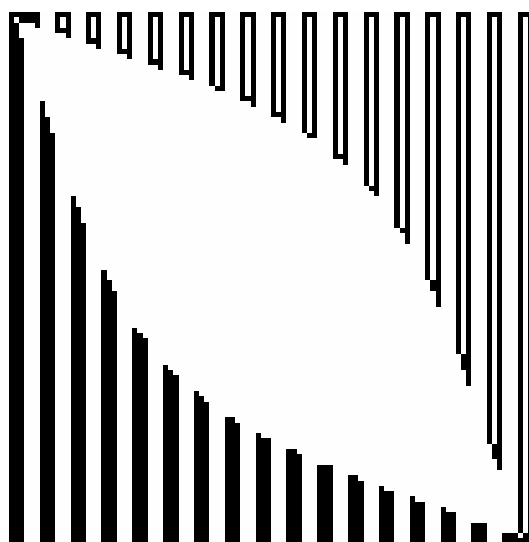


THEMATIC REVIEW ON ADULT LEARNING



GERMANY

COUNTRY NOTE

Visit: December 2003

Final Version: May 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 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 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 set of 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 focused review addressing adult learning of 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 focused review (Germany, Korea, the Netherlands, the United Kingdom (England) 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, employers, trade unions and practitioners, and on-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. The note addresses, *inter alia*, the major themes that can contribute to improve participation in learning: incentives set by public policy; how to make learning more attractive, particularly to the low-skilled; different ways to improve quality and effectiveness of learning; and how to promote greater policy integration and coherence in adult learning. A final Comparative Report, entitled *Promoting Adult Learning* and published in 2005, addresses the different issues and policy responses in a comparative perspective, based on the insights gathered from the participating countries.

1.2. Country participation in the review

Germany is one of the five countries that chose to focus the review on low-skilled adults. The review visit to Germany took place between 8 and 12 December 2003. It was supported by the Federal Ministry of Education and Research (*BMBF*) and the *Deutsches Institut für Erwachsenenbildung*, Bonn. The team visited over the course of five working days various learning providers, labour market intermediaries and government bodies in Berlin, Hamburg, Cologne and Bonn. The focus on the low-skilled means that the review does not seek to embrace the entire range of continuing education programmes.

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 Dr. Christoph Ehmann, the author of the background report, to Frau Helga Reinhardt, the national coordinator, and to the wide range of officials and individuals involved in the visit. Their assistance contributed greatly to the present analysis of adult learning programmes and practices in Germany

1.3. Overall national context

The review team's visit occurred during a period of rapid change in both the labour market and educational policy, prompted by mounting macroeconomic and fiscal problems. Learning providers showed considerable uncertainty, and even some confusion, concerning the content and direction of public policy towards both adult learning and social security.

The wider context was dominated by unemployment, which, already high and persistent, had begun to increase again. On the fiscal front, as net public spending had breached the EU's Stability and Growth Pact for the third year in a row, the political pressure for spending cuts had become intense. The Federal Labour Market Agency (*Bundesagentur für Arbeit*) had been widely criticised – among other things, for the imperfect validity of its statistics, for its high administrative costs, and for the failings of its adult training programmes.

The narrower context comprised, first, the steady shift in labour market policy towards a mix of personal activation and job search, more rapid labour market matching and the filling of low wage job vacancies, while de-emphasising long-duration training programmes. Second, there was the recent introduction of vouchers as the channel along which public support for learning programmes for the unqualified increasingly flows, as part of the emphasis on personal responsibility for learning. At the time, the use of vouchers was restricted to recipients of unemployment-related benefits, many of whom are unqualified. Both tendencies had recently been boosted by the report of the Hartz Commission (BMBF, 2003a).

Third, the skills performance of the German economy had been called into question. The reputation of the national system of initial education has been damaged by the finding by the OECD's PISA study that many secondary school students had low literacy and low numeracy. The high levels of workforce skill for which Germany has long been envied, the product of mass apprenticeship training, had frayed at the edges. Social problems in the East and large-scale immigration in the West had caused the share of unqualified workers to rise from its historically and internationally low level.

In this context, the cause of lifelong learning, to which the German government adheres, and which emphasises adult learning by those with low initial educational and vocational achievements, acquires poignancy, despite the rhetorical excess that sometimes accompanies it. The review team heard widespread concern that public support for continuing learning by less qualified adults would suffer as part of these upheavals, and some evidence that it had already done so.

1.4. Issues and definitions

Two issues must be settled at the outset. What is meant by “low-skilled”? What is meant by the “adequacy” of learning opportunities for the low-skilled?

On the first question, skill is easier to define than to measure. The skills of a person represent in principle all that he or she has learned of relevance to lifetime activities (work, leisure and further learning). The field is normally narrowed down to learning that is potentially work-related, including job training, much of general and vocational education, but not to learning that is oriented solely to leisure or personal development.

Even with that restriction, the heterogeneity and intangibility of much skill impedes its measurement. The standard response is to gauge it in terms of either the qualifications held by workers or the skill requirements of jobs. The former approach suffers from excluding uncertified learning, much of it informal; the latter, from ignoring differences between individual competence and job requirements.

An approach based on qualifications faces fewer objections in the German context than elsewhere – for two reasons. Firstly, mass attainment of initial qualifications, both general (*Schulabschlüsse*) and vocational (*Berufsabschlüsse*), means that the certified component of skill is prospectively high relative to the uncertified one. Secondly, as many workers in unskilled and semi-skilled jobs hold a craft-level vocational qualification in another occupation, to measure their skill by the job they actually do is to ignore the “unused” component, and its contribution to both their social status and their economic prospects. We therefore adopt the conventional measure of skill, in terms of qualifications achieved, and define the low-skilled as those who lack either a general educational qualification or a vocational one, or both.

The “adequacy” of learning opportunities raises the question of programme evaluation. We note that most evaluation research involves – usually implicitly but sometimes explicitly – a sole criterion: economic efficiency. Economists conventionally evaluate learning programmes according to whether those programmes add more to output, as proxied by the induced increase in participants’ earnings, than they cost in terms of resources used. Cost-benefit criteria should indeed be central to programme evaluation but, in the case of policies intended to help the disadvantaged, particularly policies that encourage them to learn more, such criteria should not play an exclusive role. When such policies help disadvantaged learners, they also reduce social inequality and promote personal development – and benefits on equity and educational criteria are welcome, quite apart from any changes in net outputs. There is therefore an important place for equity and personal development in judging “adequacy”.

One implication follows immediately. The fact that Germany’s active labour market policies, and in particular training programmes, have typically been found to have failed according to

efficiency criteria, and are consequently being pruned and reoriented towards labour market activation and matching, is not in itself sufficient to justify cutting them back, particularly when they are targeted on the low-skilled. It is true that programmes to help less skilled people are potentially the least attractive on efficiency grounds, given their high costs and the difficulty of stimulating participation. Yet it is for the same group that considerations of social justice and personal development are particularly compelling.

Section 2 below examines the evidence on the size and attributes of the low-achieving adult population. The following section reviews the policy and regulatory context, with particular attention to policy formulation, quality assurance and income support for the jobless. Section 4 considers the central issues in the demand for learning by adults – information, incentives and motivation – followed in Section 5 by an analysis of policy formulation, implementation and evaluation. The report ends with some conclusions presented in Section 6.

