



Business and Industry Advisory Committee to the OECD

Comité Consultatif Economique et Industriel Auprès de l'OCDE

## **BIAC Views on Lifelong Learning**

*(based on comments made by members of the BIAC Expert Group on Education at the OECD Seminar on Lifelong Learning, 18 November 1998)*

### **Introduction**

BIAC welcomed the OECD initiative to organise a seminar on Lifelong Learning (LLL) in the framework of the 2-day meeting of the OECD Education Committee. The participation of government, business and trade union representatives reflected the fact that LLL is a shared responsibility of public authorities, employers and employees and that partnership is essential to develop successful LLL strategies. Education is an indispensable component of competitiveness and, as such, crucial in ensuring that companies are performing efficiently and can create employment. In addition to analysing issues such as synergy, efficiency and quality, BIAC proposes to explore the actual concept of learning and to address the question of whether LLL learning means “more of the same for many more years” or whether there are different forms of learning, of which the traditional concept of education and training is only one part.

### **1. Do LLL strategies accommodate the priorities of social partners?**

It is not just a matter of semantics, but a reality and a necessity that learning cannot and should not be restricted to youth education and that informal learning is as important as formal learning. As BIAC already pointed out in its Statement for the 1996 Meeting of OECD Ministers of Education, to limit LLL to a specific age group or type of education is a contradiction in itself. The key to effective strategies is partnership and co-operation, which can take many different forms: alliances between public and private investors, between education institutions and companies as well as between employers and employees.

There are a number of alliances between companies and community colleges in the USA, for example, as well as consortia for skill-development in Malaysia and Mexico. In such consortia, the public partner brings in land and building infrastructure, whereas companies offer the courseware. In Germany, there are examples of regional training-bureaux, run by employers' organisations, and functioning as a broker between supply and demand for training. In particular, SMEs benefit from such facilities.

The integral approach to LLL implies that all partners involved have to assume a responsibility, looking at the same time for co-operation and synergy. Public authorities have the main responsibility for initial education. However, companies can support them, especially in the area of vocational education, by offering practical training in companies, guest teachers in schools etc. The participation of companies in dual systems for vocational training is a very extensive form of partnership. Employers and employees have a major responsibility for continuing education whereby governments can stimulate investment by offering favourable framework conditions. It is a shared responsibility to keep the labour-force in good shape and to foster employability.

There is a great variety of forms of LLL and target groups and, as a consequence, different arrangements. Given the fact that higher educated workers participate more easily in subsequent training, it is essential to maintain a high level of investment in initial education as a basis of LLL. Particular attention needs to be attached to those with low qualifications. At all levels, not only specific knowledge and skills are needed,

but also more generic and personal competences. Therefore, a much broader variety of training and learning is now directly job-relevant and is essential for sustaining or improving employability.

## **2 & 3: Stronger incentives: improving the efficiency and quality of LLL**

### **Efficiency:**

The most important factor to enhance the efficiency of LLL is time. In most cases, the out-of-pocket costs of LLL are much less than the costs of time investment. Given the personal benefits of LLL, especially in the case of a more general course, it is reasonable to ask the employee to invest his/her "own time". Information and Communication Technology (ICT) is also an important element to save time since part of the learning can be done at work and/or at home. ICT is an effective way of increasing and widening participation in LLL while keeping down costs to an affordable level. The richness of new learning material available through technology should therefore be exploited to the full. In addition, increased attention should be attached to informal learning: if we succeed in the assessment of learning by experience, the formal part of learning can be restricted.

An important strategy for improving the efficiency of LLL in companies is to adopt a more decentralised approach in certain areas, both at the national and company levels. At the national level, arrangements may differ between sectors and branches, according to their nature and stage of development. Companies also have a variety of needs. The unit-management and the employees together plan the training and learning taking into account the career development of the employee. This, of course, has to fit into the framework of the overall company strategy for human resource development, but workers as well as unit managers should be responsible for a proper implementation of the strategy.

Another possibility to reduce costs and increase cost-effectiveness is the establishment of partnerships with public institutions, in particular vocational schools, universities and research centres. The know how and facilities of these institutions can also be used for the implementation of LLL. However, it should be clear from the very beginning that to respond to the needs of companies, a tailor-made approach is required. Finally, more attention should be attached to the role that private providers can play, many of whom have strong roots in adult education. As private providers, they are more flexible to respond effectively to new requirements.

### **Quality:**

As already mentioned above, there are various ways to improve the quality of LLL, including partnerships and alliances, decentralisation, etc. With regard to the quality of learning outcomes, there is a difference between initial education and continuing education. In the case of initial education, national standards and qualifications can form the yardstick for quality. In the case of continuing education, measurement and assessment according to national standards need to be complemented. They may apply for some widely needed skills or for qualifications that are needed to guarantee safety standards as well as for various kinds of special qualifications, such as expertise in specific software programmes, construction techniques etc.

However, this is only one part of the story. LLL calls for a "bottom-up" approach, in which the training is planned as close to the actual needs of the working process as possible. Given the great variety of specific requirements, both from the companies' and the employees' point of view, the quality criteria also differ. Therefore, the tailor-made part of LLL activities is difficult to reflect in national standards. However, it is always in the interest of companies and employees to make the outcome of LLL visible and transparent. One of the success factors of private employment agencies, for example, is the fact that many of them are very successful in analysing the acquired competences and skills, including those acquired by informal learning.

