Future-Proofing Adult Learning in Berlin, Germany

(Executive Summary, Assessment and Recommendations)
Executive summary

Berlin is Germany’s capital, its biggest city with a population of almost 3 650 000 and one of its 16 federal states. While the city has a labour force of more than 2 million, due to Germany’s decentralised economy it is neither Germany’s financial capital nor the city with the most headquarters of large enterprises. Berlin’s population has grown by more than 8% since 2000. It is one of the most diverse across Germany, with around one-third of its residents having a migration background.

Over the past decade, Berlin’s labour market has significantly tightened. The unemployment rate has been falling from 13% in 2010 to 5.5% in 2019. Following a decade of rapid employment growth driven by the service sector, Berlin’s labour market has now entered a new period. Recruitment of suitably qualified workers is becoming increasingly difficult for employers. Since 2010, the number of job vacancies has almost tripled and reached around 115 000 jobs in 2019. Ultimately, this development will put upward pressure on wages in sectors that experience shortages in labour supply and could reduce productivity growth of firms that cannot fill vacancies.

The tightening of Berlin’s labour market raises the importance of the local adult learning system for two reasons. First, the system will need to increase the supply of qualified workers that can meet the skills needs of Berlin employers. Second, as wages are likely to rise disproportionally in high-skill sectors, there is a risk of aggravated social divisions if low and medium-educated workers are not trained and upskilled to remain attractive to local employers.

While the pandemic has been the focus of much of the policy discourse in the past two years, Berlin had already faced several labour market challenges that require an effective adult learning system. The crisis has put the spotlight on these challenges. Educational attainment in Berlin has been rising but it remains below that of many other OECD metropolitan areas. Additionally, many inhabitants of Berlin are not making optimal use of their skills. Around 41% of workers are mismatched by qualification, the second highest degree of mismatch among 13 major OECD metropolitan areas. Such skills mismatches and gaps affect not only workers, but also have a negative impact on employers and thus local economic growth. Employers are struggling to fill vacancies with suitable staff, particularly in services such as health, social services and education.

The pandemic also compounds labour market trends that risk exacerbating socio-economic inequality in Berlin. As a catalyst for technological change, COVID-19 accelerates megatrends such as digitalisation and the automation of production processes. Already before the pandemic, Berlin faced higher automation risks than many other OECD metropolitan areas. Almost half of all workers in Berlin (47%) could be directly affected by automation, compared to less than 30% in cities such as Oslo or London. Those workers need tailored support via skills development and adult learning before they become unemployed.

The challenges for Berlin’s labour market call for greater efforts aimed at enhancing and future-proofing the adult learning and continuous education system in Berlin. Employers play a vital role in offering training, learning and skills development opportunities in Germany. However, employers in Berlin do not invest enough into training and learning for their employees. Only 14% of the labour force participated in work-related training in Berlin in 2019, the lowest participation rate among all German states.
Financial resources and capacity constraints are major obstacles for most firms in Berlin to provide training. However, they affect SMEs, microenterprises and own-account workers the most. Only 28% of enterprises with less than 10 employees in Berlin offer education and training opportunities, compared to 76% of larger enterprises with more than 250 employees. The fact that Berlin has the highest share of self-employed (13.5%) in Germany exacerbates these constraints. Additionally, own-account workers without any employees make up 74% of all self-employed in Berlin compared to 54% nationally, which further limits participation and investment in adult learning.

Berlin recognises the importance of skills and a functioning adult learning system to support skills development and the local labour market. In 2021, Berlin’s first Adult Education Act came into force. Furthermore, during the pandemic the exchange between the responsible ministries in Berlin and other key stakeholders such as employer federations, social partners and learning providers has also intensified. Nonetheless, participation in adult learning and continuous education remains low in Berlin compared to other German states and is only half that of the leading OECD metropolitan areas. If Berlin were to catch-up with cities like Zurich, Helsinki or Stockholm, nearly half a million more adults would need to participate in training every year. Additionally, general adult learning and training for the labour market are separately defined and managed, even though a better integration could reap significant benefits.

