to reach all the goals: a high-quality supply, internal and external flexibility and adaptability, and social equity.

6 POLICY INTEGRATION AND COHERENCE

6.1 Coherence of policy: whole-of-government approach

The overarching goals of UK government policy include increases in productivity, reduction of inactivity rates and social cohesion. Are the policies for low-skilled adults in the Skills for Life programme and the Skills Strategy, and the Active Labour Market Policies (ALMP) coherent with these goals?

Broadly speaking, all three policies could contribute to productivity growth if there is a progression for the individuals from Jobcenter Plus, from the Skills for Life programme and from the Skills Strategy to higher qualifications or to more or better jobs. For this to happen, a number of complementary measures may be considered:

- Campaigns and promotions for people on the Skills for Life programme to continue education and training for sustainable employment;
- In the same vein, actions to make level 2 a platform for participation in further education and training for sustainable employment.

Efficient training and a supply that is adapted to demand are other prerequisites for successful policies. And, generally speaking, the supply side can not be too much ahead of the demand side.

- Inactive individuals are addressed in the Skills for Life programme (to a certain extent) and in JCP but not in the Skills Strategy. If JCP policies do not produce enough results, perhaps the Skills Strategy should include inactive individuals as a priority group and the Skills for Life programme address them more energetically.
- Social cohesion can be supposed to be primarily promoted by the Skills for Life programme together with the Adult and Community Learning, and the JCP, but to some extent also by the Skills Strategy.

In all these cases the DfES, the DWP, the LSC and the JCP co-operate. A common infrastructure for these actors in terms of targets, IAG, training providers and employer contacts may be efficient.

Looking at the policies mentioned above from a whole of government perspective, they, of course, have to be balanced against other types of policies that can contribute to, e.g. productivity growth. The Department of Trade and Industry (DTI) is perhaps the closest partner for discussions of skills policies. How much investment should go to level 3 and above, and how much to the low skilled? The development of productivity necessitates management skills, new skills, technical skills and university skills. The dissemination of innovations and organisational development require a skilled workforce from the bottom to the top. It is important to engage DTI in low skills to strengthen the attitudinal change in favour of basic and vocational skills. DTI can contribute to the development of the demand side, awareness among employers of the importance of basic and continued training.

Also all three departments are responsible for networks reaching out to employers. Common one-stop-shop approaches may be developed. Joint Cost/Benefit analyses could also be used to check the development of policies.

Finally, for these policies to be successful it would, of course, be essential to start with basic educational attainment for young people; this implies strengthening policies to avoid high proportions of early school leavers. As was shown in section 2.1.1 a high proportion of youth still goes straight into the labour market without vocational skills, which makes for a continuous inflow into the pool of low-skilled adults.

6.2 Priorities, targets, funding and contracts

Since its introduction in 1998 the United Kingdom governance model with quantitative targets has successively developed. Concerns have been to make it better related to priorities and outcomes, and to make it more consistent and transparent. Similar discussions are taking place in the field of training for low-skilled adults. Targets are governing most adult learning programmes and are prominently cited by all kinds of interlocutors, all the way to the Salvation Army that is contracting with the local Jobs Center to provide basic skills training.

DfES spending is determined by numerical targets for numbers of individuals enrolling in either basic education or further training up to NVQ level 2. DWP spending is shaped by targets for moving people from unemployment and inactivity into paid work. Numerical targets are also prominent in the annual reports of the LSC and the JCP.

Targets and outcomes

In principle, the current targets in the field of training for low-skilled adults are outcome-focussed. The only problem is that what, from one perspective, may be considered an outcome from another may only be an intermediary variable. From the point of view of the education and training system, qualifications are outcomes. But from a labour market point of view the preferred result would be employment. Also, if targets are set at the sector level and only added, you end up with many targets at the macro level.

Against this background, the National Employment Panel has suggested that for the Skills Strategy and training of low-skilled adults there should be one overarching goal for the government and common performance targets for the JCP and the LSC. This would contribute to reduction of the proliferation of targets and to bringing the two sectors closer together. For example, the overarching goal could be: “to reduce by 40 % the number of adults in the workforce who lack level 2 by 2010; and working towards this, 1 million in the workforce should achieve level 2 between 2003 and 2006, 300 000 of whom to be drawn from people on benefit”, where the latter part is an addition to the present government goal.

Common performance targets for both JCP and the LSC could be:

- Job entry rates.
- Skills and qualifications achieved.
- Retention in work.
- Wage at entry.