Finally, we issue a health warning. While the review team's exposure to adult learning arrangements in Germany was varied and stimulating, the constraints of time and resources made it short, partial and open to various selection biases. The team gained many fresh and vivid impressions, but is not in a position to offer a fully scientific assessment. The weakness of the extant evaluation research (Section 6) underlines the point.

2. INCIDENCE OF LOW ACHIEVEMENT AND PARTICIPATION IN ADULT LEARNING

During the post-war decades, the German adult population became one of the most skilled in the world. In recent years, however, the skills of the younger generation have in some respects stagnated and in others moved backwards. These changes pose new and unexpected challenges to public policy.

2.1. Lack of qualifications

Two key stylised facts of German education and training in recent decades have been that as few as 10% of each cohort remains unqualified and that it has proved difficult to reduce that share further. The situation is actually more complicated. In 2003, only 2.8% of the population (aged 15 or more) had not attained the basic qualification in general secondary education (*Hauptschulabschluss*; see Table 1). The rate for the employed was even lower, at 1.8%, whereas that for the unemployed was 5.3%. The share of the unqualified was considerably higher for vocational qualifications, at 28.1% of the population. It too was lower (16.7%) for employees than for the unemployed (26.4%), and only 11.1% for employees in the Eastern federal states.

The share of the wholly unqualified – *i.e.* people lacking both a general and a vocational qualification – is not indicated by these data. It can be no greater than the lower of the two rates (*i.e.* that for general education), but it is not likely to be much lower, given that the latter is itself

very low, and also that completion of basic general education has normally been not only necessary but also sufficient for gaining an apprenticeship. This layering of qualifications means that the wholly unqualified have, as a training provider put it, two potential mountains to climb in order to join the economic mainstream: a general educational one, followed by a vocational one.

Evidence on post-war trends is provided indirectly by the age structure of qualification (Table 2). The markedly higher share of the unqualified in the vocational category, in the older age groups (50-65 years) than in the younger ones (30-50) suggests a marked increase in skills between the age cohorts born between the mid-1930s and 1950 and their successors. (As the less qualified are however more likely to die early, these data are potentially subject to downward selection bias as indicators of post-war trends in skill levels). The upward trend seems largely to have stopped for the cohorts born after 1970, and even to have turned into a decline in the most recent ones – only marginally so for general education but moderately so for vocational qualification, particularly for males and particularly in the Eastern *Länder*. (These inferences for vocational qualifications are based on comparisons between the 30-40-year-old and older cohorts, since a significant number of young adults in the 25-30 cohort are likely to be enrolled in initial education and training, most of whom are expected to become qualified before age 30).

Evidence of a contemporary reversal in the rate of skill output is clearer and more reliable in flow data on youth activities and attainments than in data on stocks at a particular time. For general education, flow data confirm the end of the long-term decline in non-qualification rates in the West, which stabilised in the 1990s at around 9% of the age cohort, accompanied by a marked increase in the East, which rose from 5 to 12% between 1992 and 2000 alone (Ehmann, 2004: Table A.1). Entry to pre-vocational courses (*BVJ/BJG/BVM*), addressed to young people whose achievements fall short of the requirements of apprenticeship, has also increased strongly in the 1990s, by 4 to 5 percentage points, as a share of the age cohort, in both the East and the West. The extent to which these trends apply also to vocational qualification cannot yet be determined, but concern again focuses principally on the East. The rate of youth entrance to apprenticeship declined only slightly in the West in the 1990s, but it fell heavily in the East, from 75 to 65% of the age cohort, in the aftermath of reunification (Ehmann, 2004: Table A.2).

2.2. Participation in adult learning

This weakening of the contribution of youth education and training to national skill supplies increases interest in its adult counterpart (*Weiterbildung*). Adult participation in learning has since 1979 been the subject of periodic BSW (*Berichtssystem Weiterbildung*) surveys. Participation in formal learning, both vocational and general, more than doubled between 1979 and 1997, rising from 23 to 48% of the 19-64 year old population annually, before falling to 43% in 2000 (BMBF, 2003b: Figure 3.1). When informal learning, including on-the-job training and self-instruction, is included, these rates become higher still, but the time pattern proves similar, rising to 72% (of employees) in 1997 before falling back to 62% in 2000 (*ibid.*, Table 9.1). The impressive scale of participation reflects the scope and reach of adult education and training in Germany, with its wide range of providers, and the wide diffusion of interest in learning among adults.

High participation rates are however generated predominantly by the already qualified – not simply because they are more numerous, but also because the unqualified are less prone to take part. For formal learning, the participation rate for the vocationally unqualified was only 9% in

2000, compared to 43% for university graduates (*ibid.*, Table 4.1). The overall rate for those lacking a general educational qualification is not readily available, but the fact that it was zero for two out of the three leading formal learning media (courses and seminars, IT-programmes) points to a particularly low overall rate – as well as casting doubt on the potential of IT by itself to induce low achievers to start learning. The post-1997 decline in participation was not however systematically greater for those who lacked a prior qualification, whether general or vocational (*ibid.*, Tables 6.9 and 6.7). (The possibility that the unqualified possess relatively more skill in the tacit and unconventional dimensions cannot be assessed with these data).

Looked at from another perspective, the part played by remedial education (*Grundbildung/Schulabschlüsse*) – prospectively the first stage for adults lacking an educational qualification – in the activities of adult education colleges (*Volkshochschulen*) appears marginal: only around one in a hundred adults participates in it every year (*ibid.*, Table 3.1 and Figure 3.4). These participation rates in remedial education become more impressive however, when set against their potential constituency: only one in thirty-five adults lacks the *Schulabschluss* (Table 1).

Participation is also lower than average in two social groups in which public policy has an explicit interest: the jobless and resident foreigners. Only in the case of learning through specialist literature is the rate for the non-employed greater than one-third of that for employees. Only for language learning is the rate for foreigners higher than that for the native born (*ibid.*, Tables 9.4 and 6.37).

What limited learning the unqualified actually undertake is typically more costly than average. In terms of learning time, the 382 hours per year recorded on average by vocationally unqualified participants in courses and seminars is the highest for that medium across qualification groups (*ibid.*, Table 6.15). For remedial and language education, our field visits suggest similarly high costs, associated with the intensive instruction and many contact hours required for progress.

In sum, while Germany remains one of the most successful advanced economies, in terms of the qualifications attained by the adult population, its position has been eroded not only by catching-up by other countries, but also by the post-reunification stagnation and even deterioration of specific aspects of youth attainment. Similarly, while participation in adult learning remains widespread, it is lowest for the unqualified and it even appears to have declined slightly since the late 1990s.

3. THE POLICY AND REGULATORY CONTEXT

The review team encountered strong policy interest in adult learning, as reflected in the deliberations of the Education Forum (*Forum Bildung*) and the Expert Commission on Financing Lifelong Learning (*Expertenkommission Finanzierung Lebenslangen Lernens*), reporting respectively in 2002 and 2004. This section discusses the principles governing policy formulation, the regulation of training providers and the finance of learning.

3.1. Policy design

The principle that unqualified workers are entitled to public support for their efforts to become qualified is accepted by the government in general and the economics ministry (*BMWA*) in particular. This means that the tuition, fees and living costs of unqualified workers are eligible for means-tested subsidies sufficient to generate a basic standard of living while a formal course of learning – and sometimes more than one – is undertaken.