Addressing the barriers to accessing adult learning, supported by a long-term comprehensive skills and adult learning strategy, is within the scope of public action in Berlin. To future-proof the adult learning system, Berlin could build on the following policy recommendations laid out in this OECD report:

Develop a long-term strategy for adult learning in Berlin

- **Develop a new master plan for skills development and adult education**: The rapid labour market transformation requires a comprehensive strategy with a clear vision and objectives for the future of Berlin’s labour market and economy. Creating a new advisory board that includes workers, social partners and employers could help inform and steer the strategic direction of skills development policies and ensure that it aligns with local skills needs.

- **Encourage a culture of life-long learning**: Creating stronger links between general adult learning and work-related continuing education and training could help enhance learners’ willingness to stay involved in Berlin’s adult learning system. Capitalising on Berlin’s general adult education provision could support transversal skills that matter for a work-related context and foster “learning to learn”.

Provide adult learning to all individuals and tailor it to the needs of vulnerable groups

- **Ensure learning and retraining opportunities reach workers most at risk of labour market transformation**: This could include an expansion of short, modular courses and online training as a complement to traditional learning modules. Introducing education and training instruments that target own-account workers and account for their greater need for flexibility could enhance access to training and participation.

- **Expand learning opportunities for both basic as well as digital skills**: Opportunities could include embedding digital skills training in adult learning programmes and expanding the Berlin Alphabetisierungskampagne (“literacy campaign”) and the work of the Grundbildungszentrum Berlin (“Berlin Centre for Basic Education”). Furthermore, Berlin could scale up social economy programmes that offer targeted support for youth who leave school early or lack basic skills.

- **Adapt the adult learning offer for migrants to their specific needs**: A closer integration of education, labour market and career guidance services into Berlin’s Volkshochschulen (“Adult Education Centres”) could turn them into “one-stop-shops” for the economic and societal integration of migrants. Berlin could also scale up learning and training offers to migrants in areas that do not require German language proficiency, such as the IT sector.
Encourage employer involvement in adult learning and training

- **Foster demand-led training and labour market information**: Increasing employer representation in the planning of skills policies could create a better alignment with labour market needs. Setting up regular surveys of enterprises in Berlin to collect comprehensive data on skills challenges in recruitment and with the existing workforce could help inform the design of effective training programmes.

- **Strengthen workplace training and tailor support to the needs of SMEs**: Berlin could aim to establish peer-learning platforms that spread good workplace practices and share resources for training among both small and large firms. Additionally, Berlin could raise awareness of the value of training and learning among SMEs, by employing dedicated project account managers that contact SMEs proactively, help them develop a joint skills needs assessment, and identify suitable training programmes.
Assessment and recommendations

Managing labour market uncertainty due to COVID-19 and the future of work

Berlin is Germany’s capital and largest city with a population of almost 3 650 000. As one of 16 federal states in Germany, Berlin has greater autonomy in various policy areas than most OECD cities, notably in culture, primary, secondary and tertiary education as well as media. Berlin has a labour force of more than 2 million but, due to Germany’s decentralised economy, it is neither the country’s financial capital nor the city with the most headquarters of large enterprises. The metropolitan area of Berlin, which also includes its commuting zones in the neighbouring state of Brandenburg, accounts for 6.4% of the national population but only 5.8% of national gross domestic product (GDP). In Germany, Berlin is one of the fastest growing and most diverse cities. Its population has grown by more than 8% since 2000 and around one-third of its residents have a migration background.

This OECD report comes at a time of great change that will continue to transform Berlin’s economy and labour market. The economy is still affected by the COVID-19 pandemic. While it caused an economic contraction in the first wave, it continues to create uncertainty for Berlin’s economy. Just as the labour market in Berlin recovered from the shock caused by confinement and social distancing measures, new waves and COVID-19 variants give again rise for concern. While Berlin has weathered the storm relatively well, with unemployment falling even during the pandemic, underemployment has grown as many firms struggle financially and some workers remain on short-time work schemes.