In this way, one could get rid of the JCP focus “on job first” and the LSC on “training first”. NEP also recommends that the local heads of the JCP and the LSC make joint delivery plans – together

with the local Business Link and Skills for Business Network – where the LSC part could contain measurable objectives as to:

- Effective assessment, information and guidance for people on benefit through contacts with the local IAG partnership.
- Providing basic skills and level 2 qualifications for JCP clients.
- Referring inactive claimants enrolled in LSC training to information and advice on best routes to employment.

And the JCP part could aim towards:

- Screening and referring clients for basic skills and level 2 training.
- Referring those without level 2 qualifications to IAG services for advice on support needed for sustainable employment.

The plan could also include common actions to achieve arrangements for joint procurement of training and contract monitoring and coordinated employer marketing. If the targets for LSC and JCP are thus changed, the task of the Adult Learning Inspectorate (ALI) and OFSTED must, of course, also be changed accordingly.

The general idea behind these changes would be for the LSC to look beyond qualifications. At the same time, the JCP should not only concentrate on job entries but on sustainable employment – good jobs where individuals can develop skills and remain employable on the labour market in the long term. And both organisations should also work more with inactive individuals on benefits.

In the same way, the JCP screening target mentioned above could be complemented with skills achievements and employment results. And the accounting and incentive system, as we saw it used at present within the JCP system, could also include recognition of training referrals and not just job entries. We were told that the present public employment service targets are mainly shaped by job entries (i.e. the work first approach), while there are no targets about referral to training or successful upskilling of unemployed clients – the corresponding target was dropped a few years ago.

The formulation of targets is extremely important, as targets have clear impacts. The Skills for Life programme and the demand-driven approach to learning have contributed to more adults studying and more adults studying part-time. However, fewer adults are actually studying at level 2, but among those studying at level 2 more are studying for a full level 2 qualification.

Now with a greater focus on formal qualifications and level 2 these trends must somehow be revised. Many providers will be profoundly affected, including Ufi/learndirect, which has worked hard to develop basic skills courses.

In sum, targets may be a very effective instrument for policy implementation since they can have a strong impact. Generally speaking quantitative targets should be suitable for education and training, as these areas normally have long-term policies. However, when priorities change, it is important to carefully review and adapt the targets.

Targets, funding and contracts

Performance targets in the public sector are supported through different mechanisms. Actors in the public sector have different types of funding mechanisms. Other alternatives are and inspections. For the private sector, contracts are common. We have already discussed the financial incentives outside the public sector for individuals and employers in section 4.2. In this section we will add a few observations on funding for public training providers and contracts for private training providers.

The LSC funding structure for training providers is under review. The aim is to make the funding mechanisms better adapted to the targets, to create flexibility, and to promote delivery of customised services to employers. The funding system should also be simplified and less bureaucratic.

The new model will build on the principle of “funding by plan”. The funding plan for each college and training provider will be set within the context of explicit regional and sector frameworks to make the expected contributions of the college to targets quite clear. An aggregate target for the fee revenues of each college and provider will become part of the funding plan (see Section 4.2). Colleges and training providers will then determine how they use their budgets for adult learning and for business support based on their knowledge of the local environment and their development plan agreed upon with the local LSC.

The LSC will also simplify the formula approach to funding units of qualification to pave the way for unitisation within the qualifications framework (see Chapter 5). For short courses leading to units smaller than a qualification providers will receive block funding. The lower funding for courses defined as “dedicated to one employer” will be removed, as it has suppressed customised provision for employers and created excessive audit burdens. Also, more efficient procedures for taking back funds from colleges which undershoot their targets are piloted 2004/05 and are to be introduced nationally 2005/06.

All colleges saw a 2% real terms increase in the core unit of funding in 2003/04. Thereafter further increases depend upon performance with excellent colleges getting a 3.5% real terms increase in the unit of funding in 2004/05 and 2005/06.

As the demand-led approach evolves, new elements such as priority funding for contractors which integrate training with work placement may be expected if the common LSC/JCP targets are adopted.

A balance must be struck between targets and monitoring of targets and other ways of evaluating providers. Now, the providers are subject to LSC performance reviews, and inspections by the Adult Learning Inspectorate (ALI) and OFSTED.

There are many *partnerships* in the field of education and training. Public actors like the JCP and the national and local LSCs make *contracts* with each other and with private actors. The contracts are also part of the system of targets and incentives. During the review visit to England several examples of the intensive use of targets and contracts were presented. Even the small project at the Salvation Army had its quantitative targets on a contract with the JCP.