A major effort is under way to coordinate policy-making and implementation across the many public jurisdictions with an interest in adult learning. The coordination of the work of the labour market and social agencies, now decided for all of Germany *via* the “Hartz”-reforms, can be witnessed in the activities of the *Job-Center Köln*, with its decentralised *Job-Börse* services to deprived communities. There is also the *BMBF*’s own agency, *QUEM (Qualitätsentwicklung und -Management)*, which promotes the “one stop shop” ideal of coordinated social and economic services for the low-skilled and other disadvantaged in eight regional centres. Finally, the Learning Region programme supports with federal funds the creation of networks of learning providers at regional level, with 79 projects in place by 2003 (*BMBF*, 2003a: pp. 17-19). The initiative Learning Region Hamburg (*Lernende Metropolregion Hamburg*) promotes cooperation between schools, colleges, private providers, chambers, public agencies, employment agencies and trade unions, in support of adult learning in general and the needs of neglected groups, notably displaced port workers and immigrants. Officials of the Hamburg *Volkshochschule* rated the programme highly but feared that it would suffer from financial cut-backs, despite the government’s intention of making the networks self-sustaining by the end of federal funding in 2006.

The increased policy emphasis on the activation of the long-term jobless and the move away from skills enhancement towards rapid job placement – often accompanied by employment subsidies – as the key to resolving that group’s problems are both visible in the Hamburg and the Cologne “models” alike. These programmes do for the most part serve the unqualified: 60% of the beneficiaries of the six-month recruitment subsidy offered in Hamburg were vocationally unqualified, and 40% had been out of work for at least a year. The extent to which policy priorities are changing is illustrated by the share of long-term re-training programmes (*Umschulung*) in all education and training expenditure of the public employment service in Hamburg, which was slated to fall from 32% in 2002 to 21% in 2004.

Some interviewees doubt however that the currently favoured activation and matching programmes are as efficacious as they appear at first sight. Two arguments feature. Firstly, most of the jobs created are low wage and insecure, lacking an assured future, let alone an occupational orientation and career prospects. These difficulties are reflected in the importance as placement vehicles of temporary work agencies, which in Hamburg account for one-third of placements, as well as in the low incidence of permanent employment contracts, which in the same city also amount to only one-third of placements. A pessimistic interpretation is supported also by the lack of interest shown by employers in the EUR 2 000 supplement payable in Hamburg to employers who give a recruit training geared to a vocational qualification. This option has been taken up in less than 15% of placements, even though few are strictly unskilled and some are described as “helper” to a skilled worker.

The criticism is therefore cogent but it must be put in perspective. The first step for many unqualified participants must be to get a foot on the ladder in the labour market, and while a “career” consisting of unstable employment in the secondary labour market hardly lives up to the ideal of a *Beruf*, it is arguably better than the stagnation and rot associated with long-term joblessness.

The second objection is that workers hired as a result of public subsidy simply displace unsubsidised workers and therefore create little or no benefit for low skilled workers as a whole. That is particularly likely if low-wage employers do not expand output and employment in response to the recruitment subsidy, a reaction that is in turn encouraged by the limited duration for which it is paid. The subsidy’s net effect on total employment and joblessness amongst the unskilled is therefore expected to be less than the gross one, and in the limit zero. Although estimates of displacement rates are not readily available for such programmes in Germany, they have been found high for their counterparts in several other countries (Ryan, 2001a).

The objection should therefore cause concern. Moreover, although in the absence of such programmes, the supply of labour to such jobs is fragile, the efficiency of the labour market as a whole is not increased by helping low-wage employers to pay even lower wages. The force of the criticism does however depend on an issue of fact – the extent of displacement itself – which has in principle to be determined by evaluation research.

3.2. Training provision and quality

In Germany as elsewhere, adult learning is left largely to the decisions of individuals, employers and learning providers, with government playing a specific and limited role in shaping their decisions. It thus contrasts to youth learning, which is directly and extensively regulated by public authority, in both its general and vocational dimensions, as well as in its school and workplace ones.

Public policy potentially affects adult learning in the first place by way of the public provision and subsidisation of learning opportunities. Thus, a key service to the low- skilled continues to be public subsidies for remedial education courses, some provided by public educational institutions, such as the Hamburg *Volkshochschule*, and others by publicly recognized and financed private institutions, such as the Cologne *Tages- und Abendschule*. The former offers the unqualified jobless up to two remedial education courses at zero fees; the latter does not charge tuition fees and makes its courses open to all local residents.

A variety of other learning provision operates with an ethos of public service. One variant, itself dependent on public regulation of the employment relationship, involves employee rights to educational leave. Courses in this category are offered both by public educational institutions and by such institutes as *Arbeit and Leben*, which is co-financed by the respective public authority, whether at *Land* or municipal level. Few *A&L* participants are however unqualified: for example in Hamburg, only 2% have no general school qualification, only 5% no vocational qualification.

Other learning provision for adults is not only private, but also for-profit, whether offered by employers or specialist providers. A second potential public role is therefore the regulation of private provision, with a view to ensuring that potential clients make informed choices, that they actually receive the promised learning experience, and that learning providers meet quality-related requirements (e.g. for qualified teachers). Here public intervention proves somewhat uneven. In

terms of information, some *Länder* (Hamburg, Hesse) have funded the creation of central databases on learning opportunities. Federal efforts aim at more comprehensive coverage. The *Kurs* database of the Federal Employment Agency (*BfA*), which can be accessed either over the internet or at the *BfA*'s local offices, lists more than 600 000 continuing education programmes provided by around 20 000 learning providers. The 71 Learning Regions funded jointly by the Federal Government and the EU also provide information on local learning opportunities.

Even the states that have developed databases of learning provision have not developed inspection and licensing activities of sufficient rigour as effectively to protect learners against abuse. The problem is far from acute, as most programmes that cater to unqualified adults are funded by public authorities, including the Federal government, the *Land* governments, and municipalities, and are therefore subject to specific quality assurance measures – including assessments by the *BfA* under SGB III and, since 2001, the continuing education tests of the *Stiftung Warentest*. But the limits of these efforts must be recognised. There is currently no requirement, outside public institutions, for training providers to be publicly accredited, nor for teaching staff to be qualified, whether in their specialist subject or in pedagogy.

Weakness in the regulation of adult learning outside the public sector is widely attributed to disagreement between the representatives of employers and employees concerning its desirability, let alone its content. The insistence of employers on retaining control over adult training at the workplace has limited the public regulation of non-work-based adult learning as well. The implications of that veto are indeed limited, as most non-work based learning is still based on public institutions, whose activities are subject to public regulation. But a substantial share – 17% of non-employer-based formal learning events in 2000 (BMBF, 2003b: p. 227) – already falls under the category *Private Institute*, mostly for-profit companies. That share can be expected to rise, as a result of the trend towards competitive contracting for the supply of publicly funded adult learning programmes, the recent adoption of vouchers to channel public support to learners who are dependent on public benefits, and the growing importance of the federal government, as opposed to state and municipal agencies, in making decisions about purchasing, given that service quality is particularly difficult to observe from the centre.