Before the onset of the COVID-19 outbreak, Berlin had enjoyed two decades of rising employment and economic growth. Between 2000 and 2019, total employment in Berlin grew at an annual rate of almost 1.3%, compared to 0.7% in Germany and 0.6% in the European Union, creating almost 450 000 new jobs. During this period, Berlin also experienced gains in its labour productivity, which helped to reduce the gap with other major OECD metropolitan areas. Nonetheless, labour productivity remains 40 to 50% below that of OECD metropolitan areas such as Amsterdam, Stockholm, Oslo or Paris. While the uncertainty and economic effects of the COVID-19 pandemic might put some of the gains in productivity and employment that Berlin made over the past decade at risk, its labour market appears to be entering a new phase.

Berlin’s labour market is increasingly tightening, as labour supply struggles to keep up with rising labour demand. Recruitment of suitably qualified workers is becoming increasingly difficult for employers. Since 2010, the number of job vacancies has almost tripled and reached around 115 000 jobs in 2019. Over the same period, the unemployment rate fell from 13% to 5.5%. As a result, the pool of readily available workers has declined. In 2010, approximately nine unemployed workers were available for each open position but this ratio dropped to almost one in 2019. More than 40% of firms in Berlin and neighbouring Brandenburg reported difficulties in finding a suitable candidate for a vacancy in 2019, an increase of 10 percentage points since 2010. Besides a lack of available workers, more than a quarter of
firms cite a lack of sufficient professional qualifications as a major obstacle in recruitment, indicating the skills gaps that hold back their businesses and, ultimately, economic and productivity growth in Berlin.

The pandemic has not only led to a widespread adoption of teleworking but has also accelerated megatrends that continue to transform Berlin’s labour market and could accelerate skills gaps. Even before the pandemic, Berlin faced a number of profound challenges as digitalisation and automation changed the types of jobs and skills needed in the labour market. As in previous economic crises, COVID-19 has accelerated the adoption of new technologies that will further speed up the transformation of Berlin’s labour market. Due to automation, almost every second job in Berlin could be affected, and either see a significant change to its requirements in terms of tasks and skills (32%) or could disappear entirely (14%). Supporting those workers before they become unemployed requires tailored adult learning offers that enable them to upskill or retrain.

Already before the pandemic, Berlin faced significant challenges in terms of skills gaps and mismatches. Educational attainment in Berlin has been rising but it remains below that of many other OECD metropolitan areas. Additionally, many inhabitants of Berlin are not making optimal use of their skills, and work in jobs that do not match their qualifications. Around 41% of workers are mismatched by qualification, the second highest degree of mismatch among 13 major OECD metropolitan areas. Such skills mismatches and gaps reduce worker productivity and local economic growth, as firms struggle to fill vacancies with suitable staff. Besides skills mismatches among the employed, Berlin also faces challenges in preparing youth for the labour market. Around 14% of individuals aged 18 to 24 leave education without a degree, three percentage points above the German average, heightening the risk that they do not have the necessary skills to find employment.

The adult learning system in Berlin plays an important role in how the city can manage the labour market transformation. Effective alignment of labour market needs with training and learning offers can help alleviate skills gaps that many employers in Berlin experience. A strong adult learning system with tailored training and learning opportunities helps workers to take up new and emerging opportunities more readily. It also provides an essential tool for raising social mobility, especially among low-skilled individuals and youth. Furthermore, it fosters the integration of migrants and refugees, which is particularly important in Berlin because a third of its population has a migration background.

What are the policy opportunities for Berlin to future-proof its adult learning system?

This OECD report has been developed following extensive consultations with stakeholders across Berlin, including the Senate Department for Integration, Labour and Social Affairs and the Senate Department for Education, Youth and Families. Additionally, the OECD consulted with the regional branch of the Federal Employment Agency, the Chamber of Industry and Commerce, as well as a large range of adult learning and continuous education providers. As Berlin aims to enhance its adult learning system, the following recommendations could be considered.