Contracting involves many efficiency aspects. For example, both the LSC and the JCP make contracts for training and other services. Collaboration in this field between the JCP and the LSC could include exchanges of experiences with different providers, joint procurement and outsourcing of procurement from the JCP to the LSC or vice versa. Common targets for LSC and JCP could make for efficiency both for the public actors and the training providers and in the end the final customers, the learners.

Given the differences in the targets for the JCP and the LSC, the same provider can have contracts with both and different targets for each of the contracts. For example we met with TBG Learning, a private training firm which has contracts with the JCP where the outcome measure was employment, and the LSC where the outcome measure was qualifications.

In sum, in the public sector there are targets, funding incentives, rules and inspections. The relationship between the public sector and the private sector is often based on contracts. Promising changes are introduced in the funding mechanisms for training providers. However, it seems that much more could be done to make the chain “targets – funding – contracts” more efficient to guarantee value for money. Extending the period over which changes are introduced to better learning from experience before implementing new methods may also be required.

7 CONCLUSIONS – STRENGTHS AND CHALLENGES FOR UK (ENGLAND) POLICIES FOR LOW SKILLED ADULTS

Priorities and policies

The overarching goals of UK government policy include:

- Increases in productivity.
- Reduction of inactivity rates.
- Social cohesion.

As discussed in Chapter 2, the UK government has been quite active in trying to reduce the low skill gaps between the UK and other countries. However, there is still room for improvements to basic skills for adults (especially those outside of the labour force), to vocational skills for young people, and to activity rates for the low skilled (in particular low-skilled men) – improvements that will also promote social cohesion.

New policy measures have recently been introduced addressing skill deficiencies among adults, making the learning system more responsive to labour market demands, both informal skills and formal qualifications.

Along with the education and training reforms have come many organisational and policy changes. Longer-term consistency in policy and programme development may contribute to improved results. Many of these organisational changes are based on partnerships, a characteristic feature of new UK learning policies to embed public policy with relevant stakeholders. This is also true for adult learning for the low skilled, where all the important stakeholders, including employers and trade unions, already seem engaged in the process of creating more education and training opportunities. What might require greater coherence is the link between the “welfare to work” system (JCP clients: unemployed and inactive individuals) and the “workforce development” system (LSC clients: the learners). More training

considerations could be integrated into the former system and more employment considerations into the latter.

Programmes for low-skilled adults

There are two major programmes to improve the employability of low-skilled adults:

- The Skills for Life programme (basic skills).
- The level 2 entitlement in the Skills Strategy (upper secondary education and training).

The first programme addresses the needs of the very low skilled in general (though it is focussed on the unemployed and employees in low-skilled jobs) and the second on employed people lacking upper secondary school qualifications.

Jobcentre Plus also provides training for its clients, also mostly low-skilled adults, unemployed individuals and individuals on incapacity benefits. However, broadly speaking the policies highlight the low-skilled employees and the unemployed. Those who are out of the labour force, benefit claimants, immigrants, adults living in depressed areas, and adults with the lowest skill levels are not addressed to the same extent.

Challenges and progress

The reform programme has already made great progress. The UK government has been very successful in stimulating innovations and experimentation in the field of outreach and motivation for low-skilled adults to start learning. Many actors are involved, but maybe the time has come for some consolidation, a phase of collection and dissemination of results, choosing among alternatives, and mainstreaming for cost efficiency and transparency. Lack of interest in training among low-skilled individuals remains a challenge.

Flexibility in training supply and responsiveness to learner demand and employer requirements have progressed considerably. Diversity and accessibility have also greatly increased. Yet, one remaining challenge is to improve the efficiency of training. One example is training for basic skills, where apparently few individuals reach the qualification goals.

It is also important to follow the trends in returns to training on the labour market and adapt policies accordingly. What strategies are best from a socio-economic point of view remains to be seen – e.g. broad investments starting from the bottom of the skills ladder (Skills for Life) and then moving upwards (level 2 entitlement), or more focussed strategies starting in the middle and working downwards.

The UK government seems committed to monitoring and evaluating programmes and, as results present themselves, prepared to shift allocation of funds accordingly – abstracting from a certain impatience waiting for evaluation results.

Financial incentives

Interesting reforms have been undertaken to strengthen financial incentives for low-skilled individuals to learn; the UK approach seems to imply more carrots than sticks.

Free tuition learning is offered in many cases, especially for low-skilled individuals. Living costs are covered for JCP clients and have begun to be covered for other low-skilled adult learners as well.