The review team learned that these factors have already put downward pressure on the contract prices received by the three non-profit trainers visited, including a municipal adult education college (*Hamburger Volkshochschule*), a private college for adults (*Tages- und Abendschule Köln*), and a foundation set up specifically to serve the unqualified (*Stiftung Berufliche Bildung*, Hamburg). These bodies have had to worsen terms and conditions for their teaching staff in various ways, including outright pay freezes or cuts, the ending of links to pay scales in public colleges, the casualisation of some employment, and redundancies. Some have also increased their outlays on marketing in order to compete more effectively. They tend to describe their responses with regret, as potentially corrosive of service quality, because clients, a category that includes public agencies as well as learners themselves, are often ill-informed about the non-price attributes of particular learning options and tend to pay excessive attention to price when choosing courses. Learners can then become worse off than they would have been in a suitably regulated training market.

The implications of these tendencies are in some ways less grievous for the unqualified than for other adults. Those who require remedial education will continue to rely primarily on non-

work-based than on work-based provision, and, given that, on public and non-profit providers, as, in view of the cost and difficulty of the task, the latter do not face significant competition from for-profit providers. The threat is potentially greater for immigrants learning German and for people taking vocational courses, where many for-profit providers compete for their business. Here we heard of instances of flagrant abuse – such as a private language school that registered trainees for a year at a time and, when these complained about the service on offer, gave them no redress, let alone early release from their contracts.

Such cases are not common, but their incidence may well rise with the expansion of the role of market forces in general and vouchers in particular. A sense of the possibilities can be gained from the Individual Learning Accounts programme, set up in the United Kingdom in 2000. It involved the voucher-based funding of adult learning, within a largely unregulated training market. The programme was closed down after only fifteen months, amid a welter of scandals concerning the quality, and in some cases the existence, of the learning that it subsidised.

The introduction of vouchers might be expected to pose fewer problems in Germany, where voucher holders are required to buy services from accredited providers only. The requirement is however less than reassuring, in the absence of thoroughgoing accreditation requirements. The weakness of the regulation of adult learning provision is officially recognised: “continuing education and training ... has thus far been less regulated in Germany than in other European countries” (BMBF, 2003a: p. 54).

Improved inspection arrangements will become increasingly important in Germany. A possible pointer is provided by the UK government, which, notwithstanding its deregulation preferences, has set up an inspection body, the Adult Learning Inspectorate (ALI), to assess the performance of all learning providers whose services are supported by the leading publicly funded programmes. The ALI is far from the ideal solution. Its reports emphasise process attributes, notably quality assurance procedures, at the expense of substantive ones, notably trainee satisfaction and programme completion. Nevertheless, as the role of market forces and voucher-based finance expands, Germany will come increasingly to need a body with a similar role.

The German qualification system also provides a bulwark against low quality, given that it protects skill standards by specifying and enforcing externally both curricula and assessment methods. (This approach contrasts to the weaknesses of curriculum specification and learner assessment under the UK’s National Vocational Qualifications, which have permitted much low-quality training). Thus, the Berlin-based training provider *BBJ Servis*, which has developed a range of modular approaches to vocational qualifications suited to adults who already possess informal but uncertified skills, notes that its clients must take the same externally-assessed Chamber-sponsored examinations and tests as apprentices who prepare for the same occupation. Some doubts were expressed to us concerning general qualifications, notably the basic *Hauptschulabschluss*, as a result of an increased weight for internally-assessed coursework, but even there it appears that the curriculum followed by adult learners in pursuit of that qualification remains demanding.

3.3. Joblessness, activation and income support

Unqualified individuals account for a disproportionately large share of both the unemployed and the long-term jobless. Table 1 shows that the vocationally unqualified account for 43% of economically inactive adults, more than double their share of employees (17%).

The eligibility of the jobless for public income support has been curtailed lately by the introduction of more rigorous tests of availability and job search. Previously, the unemployed were allowed to continue receiving benefit (insurance benefit followed by means-tested unemployment assistance benefit) indefinitely, and, if they became long-term jobless, to become largely detached from the labour market. Starting with young people in the 1990s, recipients of public income support are now required to undergo work-related assessment, accept help to remedy deficiencies, actively search for work, and eventually to accept job offers that involve different occupational content and lower pay than they desire or, particularly in the case of long-term recipients of means-tested benefit, have their benefits cut or eliminated.

Details of this new approach vary by district and region. One variant is the “Cologne Model”, based around the *Job-Center Köln*, which offers unified, “one stop shop” services, primarily to the disadvantaged out-of-work, many of them unqualified. One of its ingredients is the *Job Kompass*: one week, full-time courses that both assess and activate long-term benefit recipients, while implicitly screening them for benefit eligibility (given that participants in the black economy are reluctant to take such a course). For individuals who are more difficult to help, a more intensive and extended service is provided by the *Job-Börse* service, 18 decentralised offices sited in the various districts of the city. Training is not a priority here, since the prevailing approach is not to adapt job seekers to existing jobs, but rather to find jobs which correspond to the particular job seeker’s qualifications. Employers can receive recruitment subsidies for filling low-wage and limited-skill job vacancies with long-term jobless individuals, many of whom are unqualified.

4. INDIVIDUALS: INFORMATION, INCENTIVES AND MOTIVATION

4.1. Information

Information for individuals about learning opportunities is crucial to the success of a market-oriented system, in that only when clients (or their agents) are well-informed will their choices give providers incentives to supply the appropriate level of service quality.

The evidence suggests that the situation is at present only moderately good. Although half of adult Germans rate the information available to them as at least adequate to their needs, the great majority report not having examined any systematic data on learning opportunities nor having received any counselling or advice on their choice of courses (BMBF, 2003b: Tables 5.2 and 5.4).

A striking example of the information problems facing individuals is provided by the learning database and counselling service run by *Weiterbildung Hamburg* (WH). This voluntary non-profit

association aims to represent all adult learning providers in the area, although only 200 out of more than 500 are paying members. Its computerised database describes the attributes (location, times, fees, eligibility for public subsidy, potential qualification, modular options, etc.) of the roughly 3 500 adult courses available in the city about which it has information. *WH*'s database is updated regularly with respect to coverage and content. Its search facility allows users easily to select courses conforming to specified criteria (e.g. occupation, district). It is made available in printed form to clients averse to computerised information.

A primary objective is to help potential learners to choose wisely from the “jungle” of offerings that faces them. *WH* counsels individuals freely on their needs and advises them on choice of course. Its database indicates the possibility of paying by voucher for particular courses. *WH* also inspects individual providers' facilities and operations. The database indicates the providers to whom *WH* has awarded its seal of approval.

The potential importance of the service is indicated by the 60 000 people who use it every year. Its merits were confirmed by the joint first prize it received recently in a nation-wide competition run by a consumer testing service. Its potential for unqualified adults is indicated by the 30 courses that the database lists as leading to the *Hauptschulabschluss*, with tuition fees varying from zero to full cost or more.

Nevertheless, the managers of the service recognise its limitations, including: the unwillingness of many providers, particularly in the “large, for-profit” and the “out-of-state distance-learning” categories, to join the association and have their courses included; the low minimum standards and the extensive self-assessment that characterise *WH*'s seal of approval, which in any case refers to the provider's efforts as a whole and not to specific courses; and *WH*'s limited power (and incentive) to steer clients to particular courses, given its status as a providers' membership organisation, not an independent inspector and regulator.