Develop a long-term strategy for adult learning in Berlin

Berlin has made important progress in recognising the importance of adult learning and continuous education, and learners benefit from a diverse landscape of learning opportunities. The new Erwachsenenbildungsgesetz (“Law on Adult Learning”) in Berlin aims to give new impetus to the expansion of adult learning opportunities and the provision of necessary support for potential learners. A combination of a wide range of adult learning providers, business associations and direct programmes of the city administration offer diverse and manifold training and learning programmes. Nonetheless, a number of weaknesses undermine the efficacy of Berlin’s adult learning system.
While adult learning and continuous education are more important than ever before, Berlin currently lacks a comprehensive long-term plan that lays out a clear and comprehensive skills strategy for Berlin. Berlin’s labour market is changing rapidly and many promising skills development initiatives exist under the umbrella of both the Berlin Senate and the German federal government. However, these are currently fragmented. A broader vision for the city’s skills strategy, including strategic responses to long-term labour market megatrends, would counter skills gaps and mismatches and support Berlin’s citizens to re- and upskill throughout their working lives.

In designing a long-term skills and adult learning strategy, Berlin could draw upon insights of this OECD report and build upon ideas that had been previously identified by relevant local stakeholders. Berlin’s Masterplan Qualifizierung (“Master Plan Qualification”), published in 2011, envisioned a long-term skills strategy. It was developed by the Senate Department for Integration, Labour and Social Affairs in co-operation with the biggest adult learning actors in Berlin. Revitalising the coalition behind that plan and working together with other adult learning providers could help Berlin address the major challenges its adult learning and continuous education system will face.

Currently, general adult learning as well as labour market related training and learning are separately defined and managed. While the Senate Department for Integration, Labour and Social Affairs is responsible for vocational education and labour market policies, responsibilities for more general adult education and lifelong learning lie within the Senate Department for Education, Youth and Families. This strict separation of the adult learning system risks forgoing the benefits of links and synergies that exist between those two strands. For example, the bulk of German language classes falls under general adult education under the Senate Department for Education, Youth and Families, but has clear implications for migrant labour market opportunities in Berlin. While the Berlin Adult Learning Law provides positive momentum for general adult education, the law exemplifies the strong divide between general adult education and labour market specific training in Berlin. Its advisory board is heavily skewed towards general adult education and lacks representation from enterprises, which could further widen the gap between general adult education and labour market training.

Berlin’s diverse adult learning landscape has many providers that offer a wide range of learning programmes, but they are difficult to navigate for learners and workers. While the system offers learners a broad set of choices, its fragmented structure can make it difficult for potential interested learners or employers to identify programmes that best fit their needs. Through two websites, Berlin and the regional branch of the federal employment agency aim to provide an overview of existing adult learning programmes. Building on these efforts, as well as helping employers to navigate and take advantage of those programmes, could facilitate the search of both individuals as well as employers of suitable programmes that match their specific needs, skills and qualification. Jointly with an integrated long-term skills strategy, such a database might also help alleviate confusion around “who offers what” in the Berlin adult learning landscape.
Recommendations for developing a long-term strategy for adult learning in Berlin

Create a new master plan or long-term strategy for skills development and adult education

- **Develop a clear, comprehensive and long-term skills strategy for Berlin.** The rapid transformation of the labour market requires a comprehensive and integrated approach that lays out a clear vision and objectives for the future of Berlin’s labour market and economy. The strategy should entail the definition of short- and long-term goals, and build on timely data as well as forecasting analysis to anticipate future changes to skills needs. Examples to follow could include the skills strategy in London that defines clear economic and social indicators and objectives.

- **Support long-term objectives with the creation of a diverse advisory board that helps inform and steer the strategic direction of skills development policies in Berlin.** Bringing together employees, political decision makers, social partners, adult learning providers and local employers could help Berlin to design and follow a skills strategy that aligns with local labour market needs and simultaneously pursues social objectives such as social mobility, lifelong learning and support of vulnerable groups.

- **Examine opportunities for integrating job-related training and general adult learning policies.** The current system has two separate strands, one for general adult education as well as lifelong learning and another strand for vocational as well as job-related training. While these strands may pursue different objectives, they also offer clear synergies in areas such as language training or digital skills.