The impact on participation rates and the labour market effects of these reforms need to be closely followed. Entitlement for all workers to tuition-free Level 2 learning may seem reasonable, perhaps not for short-term productivity but for longer-term productivity, including the socio-economic problems that can be caused by social exclusion.

Maybe it is rather the attainment of NVQ level 3 or equivalent that really makes a difference in terms of labour market outcomes and returns in the short term. On the other hand, if investments at these levels are profitable, it might not be necessary for the state to subsidise them. In the same vein, the effects of grants to full-time students need to be studied closely, as does employer compensation. Can businesses be motivated from a socio-economic point of view? Can the outreach effects of subsidised courses with cultural, leisure, community, and personal fulfilment purposes be important enough to merit the subsidies?

The National Qualifications Framework

Quality issues are taken seriously in the UK. The National Qualifications Framework (NQF) can be seen as a grid through which the supply of training is managed and controlled for quality. It can be used in skills analyses, to set standards, to develop training programmes, to deliver information and advice and guidance services, and to make training learner friendly and employer relevant.

It is, however, a formidable task to keep the National Qualifications Framework) updated and, at present, to adapt it to the needs of the low skilled. The NQF may be a good tool for internal consistency within the education and training system, and for the recognition of informal learning. But the level of complication rises enormously when it is also expected to be a good tool for external consistency, i.e. between the education and training system (at all levels) and all individuals in society and on the labour market (in all sectors).

As it stands the qualifications structure looks rather fragmented. The needs of low-skilled adults have to be addressed specially – how to communicate the system to the low skilled and how to get them to fit into it. Work is under way to broaden the NQF and make it correspond better to present policy priorities. It is a great challenge to put the whole system in place. The benefits of a complete system are probably much higher than of a partial one. But we cannot yet know if it is worth the investment and current costs. Perhaps this one instrument (the NQF) is not enough to reach all the expected goals: a high-quality supply, internal and external flexibility, and adaptability and social equality.

Recent reforms

Sometimes the recent reforms taken together are presented as successors to the Individual Learning Accounts (ILA). They have integrated the successful elements of ILA – the new entitlement to free learning at level 2 for those who have few or no qualifications, improvements in learner support, broadening the range of providers to include private providers that have something distinctive to offer, strengthening the range of first step and return to learning opportunities, and improving IAG. These reforms support the financing of courses and living costs, increase the choice of providers and improve guidance. The UK government has settled for channelling subsidies for courses to institutions and subsidies for living costs to individuals. Another idea with Individual Learning Accounts could have been to permit individuals to handle both types of subsidies themselves.

Policy coherence

Are the policies for low-skilled adults represented by the Skills for Life programme, the Skills Strategy and Active Labour Market Policies (ALMP) coherent with the overarching goals? All three policies could contribute to productivity growth if there is a progression for the individuals from a particular ALMP, from the Skills for Life programme and from the Skills Strategy to higher qualifications and more and better jobs. A number of complementary measures could be considered to help these measures succeed.

- Campaigns and promotions for people on the Skills for Life programme to continue education and training for sustainable employment.
- In the same vein, actions to make level 2 a platform for participation in further education and training for sustainable employment.
- In both cases, a special concern for engaging low-skilled men, especially those out of the labour force.

Other prerequisites for successful impact of policies are efficient training and a training supply that is adapted to demand. Generally speaking, the supply side can not be too much ahead of the demand side.

- Inactive individuals are addressed in the Skills for Life programme (to a certain extent) and in ALMPs but not in the Skills Strategy. If ALMPs do not produce strong results, perhaps the Skills Strategy should include inactive individuals as priority groups and the Skills for Life programme should address them more energetically.
- Social cohesion can be assumed to be primarily promoted by the Skills for Life programme, together with Adult and Community Learning and ALMPs, but also to some extent by the Skills Strategy.

In all these cases the DfES, the DWP, the LSC and the JCP must co-operate. A common infrastructure for these actors in terms of targets, IAG, training providers and employer contacts can probably increase efficiency.

Looking at the policies mentioned above from a whole-of-government point of view, they must of course be balanced against other types of policies that can contribute to, for example, productivity growth. The Department of Trade and Industry (DTI) is perhaps the closest partner for discussions of skills policies. How much investment should go to level 3 and above, and how much to the low skilled? The DTI has a stake in improving low skills too, since the dissemination of innovations requires a skilled workforce from the bottom to the top. Also, at the firm level, increases in productivity often go hand in hand with organisational development, where, again, a knowledgeable workforce facilitates changes. Employers must also be aware of the importance of basic and continuing training.