More specifically, although more than half of *WH*'s clients are jobless, few of them are completely unqualified. Its services to the unqualified have been weakened by the recent cancellation, following cuts in public funding, of a street-based outreach programme targeted on them.

4.2. Finance and incentives

The complexity of financial responsibilities in adult learning is legendary. Different types of learning show different types of funding. Two variants are of particular interest: employer-sponsored and self-sponsored learning. Employer-sponsored work-based training, by definition available only to employees, is in practice financed largely or wholly by the employer, with training mainly occurring during working hours and the employer bearing most or all of the tuition costs. Self-sponsored learning, which rarely attracts employer support, must be financed by the individual, possibly with help from public funds.

The low availability of employer-sponsored training to the unqualified is widely recognised. The unqualified are both less likely to be employed and less likely than other employees to receive such training when they are. Although the benefits to the employer of improving employees' skills, both basic and vocational, are often said to be great, the evidence remains patchy, particularly for basic skills in SMEs, and many employers appear unconvinced (Grubb and Ryan, 1999: pp. 94ff.; Ananiadou *et al.*, 2003).

The increasing tendency of collective bargaining agreements to cover employee access to training is leading to changes here. German trade unions promote not only training entitlements for employees in general, but those for less qualified employees in particular. Progress appears however to have been greater on the former than on the latter front. A large employer, *Eurogate Hamburg*, has recently developed, in conjunction with the port's training centre (*Fortbildungszentrum Hafen Hamburg*) and its own works council, a training programme for cargo handling occupations, which were traditionally filled by casual labour and are still not included in the official list of apprenticeable occupations. The programme has allowed many unemployed young adults to gain sub-craft vocational qualifications (e.g. driver of container loaders), as well as stable and well paid employment, with pay dependent on level of qualification. Only a minority of the trainees have however been unqualified: most already held a craft qualification, but had not been able to find work in the occupation for which they had been trained.

The same limitation applies also to the increasing number of collective agreements that promote adult training at work on a social partnership basis. Their principal focus is the identification of the training needs of all employees, and the principles according to which different types of training should be financed. Rarely do the agreements target the needs of specific groups, including the less skilled, and those that do tend to involve only “relatively general clauses”, calling for specific attention to their needs (BMBF, 2003a: Chapter 4).

An important role for collective regulation, along with its weak effect on the unskilled, can be seen also in learning programmes for employees taking up their right to paid educational leave. Participation in educational leave programmes at *Arbeit und Leben* Hamburg, for example, is biased towards large firms, where trade union representation and works council pressure prompts employers to participate. Only 5% of participants were found to be unqualified, less than their share in the local labour market. This must be seen against the tendency in Germany for civil servants and high school/college graduates to be largely over-represented among educational leave participants.

Turning to self-sponsored learning, a greater potential role for government intervention becomes visible. Official policy towards lifelong learning currently favours cost-sharing between government and individual, along with increased individual responsibility for learning. At the same time, the federal government recognises that the least skilled have not only the greatest need for learning but also the lowest ability to pay for it, and cites “social cohesion” as a justification for a high public share of costs, including maintenance subsidies, for such learners (BMBF, 2003a).

The review team encountered various instances of adult learning consistent with these principles. The Hamburg *Volkshochschule*, which charges subsidised tuition fees for all of its courses, offers the highest rate of subsidy (50 % for up to two courses, and 100 % for *Hauptschulabschluss* general courses) to participants who are variously low-income, unemployed, long-term jobless or unqualified. Similarly, the *Land* Employment Office offers mean-tested payment of fees and living expenses to the overwhelmingly disadvantaged clientele of *Lesen und Schreiben*, a Berlin-based charity whose courses concentrate on basic skills (literacy and numeracy; Box 4.1). Again, the one to two week long courses of political and vocational education provided by *Arbeit und Leben* (Hamburg) are funded jointly by the employer (as wage payments), public authorities (as tuition subsidies) and participants (as tuition fees), and the rate of subsidy is highest, though less than 100%, for the neediest, notably single parents on low incomes.

**Box 4.1. Basic skills and work experience for the unqualified:
*Lesen und Schreiben, Berlin***

Lesen u. Schreiben e.V. is a charity located in the deprived Neukölln district of Berlin, run largely by voluntary labour. It provides courses in literacy and numeracy to a clientele whose core comprises 38 full-time adults of all ages, most of whom are unqualified as well as unemployed or inactive. Participants' fees and basic living expenses are financed by means-tested grants from the Land public employment service (*Arbeitsagentur*). Most suffer from financial as well as social deprivation.

L.u.S.'s principal course, work-readiness training, mixes on a 50/50 basis class-work in basic skills with workshop-based vocational training and work experience, both conducted on site. It also offers literacy courses to participants on labour market programmes. Its pedagogy emphasises group interaction and support. A primary goal is the development of individual self-esteem and autonomy. *L.u.S.* has recently had to cut back two courses as a result of increasing price-based competition for public contracts for basic skills learning.

Even when public subsidies are substantial and means-tested, the economic pressures that face low income participants, many of whom are unqualified, hamper participation and, given participation, learning.

The incentive to learn is in some innovative programmes increased by the close tailoring of learning to individual requirements. A striking example is the "Qualification Pass" (QP) initiative, which encourages unqualified but experienced workers to fill in the gaps in their knowledge and skills, and acquire a vocational qualification (see Box 4.2). The QP can also reduce training costs by avoiding repetitious learning but against that must be set the increased unit cost of training tailored to individual rather than group needs.

**Box 4.2. Accreditation of prior learning and modularisation of vocational qualifications:
the Qualification Pass**

BBJ Servis, a non-profit Berlin organisation, has developed under contract to the *Land* government a Qualification Pass (*Qualifizierungspass*) for ten occupations, including carpenter, "roadie", medical assistant and office clerk. The modularisation of vocational qualifications and the accreditation of prior learning mean that partially skilled unqualified workers, who are in practice mostly the employees of small and medium sized enterprises, can identify the gaps in their skills and take the modules necessary to pass the standard craft examination. The incentive to learn is thereby increased and the cost of qualifying potentially reduced – though against the latter benefit must be set the loss of the scale economies of group training. The incentive to participate is also increased by a better tailoring of provision to participants' patterns of work and living than under traditional learning options.

The programme remains small scale. After ten years of planning and development work, only a couple of hundred employees, and fewer enterprises, have participated. Berlin is the only federal state to have adopted the QP approach.

A further source of cost reduction that has proved selectively important is IT-based innovation in learning technologies. The introduction of open learning and self-instruction allowed the *Stiftung Berufliche Bildung Hamburg* (Hamburg Foundation for Vocational Training) to respond to declines in real per capita public funding in the 1990s without – in its view, which is supported by clients' evaluations – reducing service quality. It now sees little further prospect of cost reductions along such lines without damage to service quality.

Although an impressive range of publicly funded services remains available to the unqualified, many interviewees expressed concern that the reduction of public financing for adult learning programmes does not differentiate adequately between programmes for the already qualified, primarily adaptation training and retraining (*Anpassungsfortbildung, Umschulung*), whose

economic returns have proved to be poor, and those for the unqualified, for which a strong case can be made on grounds of equity and personal development.