Foster quality information and advice about careers and jobs in Berlin

- **Leverage the promising local database Weiterbildungsdatenbank Berlin (”continuous education database”) to facilitate participation in learning and training offers.** To make the most of the comprehensive overview of continuous education and training (CET) offers in Berlin via the Weiterbildungsdatenbank, policy makers in Berlin could look at a number of options. First, increasing the visibility of the database and raising awareness among firms and potential learners is essential. Second, many learners might be deterred from taking advantage of existing offers due to time or financial constraints. To boost CET uptake, it would be helpful to link the entries in the database with detailed information on support measures such as financial incentives, which is already the case, as well as to link directly to the required documents to obtain such support.

- **Ensure Berlin can leverage timely labour market data and information on skills needs to shape adult learning decisions and priorities.** This would include regular information on employer labour market needs in terms of skills and qualifications, their challenges in using existing learning offers, improved access to consistent data on adult learning participation, learner progress, learner subsequent employment outcomes, and outcomes for individual local training providers.

Encourage a culture of life-long learning

- **Use public outreach and existing adult learning provision to foster awareness of the benefits of lifelong learning.** As younger generations are likely to need training and learning throughout their careers, establishing a strong culture of lifelong learning is vital. Here, the goal should be “learning to learn”. Greater awareness of both the need for learning and its benefits are a prerequisite for encouraging individuals to engage in CET and general adult learning. Creating stronger links between different adult learning courses on the one hand, and general adult
learning and work-related CET on the other, could help enhance learner willingness to stay involved in Berlin’s adult learning system.

- **Capitalise on Berlin’s general adult education provision to foster transversal skills.** Berlin’s general adult education can impart valuable competences that also matter for a work-related context. By strengthening transversal skills such as digital literacy, language competence, learning competence and basic literacy, the general adult learning provision can support work-related adult learning and training, and equip individuals with the toolkit to acquire other, more specific occupational skills.

### Provide adult learning to all individuals and tailor it to the needs of vulnerable groups

The primary objective of adult and continuous education is to offer opportunities for retraining and upskilling. The groups that stand to benefit the most from such opportunities consist mainly of individuals who face heightened risks in the labour market. They include low-skilled workers whose jobs have a greater likelihood of being automated or markedly changed by automation. Other vulnerable groups consist of young people who enter the labour market or migrants that might not have the right skills demanded in the local economy or struggle with the recognition of their foreign qualifications.

**Berlin could reap significant benefits from better integrating its migrant population into its continuous education system and ultimately its labour market.** Around 33% of Berlin’s working-age population has a migrant background, i.e. has no German citizenship or at least one parent does not hold German citizenship by birth. Berlin is home to many recent refugees who arrived over the last few years. On average, these groups record lower employment and educational attainment outcomes than the general population in Berlin. Making sure that adult learning and continuous education directly fosters the social and economic integration of migrants would generate significant benefits.

A better integration of general adult education offered primarily by Volkshochschulen (VHS) (“adult education centres”) into the general continuous education and training system could encourage the economic integration of migrants. The demand for German language courses is very high, as newly arrived migrants aim to acquire the necessary language skills to participate economically. However, language courses alone do not suffice and becoming proficient requires time. Therefore, a stronger emphasis on combining language courses with work-related training could not only provide an attractive option to potential learners, but also equip them with the necessary vocational experience to thrive in Berlin’s labour market. Systematically scaling up and institutionalising promising examples of existing efforts (e.g. REDI School as well as initiatives by VHS) could enhance the integration, skills development and economic mobility of migrants.

Despite many learning opportunities, low participation in learning and training courses holds back the adult learning system in Berlin. In an OECD comparison, participation in formal and non-formal education and training in Berlin is only half that of the leading OECD metropolitan areas. Within Germany, work-related continuous education and training is significantly below the levels of other German states. To raise participation among all types of employees, Berlin could seek to raise awareness of the local continuous education and training offer and its benefits. In particular, Berlin could expand the scope of programmes that target all workers in need, especially those who could be affected by automation. Given the accelerating change of the labour market, skills development and adult learning will need to increasingly serve not only the long-term unemployed and those facing barriers to the labour market, but also workers affected by labour market disruptions and technological change before they become unemployed.