New indicators for quality related to new key competences, such as abilities in the field of presentation, negotiation, teamwork, networking and influencing, are important for LLL and might still be underestimated as possible new elements in initial training. In a number of universities, for example, videos are now used to record and evaluate the behavioural competences and the progress made over the years. Another instrument is to build a merit-portfolio of accomplished projects in which the new competences are demonstrated (cfr portfolio of Architects, Artists, Photographers).

#### **4. Incentives to mobilise additional resources**

Sustaining a high level of investment in initial education is a crucial basis for LLL. There is research evidence that the better the results are in initial education, the more individuals will participate later on in LLL and the better the outcome and benefits from LLL will be. Under-investment in initial training puts a heavy burden on companies and will lead to multiple costs for training of people who cannot find jobs due to their poor qualifications.

The financing of continuing education after school will require investment from companies and employees. However, ensuring the affordability of LLL depends in part on strengthening incentives to invest in LLL. Governments can offer incentives, for example through tax benefits for investment in training, inexpensive access to distant learning facilities and training credits for the less qualified. An example of bad practice is the tax rule that in some cases the fee an employer pays to a university or community college to cover part of the costs of further education of an employee is taxed as an income for the employee. A favourable tax treatment of training expenditures is an important incentive for investment in LLL.

In many countries, there is insufficient co-ordination between the activities of the department of education and the labour department with regard to LLL. This applies both to the national and regional levels. More co-operation will not bring additional resources, but can lead to a more efficient use of the total public investment. Public employment agencies could use the infrastructure financed by the education department for their training needs instead of financing a separate infrastructure themselves.

LLL can be supported by arrangements between the social partners. For this, two important conditions are: such arrangements should be flexible and should leave the responsibility for the planning of the training with the company, and they should never be enforced by law, but should be based on the free engagement of the organisations involved. Education and training authorities/institutions are interesting partners for companies to implement LLL (see also issue n° 2). In addition to responding to the needs of companies, such partnerships can also encourage students' initiatives and mobilise additional resources.

In the Netherlands, for example, the concept of a “maintenance-contract” is suggested, i.e., educational institutions keep contact with their alumni and offer them additional training possibilities according to their needs at the beginning of their career. Another example in the Netherlands is the new collective contract in the metals sector. If, during his/her last year of studies, a student signs a contract with a company that is a member of the sector organisation, then the student receives DF 2000 and the company a budget of up to DF 5000 for additional training during the first year of his/her contract.

Existing resources need to be used efficiently and should be allocated in relation to the benefit they generate. From the same cost-benefit perspective, the problem of in-equity and disparities can be seen as a market failure, in which case it is reasonable that the government intervenes by offering special incentives to risk groups (individuals with low skills, training of unemployed). There is also a need for the government to create a good climate for investment in LLL by generic measures, applicable to every company and every worker.

## **5. Are societies equipped to formulate and implement strategies for LLL?**

An important aspect of the implementation of LLL is the awareness that there are many ways of learning and that the traditional school model, often in combination with a passive consumer paradigm, is only one of them. Studies on new competences, as needed in modern companies and ways to achieve them in all kinds of learning settings, including learning at work, can result in new indicators and new assessment methods for learning. This should not be considered as a replacement of traditional forms, but represents a new and vital element in any LLL strategy. Finally, such new elements could also enrich the education practice in initial education and could respond to the variety among students and learning styles.

For an efficient LLL strategy, more is needed than incidental initiatives and projects, which although they are useful, will not really change the general attitude of teachers and learners and will not have a real impact on the system. The teaching process will be the key to successfully adapting the educational system to meet new demands. Teachers can better meet this new requirement by co-operating with colleagues (team-teaching), by inviting guest teachers from other institutions, by organising projects and study visits and by rotating jobs in other schools or in companies. Although this is already done, it should be considered as a compulsory element of the teachers' profile. A number of school-industry partnerships have already been initiated, but it is not yet a natural element of the school as an institution to use these partnerships for students' future orientation and as a resource for enriching the education system.

To support such a long-term strategy and more systemic approach, the main actors should cooperate at the regional, national and international levels. In several countries, the branch-level turns out to be an interesting starting point to join efforts and is especially helpful for SMEs. LLL is a shared responsibility of government, employers and employees since all three actors have an interest in mutual partnerships in order to improve the total outcome of the investments. Each of them therefore has a role to play and a responsibility for supporting LLL. By "partnership", BIAC does not necessarily mean a set of formal arrangements, but rather a consensus about priorities and the willingness to co-operate. The concrete forms of this co-operation may vary according to national law and tradition. In some cases, formal arrangements may result from this process, if partners freely opt for this.

Co-operation and collaboration are crucial for addressing the question of how to ensure that LLL is affordable. The character of the partnerships differs depending on which aspect of LLL and related responsibilities are involved. Initial education, including vocational and higher education, is a public responsibility. Companies, however, are important partners, especially in supporting vocational education and higher education. Other fields of partnerships are guest lecturers/teachers, curriculum development, and investment in specific equipment. For continuing education, a major responsibility lies with employers and employees. The government has the responsibility to support these efforts by creating enabling framework conditions and by offering incentives to encourage investment in continuing training.

In light of today's realities, education can no longer be considered as a preliminary stage to employment, but as a continuous lifelong process whereby individuals acquire skills and knowledge on an ongoing basis and are thus adequately equipped for working life.

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