One reason for the failure to distinguish the cases for public support across the two categories of adult learner may be the assumption, implicit in current labour market policy, that what holds back the less qualified is not so much lack of skill as the lack of incentive to work in low-paid, low-skill jobs rather than live on public income support – which points up the issue of motivation. But the lack of basic skills remains a problem, economic as well as social, even when individuals are strongly motivated to find work.

4.3. Motivation

Perhaps the biggest obstacle to learning amongst the unqualified is low motivation to learn, which could impose a binding constraint even were information and finance unproblematic. Many unqualified adults live in difficult circumstances, both personal and social, associated with indebtedness, lack of self-respect, long-term welfare dependency, drug and alcohol problems and social exclusion in general. Such conditions tend to create needs more pressing than learning and interfere with the ability to learn even when learning is being undertaken. Finally, some people are unqualified because they were turned off learning by adverse experiences as school-children, and now react adversely to anything that reminds them of the classroom.

These difficulties were emphasised by all the specialist providers encountered by the review team. An employer's representative even took them to be insurmountable. At the same time, no providers were wholly pessimistic about the prospects for drawing significant numbers of unqualified adults into learning, although they differed concerning the best way to do so.

An abiding theme in the statements of learning providers was the importance of work, including both work experience and paid employment, in motivating participation and learning. One rationale was the benefits of practical activity for interest and understanding, a consideration that has long sustained apprenticeship for young people. Another was the reduced role of classroom pedagogy, with its unfavourable associations for many educational non-completers. Thus, an association such as *Arbeit und Leben* encourages participation in its educational leave classes with a pedagogy centred on group work and group self-instruction.

Similarly, *Lesen und Schreiben*, the Berlin charity that targets adults with low basic skills, combines its main literacy and numeracy courses with work experience and training in repair, painting and home care skills in its on-site workshop. Its clients also operate a café that is open to the public. More ambitious still, the *Tages- und Abendschule Köln* until recently offered young adults undertaking remedial general education an 18-month programme that combines class work with 25 hours of paid employment per week in a local care home for the elderly. Of the latest cohort of students, 72% obtained the basic general qualification (*Hauptschulabschluss*) despite the demanding nature of the associated employment.

A related feature is the downgrading of skills relative to employment in official priorities for the unqualified jobless under the “work-first” rubric. Thus the Cologne *Job-Börse*, which serves only hard-to-place and mostly unqualified clients, uses intensive counselling (*e.g.* weekly meetings), the development of personal responsibility (*e.g.* individual “contracts” with clients), focused job search assistance (*e.g.* preparation of a CV), and personal discussion of problem areas after placement

(e.g. time-keeping). Only where skill deficiencies are identified (e.g. literacy, IT), is training organised, and then with a view to the skill requirements of specific job vacancies rather than for future skill stocks.

These providers do not however regard the injection of a work experience or employment dimension as sufficient to solve motivational problems. Around 70% of the job referrals organised by the Cologne *Job-Börse* fail, and the causes are usually motivational. *Lesen und Schreiben* and *TAS Köln* both consequently emphasise group interaction and mutual support as complementary to work in motivating participants – particularly for the *TAS* learners, given the demands of their parallel work programme in the care home. *TAS* managers fear that group cohesion will be weakened by the trend towards course modularisation, with its individualisation of learning paths and trajectories and its lower group identity and weaker peer support. Finally, leadership by a strong and caring personality can contribute to the sense of a learning community, as at *Lesen und Schreiben*.

Nor do all providers see work experience as a desirable ingredient of learning programmes for the unqualified. The *Hamburger Volkshochschule* sees small groups, personal coaching and low pressure – including the absence of the demands imposed by employment – as central to a high rate of qualification in its remedial general education courses.

Indeed, in the case of employees exercising their right to educational leave, mixing work and learning is not only undesirable, but complete removal from the workplace, for up to two weeks at a time, is potentially necessary not just for participation – as for shift workers – but also for learning. Even there, however, work often remains an important theme. At *Arbeit und Leben* (Hamburg) the curriculum is oriented towards political and vocational issues, and participants' experiences at work are exploited for discussion material.

Adult reluctance to resume learning can be countered in other ways. *Weiterbildung Hamburg* ran until recently an outreach programme, employing people to promote adult learning by face-to-face contact in the streets of the city's more deprived districts. *Arbeit und Leben* mobilises its contacts in trade unions and works councils to encourage employees to exercise their right to educational leave. It reports a snowball effect, in which favourable reports by the first participant from a workgroup whose members were previously ill-disposed to educational leave helps neuter teasing by workmates along the lines of "who's going off for a nice vacation?"

There is also national evidence that increasing numbers of less skilled adult employees are returning to learning in order to improve their employment prospects in the face of increased uncertainty at work (BMBF, 2003b: Table 5.6). The tendency was confirmed by our interviewees. Around one-half of participants in adult remedial education courses laid on by the *Hamburger Volkshochschule* are employees, many of them motivated by fears of job loss. *BBJ Servis'* emphasis on the accreditation of prior learning and the modularisation of vocational qualifications (Box 4.2, above) appeals to the many unqualified employees of small and medium sized enterprises who are concerned about their futures.

Finally, while the introduction of learning vouchers may increase motivation by giving individuals more control over their activities, we encountered concern that it may actually have the opposite effect amongst the less-skilled, as a result of an increase in the complexity of the choices facing the group that is the least able and inclined to respond favourably on its own to the "jungle" of options available to its members.

5. POLICY: IMPLEMENTATION AND EVALUATION

A period of intense political and economic pressure is not necessarily one in which to expect public policy to perform at a high level. Nevertheless, the established strengths of policy-making in Germany – extensive consultation, a consensualist orientation, careful design and testing – remain broadly applicable. So do two established weaknesses – limited implementation and feeble evaluation.

5.1. Implementation

A prominent attribute of policy implementation in the area of adult learning is the coexistence of a panoply of pilot projects and a dearth of full-scale implementation. The German Institute for Adult Education (*DIE*) depicts the accumulation of a wide range of policy initiatives and pilot projects, and also of evidence on their operation, but only limited integration and application of the findings. The government concedes the first issue: “Germany has a wealth of very different examples of good practice – models that have already been successfully tested, pilot projects for further testing and concept development work, but also important agreements between the social partners ...” (BMBF, 2003a: p. 5).

The review team came across a number of examples of good practice that had not been widely diffused. For example, the Qualification Pass (QP) developed by *BBJ Servis* (Box 4.2, above) encourages adult learning and vocational qualification by means of the rounding out and accreditation of partial, informal learning. One of six related developmental projects under contract to the Federal Institute for Vocational Training (*BIBB*), the QP already has ten years of experience behind it. But, despite both its potential importance for adult learning and the recent codification at national level of the wider set practices to which it belongs (INBAS, 2003), the programme remains restricted to a limited number of occupations and enterprises in Berlin.

Similarly, the combination of personal activation and stronger job placement efforts that characterises the Hamburg and Cologne Models may have become a central principle in current reforms of national employment and welfare policy, but it has yet to be fully implemented elsewhere.