**Two important challenges for Berlin’s labour market are the need to equip its workforce with both basic as well as digital skills.** A significant share of the population lacks basic competencies in terms of
literacy and numeracy, exacerbated by the fact that 14% of individuals aged 18 to 24 leave education without a degree, more than three percentage points above the German average. Such competencies are the necessary foundation for succeeding in the labour market. Furthermore, without adequate basic skills, it becomes extremely difficult to upskill and re-train as the skills needs of the economy change. This is particularly important for digital skills whose relevance is rising rapidly as firms adopt more and new technologies.

**Recommendations for providing adult learning to all individuals and tailoring it to the needs of vulnerable groups**

**Ensure learning and retraining opportunities reach workers most at risk of labour market transformation**

- **Strengthen foresight analytics to identify individuals at risk from emerging labour market transformations and raise awareness of the benefits of skills development.** Tailor services to the specific needs of individuals who face heightened risk from automation, digitalisation or the green transition. Strengthen career guidance that helps establish pathways into other jobs or sectors and boosts awareness of the benefits of adult training opportunities.

- **Work with adult learning providers to establish modular learning offers that enable easily accessible upskilling and re-training opportunities for all adults.** While Berlin already offers relatively generous work leave for learning and training, the rollout of more flexible and especially short, modular courses could encourage stronger uptake of those opportunities. It would enable workers to better balance adult learning participation with work or family responsibilities.

- **Introduce education and training instruments that target own-account workers.** Own-account workers, i.e. self-employed without any employees, constitute a much larger share of Berlin’s labour force than in other German regions. Due to legal, financial and time constraints, their participation in continuous education and training (CET) is low. To increase CET participation among own-account workers, Berlin could follow a model similar to Vienna’s Waff Training Account. The Waff Training Account explicitly includes own-account workers and accounts for their needs of great flexibility. It covers 80 percent of the total training costs up to a maximum of EUR 2,000 for business-relevant education and training, including digital skills. To facilitate use and increase take-up, CET applications can be submitted online before the training course begins or up until four weeks after the start date of the course.

**Expand learning opportunities of both basic as well as digital skills**

- **Strengthen efforts to reach individuals that lack basic skills.** Sufficient numeracy and literacy are not only the foundation for most jobs, but are a prerequisite for further learning. Thus, extending efforts such as the literacy campaign (Alphabetisierungskampagne) that try to offer on-the-ground support for people without basic skills could foster social and economic integration. To this end, the Grundbildungszentrum Berlin (“Berlin Centre for Basic Education”), funded by the Senate Department for Education, Youth and Families, is a promising institution. Its novel “alpha label” programme assigns quality labels to institutions that offer their services in an easily accessible way for adults with low literacy. Its use could be expanded across Berlin more widely.

- **Embed digital skills training in adult learning programmes.** Digital skills have become ever more relevant. Making sure that adult learning provision fosters the acquisition of digital skills, both basic as well as more advanced ICT skills, puts learners in a stronger position to find job opportunities or engage in learning more effectively.
Strengthen the support for employers and bring employers on board to foster investments in adult learning and workplace training

Employers remain the main provider of continuous education and training (CET) in Berlin. The COVID-19 crisis has however shown that financial resources are scarce in times of recession. Almost three-quarters of employers in Berlin cite a lack of financial resources as an obstacle to expanding continuous education and training in their company. Other notable impediments include easy access to information on CET offers, CET counselling, and CET planning support.

The challenges employers face with respect to CET are even more pronounced for SMEs. SMEs and very small companies in particular tend to underinvest in CET due to a lack of resources, insufficient investment incentives and much lower capacity to offer internal training or learning opportunities. In Berlin, the share of very small businesses among SMEs and the share of self-employed individuals is higher than in other German regions. For them, tailored CET offers, better information on existing programmes and easier use of those programmes are especially important.

Aligning the adult learning and CET system with the skills needs of employers is essential for managing the transformation of the labour market efficiently and inclusively. This requires frequent and systematic exchange between employers and policy makers on the one hand, and employers and adult learning providers on the other hand. A crucial step would consist of better employer representation and involvement in the planning of skills needs and the new strategy. Since the onset of the COVID-19 pandemic, the Berlin Senate Department for Integration, Labour and Social Affairs has held regular meetings with relevant stakeholders, including employers, on skills and labour market issues. Institutionalising such exchanges and setting up dedicated business advisory groups on skills development could be a next step.