Networks reaching out to employers from the different ministries can be linked, especially for small and medium-sized firms, common one-stop-shop approaches may be developed.

For these policies to be successful, it would be essential to work on improving basic educational attainment for young people by contributing to the reduction of high early school leaving rates. As was shown in section 2.1.1, a high proportion of youth still goes straight into the labour market without vocational skills. This makes for a continuous inflow into the pool of low-skilled adults.

Targets

Targets may be a very effective instrument for coherency in policy implementation. They do have impacts. Generally speaking, quantitative targets should be suitable for education and training policies as they normally are or should be long term. But when priorities change, efficiency requires careful renewal of targets.

Experiment, evaluation and policy changes

The UK government seems committed to innovation and experimentation and to monitoring and evaluating pilots and programmes, and is demonstrating a readiness to use research and evaluation results in policy development. An extension of the period over which changes are introduced may be required to better learn from experience before implementing new policies and methods.

Cost/Benefit analyses

In several instances we have noted that Cost/Benefit analyses are planned and underway. They could probably be used even more extensively to check policies at different levels such as at the strategic level for policy cohesion; at the programme level for efficient packaging; and at the project level for basic knowledge.

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ANNEX 3: PROGRAMME OF THE VISIT

Monday 26 April – London / Lewes

09.30 – 11.30 *Meeting with officials from the Department for Education and Skills (DfES) and the Department for Work and Pensions (DWP)*

Outline of Government Lifelong learning policies:

From DWP

Del Jenkins, Team Leader, Jobseeker Analysis Division (JAD)

Simon Judge, Divisional Manager, Partnership, Unemployed, Skills, Hardest to Help (PUSH)

Margot Hart, Team Leader, Skills Strategy

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Stephen Thrower, Team Leader, OECD Commonwealth and UNESCO

14.00 – 16.00 *Visit to Lewes Prison*

An Overview of Education Provision at HMP Lewis

Jenny Martin, Head of Learning and Skills

Ann Lockwood, Education Manager

Tuesday 27 April – London / Stoke

09.00 – 09.30 *Jobcentre Plus video “Real People Choices”*

09.30 – 09.45 *Ufi Video conference*

Tracey Battle, University for Industry

Ann Robertson, University for Industry

Bill Sheppard, Jobseeker Analysis Division

11.00 – 12.00 *Visit to Jobcentre Plus*

14.30 – 16.30 *Voluntary Sector: Groundwork – Basic Skills Project Stoke*

Overview of Link Up and its contribution to Skills for Life

Christine Townley, Head of Link-up, Basic Skills Agency

Julie Barraclough, Education Projects Manager, Groundwork Stoke on Trent

Sarah Crawley, Director, Professional Development Centre Birmingham

Del Jenkins - JAD Team Leader (DWP)

Liz Maifredi - Policy Adviser (DWP)

Wednesday 28 April – Coventry / North Warwickshire

10.00 – 12.00 *Meeting with Learning Skills Council officials*

Sue Yeoman, Adult and Community Learning
Kelly Jones, Qualifications and Curriculum
Janet Rylan, Young People, Entry2Employment
Sue O’Hara, Widening Participation
Vicki Ball, Skills Strategy

14.00 – 16.30 *Visit to North Warwickshire and Hinckley College*

Thursday 29 April – Stratford / Lewisham

10.00 – 11.30 *Introduction to Employer Training and Progress to Date (known as “Profit from Learning” in this area)*

11.30 – 12.00 *Visit to an Employer in Lewisham taking part in the Employer Training Pilot*

14.00 – 16.30 *The Salvation Army – Basic Skills Project:*

Part of a European Social Fund (ESF) / Jobcentre Plus (JCP) Co-finance Programme (Tower Hamlets)

17.00 – 18.15 *Private Training provider/ learndirect*

Friday 30 April - London

09.30 – 11.00 *Academic Seminar*

11.30 – 12.30 *Wrap-up meeting with National Steering committee:*

Presentation of preliminary findings by OECD Review team

Simon Judge, Divisional Manager, PUSH
Clare Elliott, Divisional Manager JAD
Margot Hart, Team Leader, Skills Strategy
Del Jenkins, Team Leader, JAD
Stephen Thrower, Team Leader, OECD Commonwealth and UNESCO
Marcus Starling, Team Member, Adult Basic Skills Strategy Unit
Peter Vallely, Team Leader, Finance and Analytical Services Directorate

From OECD

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