The first obstacle to the large-scale implementation of such programmes during the past two decades has been fiscal restriction. The recent intensification of budgetary pressures has not only strengthened that obstacle, but also suggests that existing guarantees of public support for learning by the unskilled will prove increasingly difficult to implement. Two contradictory pressures are at work here. On the one side, there is the greater per capita cost and the lower success rates of learning programmes that target the less skilled. On the other side, the benefit to the public purse is greater when it is the less qualified, with their high rates of benefit receipt, who move into sustainable employment. Thus the expensive services provided by the Cologne *Job-Börse* are made attractive from the fiscal standpoint by the reduction in benefit spending that follows successful job placements among its benefit-dependent clientele – though that advantage is potentially undermined if the displacement of other low-skilled individuals generates fresh benefit claims.

A second constraint is the complexity of funding flows, dependent variously on federal, state and EU authorities, each with their own priorities, criteria and monitoring methods. A problem already familiar in other countries is becoming visible in Germany: the proliferation of auditing requirements and red tape in general, as various funding bodies follow their own methods to suit their own appropriation criteria and schedules. A unification of these funding streams, possibly under the aegis of Social Code III, would help to reduce the problem.

5.2. Programme evaluation

A third, and less well recognised, obstacle to full-scale implementation of pilot projects is the continuing poverty of evaluation research in Germany. The weakness is reflected in the criterion that was used widely at the time of our visit in the allocation of public funds to labour market and training programmes: *i.e.* the attainment of a 70% exit rate from unemployment after participation, irrespective of participants' attributes.

Taking the latter aspect first, learning providers who cater for the unqualified point to the difficulty of attaining such a threshold, and its inappropriateness as a criterion of success when working with a hard-to-help clientele. Thus while the 45% placement rate attained by the Cologne Job Centre at the time of our visit falls well short of the 70% line, the provider saw it as a major success, given its disadvantaged client group, for whom a much lower rate had been achieved by previous policies.

Moreover, some providers were concerned that the 70% requirement (or similarly demanding numerical targets) encouraged two other dysfunctions. The first was the "creaming" of intakes, to the detriment of the access to services of the least skilled. The second was loss of business to more commercially minded providers who are prepared to do whatever it takes to meet the target, including the overriding of professional judgements as to the best interests of individual clients.

On the wider issues, the review team was struck by the crudity of *any* gross employment rate as the key test of programme success. The use of such a criterion is part of the relative failure of Germany, along with most European countries, to develop an approach to evaluation research appropriate to the economic and social ambition of its programmes. That weakness has two dimensions. First, as a guide to labour market outcomes for participants, gross outcomes fail to implement the counterfactual – what would have happened to participants in the absence of the programme? – and therefore provide little information about a programme's true effect. Even simple comparisons – *e.g.* to participants' prior experiences – potentially improve on a simple gross outcome criterion.

The review team therefore welcomes the rescinding in January 2005 of the 70% criterion. It has been replaced by broader criteria and more decentralised target setting. Local employment offices now decide on their own education and training targets, within a general requirement to take into account the probability of re-integration into regular employment (*erster Arbeitsmarkt*).

These changes are welcome but, as they also involve gross outcomes, wider issues have yet to be addressed. Econometric research and social experiments offer approaches that are more promising still. Academics who use the former have concluded that long-duration skills training, as previously favoured by government, failed to improve labour market outcomes for participants (Fitzenberger and Speckesser, 2000; Ryan, 2001b). The government has responded appropriately

to these findings, by pruning the programmes in question, but it has yet to take the complementary positive steps: to fund the collection of datasets of sufficient size for effective evaluation, particularly by category of participant; to authorise the conduct of social experiments; and to create (*e.g.* in *BIBB*) an organisation such as – to take a leading example – the Manpower Development and Research Corporation, which routinely conducts sophisticated evaluations of public programmes in the United States.

Second, an improved evaluation effort should, in the case of programmes for unskilled adults, adopt criteria broader than the “change in participants’ labour market outcomes” that dominates both contemporary policy in Germany and evaluation research in the United States. The US research is flawed in the typical neglect of the criteria of social justice, social cohesion, educational achievement and personal development. The latter set of outcomes is hard to measure and value, but that does not justify its exclusion (Grubb and Ryan, 1999: Chapter 3).

6. CONCLUSIONS

The review team concludes that the quantity and quality of learning opportunities for low-skilled adults in Germany, which deservedly constitute an increasingly important part of education and training, remains impressive, with the skills and professionalism of the many people who address the needs of the unqualified as an abiding strength.

At the same time, some ground has been being lost. The constituency in question has expanded, as a result of immigration in the West and decreasing juvenile attainments in the East. Although the government in principle guarantees all unqualified adults substantial financial support from the public purse for the pursuit of basic qualifications, current fiscal conditions and policy orientations – notably spending cuts and the use of immediate employability as the test of programme success – have already led, at least in the three cities visited during the review, to cutbacks in some promising local programmes that seek to draw the unqualified into learning.

Remedial education and training for the unqualified is also being weakened, probably unwittingly, by the policy shift from long-duration “training for stock”, to short-term activation, targeted on the unqualified jobless, and emphasising their (subsidised or not) placement in low-skilled, low-paid employment. We urge the need to separate clearly the two constituencies and to reassert the public commitment to learning programmes for unqualified individuals, alongside and even in combination with activation programmes aimed at filling low paid job vacancies.

Contradictory tendencies are visible. On the upside, the height of the “double mountain” that the German qualification structure presents to adults seeking their first qualification has been reduced – albeit only somewhat, and only in some places – by the development both of intermediate (sub-craft) qualifications, as in the port of Hamburg, and of the accreditation of prior informal learning, as in Berlin. There is also the fusion of learning with work experience or paid employment in order to motivate participation, as seen in some remedial education provision.

On the downside, there is the limited implementation to date of the various programmes developed and tested during the past two decades, along with the weakness of evaluation research capable of showing with some confidence what does and does not work. There is also the growing role of market forces in the organisation of public programmes, including the use of vouchers for learners funded by the labour administration, which, combined with fiscal restriction and the lack of public regulation of private learning providers, may pose a long-term threat to training quality.

We also regret what struck us as an implicit over-emphasis on economic efficiency in the formulation of contemporary public policy – though such a characterisation would not be accepted by German policy makers. While the question whether the benefits of a programme exceed its cost must remain central, it is at most a necessary condition for adopting a particular programme. Learning programmes for unqualified people potentially have merit on both the social (equity) and educational (personal development) criteria that cost-benefit analysis typically ignores. Benefits in those areas may even compensate for efficiency losses, as when the individuals in question do not find work, in the face of a dearth of job vacancies.

The review team therefore advocates that public policy moves in three directions. The first is the reassertion of the social justice and educational development goals of public policy, in the face of the dominant economic tendency. The second is the development of an independent and competent evaluation function, charged with identifying policy objectives, collecting the necessary data, and providing technically expert analysis of outcomes – and operating with neither the descriptive blandness of much official evaluation research nor the narrowed focus and technical preoccupation of its academic counterpart.