Adapt the adult learning offer for migrants to their specific needs

- **Leverage participation in German language courses to provide career counselling and equip migrants with necessary vocational skills.** Combining language courses with direct work-related training offers significant synergies for preparing migrants for the labour market and could reduce the time they need for finding a job. In a first step, Berlin’s Volkshochschulen (VHS) (“adult education centres”) could offer career, education and labour market counselling to migrants and refugees, similar to the Volkshochschule Wiesbaden in Hessen, Germany. The VHS Wiesbaden institutionalised the approach taken by Berlin’s Mobile Beratung zu Bildung und Beruf für geflüchtete Menschen (MoBiBe, “mobile counselling on education and careers for refugees”), a mobile counselling unit introduced by the Senate Department for Integration, Labour and Social Affairs in response to the 2015/2016 arrival of a large number of asylum seekers. In a second step, Berlin’s VHS could expand the scope of existing offers that combine language training with vocational education, following international best-practice examples.

- **Scale up learning and training offers in areas that do not require German proficiency by building on successful social economy initiatives.** By offering training for in-demand sectors where English is the working language, or jobs in the IT sector where language skills are less relevant, migrants could gain early access to jobs without a lengthy period of acquiring German proficiency. To this end, Berlin could build on existing learning providers in its social economy such as the REDI School. The REDI School has developed a successful model that trains refugees in programming and coding and then cooperates with the private sector to place their graduates in Berlin’s IT sector.
Recommendations for encouraging employer involvement in adult learning and training

Foster demand-led training and labour market information

- **Set-up regular surveys of enterprises in Berlin.** The survey could collect comprehensive data and information on skills challenges that employers report both within their existing workforces and when recruiting. Data collected could include the levels and nature of investment in training and development as well as the relationship between skills challenges, training activity and business strategy. Building upon and supporting the expansion of surveys by the Industrie- und Handelskammer ("Chamber of Industry and Commerce") or the Institut für Arbeitsmarkt- und Berufsforschung ("Institute for Employment Research") could yield such valuable information in a more frequent manner.

- **Increase employer representation in the planning of skills policies.** Since the COVID-19 pandemic, the Berlin Senate Chambers have organised regular meetings with business associations to discuss adult learning and labour market issues. Going forward, institutionalising such exchanges could ensure closer collaboration with the private sector. One option could be to set up a skills business advisory group that represents enterprises of different sizes and from different sectors and offers guidance to political decision makers. Furthermore, stronger collaboration and exchange of information between training providers and local firms could help shape CET programmes according to local needs and incentivise firms to make use of such training opportunities.

Strengthen workplace training and tailor support to the needs of SMEs

- **Establish peer-learning platforms that spread good workplace practices and share resources for training among firms in Berlin.** Such platforms could facilitate knowledge sharing of successful management practices, internal skills development strategies, and uptake of new technologies or other innovations. To this end, Berlin could support the newly-founded CET employer networks. These networks are funded by the federal government and bring together local companies to exchange on skill needs and training opportunities. To develop networks further and beyond the initial funding period, Berlin could aim to engage large companies in such networks. These large companies could then be encouraged to open their training courses and workshops outside of regular operating hours and, with their expertise, offer advanced training on the new machines and technologies for employees of SMEs.

- **Introduce new support measures for training in SMEs that go beyond financial incentives to raise awareness of the value of training and learning.** Ample funding opportunities for training and education in SMEs exist on the federal level, with the new Qualifizierungschancengesetz ("Skills Development Opportunities Act") and the Arbeit-von-morgen-Gesetz ("Work of Tomorrow Act") covering up to 100% of direct and indirect costs incurred by SMEs. However, awareness and take-up of these opportunities remain low among SMEs. Faced with similar problems, other cities across the OECD have started to acknowledge the need to go beyond financial incentives. For example, Berlin could pursue an approach similar to the city of Vantaa, Finland, where project account managers employed by the city are assigned to SMEs to contact SMEs proactively. Following a joint skills needs assessment, suitable training programmes are then suggested to SMEs and their employees.