The third is the public regulation of adult learning provision. The need is for systems of provider assessment, accreditation and regulation. The UK's Adult Learning Inspectorate provides a possible role model. The need has been increased in Germany by the shift to voucher-based funding of learning by benefit recipients, with their limited ability to acquire information to guide their choices. Such a system might also be designed in the spirit that already informs the regulation of apprenticeship, and possibly with similar structures (*e.g.* self-regulation by associations of employers and providers, with representation for representatives of employees and educators). The opposition of employers to the external regulation of training for adult employees is often cited as the cause of policy inaction. There is also the impossibility of establishing any federal inspectorate without some prior enabling change in the constitution. These difficulties certainly impede the effective oversight of the use of public funds, but the issue is too important simply to be set aside indefinitely.

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TABLES

Table 1. Share of individuals outside the age of compulsory schooling who do not possess a qualification, by qualification type, labour market status, region and gender, 2003 (%)

Qualification	Basis	Total	Western Länder	Eastern Länder	Men	Women
General education	Population	2.8	3.2	1.1	2.7	2.9
	Labour force	2.1	2.5	0.8	2.4	1.9
	Employed	1.8	2.0	0.7	1.9	1.6
	Unemployed	5.3	7.6	1.3	6.2	4.2
	Inactive	3.8	4.3	1.6	3.4	4.0
Vocational training	Population	28.1	30.1	19.7	22.3	33.6
	Labour force	17.7	19.2	11.2	16.5	19.1
	Employed	16.7	17.9	11.1	15.3	18.4
	Unemployed	26.4	34.9	11.3	27.2	25.4
	Inactive	42.8	45.2	32.3	33.7	48.7

Notes: Data for individuals aged at least 15 years.

Unqualified: lacking the basic qualification in either general education (*ohne allgemeinen Schulabschluss*) or vocational education (*ohne beruflichen Bildungsabschluss*). The vocationally qualified include those with only pre-vocational (*Berufsvorbereitungsjahr*) or semi-skilled qualifications (*Anlernausbildung*), and therefore understate the rate of non-qualification on the conventional "craft plus" (*Bildungsabschluss*) basis.

Source: Unpublished tabulations from the 2003 Mikrozensus, provided by *Statistisches Bundesamt*.

Table 2. Share of unqualified individuals in population, by qualification type, age group, region and gender, 2003 (%)

Qualification	Age group	Total	Western Länder	Eastern Länder	Men	Women
General education	25-30	3.0	3.4	1.2	2.8	3.2
	30-40	3.0	3.3	1.2	2.9	3.0
	40-50	2.8	3.2	0.9	2.7	2.9
	50-60	2.9	3.3	0.8	2.6	3.1
	60-65	2.5	2.9	0.7	2.3	2.6
Vocational training	25-30	24.3	25.8	17.0	24.3	24.2
	30-40	14.4	16.2	5.2	13.0	15.8
	40-50	13.8	16.1	4.2	11.2	16.4
	50-60	16.2	18.7	5.2	10.7	21.6
	60-65	21.2	24.6	8.3	12.4	29.7

Source and notes: See Table 1.

ANNEX 1

MEMBERS OF THE NATIONAL STEERING COMMITTEE

(Alphabetical order)

National Steering committee	Institution
Adam, Mr. Reiner	Ministry of Education Hamburg, member of the Committee for Continuing Learning of the <i>Kultusministerkonferenz</i>
Braun, Mr. Hans-Jürgen	<i>Bundesagentur für Arbeit</i>
Dybowski, Ms. Gisela	Federal Institute for Vocational Training (<i>BiBB</i>), head of department
Ehmann, Mr. Christoph	<i>Staatssekretär a.D. Mecklenburg-Vorpommern</i> , author of background report on behalf of German Institute of Adult Education (<i>DIE</i>)
Geiss, Ms. Beate	Federal Ministry of Economics and Labour
Henkes, Mr. Andreas	Federal Ministry of Economics and Labour
Meisel, Mr. Klaus	German Institute for Adult Education (<i>DIE</i>), director
Paulsen, Mr. Bent	Federal Institute for Vocational Training (<i>BiBB</i>), Deputy-Head of the Department for vocational training
Pehl, Mr. Klaus	German Institute for Adult Education (<i>DIE</i>), head of department (assistance)
Reinhardt, Ms. Helga	Federal Ministry of Education and Research, Germany National Coordinator OECD focused review
Steckel, Mr. Werner	<i>Bundesagentur für Arbeit</i>
Westkamp, Mr. Heinz	Federal Ministry of Education and Research

ANNEX 2

THE OECD REVIEW TEAM

Dr. Paul Ryan (Rapporteur), Department of Management, King's College London.

Ms. Elena Arnal, Analyst, Education Directorate, OECD.

Mr. Peter Tergeist, Analyst, Employment, Labour and Social Affairs Directorate, OECD.

ANNEX 3

PROGRAMME OF THE VISIT

8-12 December 2003

Monday 8 December

- 09.00 Meeting with officials of the Federal Ministry of Education and Research, the Federal Ministry of Economics and Labour, *Deutscher Gewerkschaftsbund (DGB)*; trade union umbrella organisation) and Association of German Chambers of Industry and Commerce (*DIHK*) (round table) in Berlin
- 11.00 Presentation of projects financed by the ministries; officials of the Association for Research in Professional Development (*ABWF*) – *Qualifikation-Entwicklungs-Management (QUEM)*
- 13.30 Meeting with officials of *BBJ Consult AG* and the Education- and Counselling-Centre Berlin (*BBZ*)
- 16.00 Meeting with “Lesen und Schreiben e.V.”; discussion with president, colleagues and students in Berlin

Tuesday 9 December

- 11.00 Meeting with officials of the Hamburg Adult School’s Elementary Education Centre
- 14.30 Meeting with officials of “Stiftung Berufliche Bildung” and the research unit of “Trendkontor” Hamburg
- 15.30 Meeting with representatives of companies and the Free Hanseatic City government (Ministry of Education, *Gewerkschaft Erziehung und Wissenschaft*, Philips GmbH, Technical Academy of Hamburg Chamber of Skills, Trades and Crafts)
- 17.00 Meeting with officials of the Hamburg Chamber of Commerce (department of vocational training)

Wednesday 10 December

- 08.00 Visit to the “Fortbildungszentrum Hafen” (*FZH*); discussion with officials of the “Koordinierungsstelle Weiterbildung” (*KWB*) and Institute for vocational training and social policy (*INBAS*)
- 09.15 Visit to EUROGATE (department Human Resources, works council chairman)
- 10.30 Meeting with representatives of the “Hamburger Modell” and consultants on continuing education
- 14.00 Meeting with officials of “Arbeit und Leben Hamburg e.V.”
- 15.30 Meeting with officials of the employment office Hamburg
- 14.00 Meeting with officials of “Arbeit und Leben Hamburg e.V.”

Thursday 11 December

- 09.00 Visit of the “Job-Börse Köln-Chorweiler”
- 11.00 Visit of the “Job-Center Köln”; meeting with representatives of the assessment center and officials of the Social Department City of Cologne
- 15.00 Meeting with officials and teachers of the “Tages- und Abendschule – tas Köln” and “Volkshochschule Köln” (Project Vocational Training for unemployed people)

Friday 12 December

- 09.00 Meeting with researchers of the Federal Institute for Vocational Training (BiBB) and the German Institute for Adult Education (DIE) in Bonn
- 15.00 Final meeting with officials of the Federal Ministry of Education and Research, with Germany National Coordinator and members of the National Steering Committee; presentation of the preliminary conclusions of the OECD review team