

# CEDEFOP



European Centre for the Development of Vocational Training

**PANORAMA**

**AGORA – IV**

**The low-skilled  
on the European**

**labour market:**

**prospects and**

**policy options**

**Towards a minimum  
learning platform**

*Thessaloniki, 29-30 October 1998*



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### **The low-skilled on the European labour market: prospects and policy options**

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# Foreword

In ancient Greek the word 'agora' means a marketplace, a place of assembly or a forum where public affairs are discussed and the future of the city is built.

In Cedefop, the Thessaloniki Agora is such a forum, one that can be used in the field of Initial and continuing vocational training to build a bridge between people from different backgrounds: researchers, practitioners, administrators and social partners. The aim is to pool our thinking and thus achieve a measure of agreement. In this way a common fund of thought can be accumulated, on which consensus has been reached and which lends itself to implementation without conflict. Our goal is not necessarily to move fast or far, but to bring together our ways of looking at things.

It is important that the Agora should be a place for comparison of initially differing viewpoints, so that we can then arrive at a genuine convergence of positions, even though progress with work may seem slow.

Three Agoras have been organised so far, and reports on them have been published in the Cedefop Panorama series:

- I - The rise in the standard of diplomas and its effects on the labour market (30 June 1997).
- II - The role of the enterprise in lifelong training (17-18 November 1997).
- III - Training-linked labour mobility (2 February 1998).

The latest in the series, Agora IV, was held on 29 and 30 October 1998 on 'the low-skilled on the European labour market: prospects and policy options'. This publication sets out its content. It includes the texts of the presentations that served as the starting points for discussions, revised by their authors to incorporate the findings of the Agora, as well as summaries of the content of the discussions themselves.

# Agenda of the meeting

## Thursday, 29 October

- 9.30 Welcome and introduction: *Johan van Rens, Director, Cedefop*
- 9.00 Presentation of the Newskills project: 'New job skill needs and the unskilled'  
*Eugenia Kazamaki Ottersten, The Industrial Institute (IUI) Stockholm, and Newskills project*

### **SESSION ONE: NEW JOB SKILL NEEDS FOR THE 21<sup>ST</sup> CENTURY - PROSPECTS FOR THE LOW-SKILLED**

- 10.15 Round table of the social partners on 'New job skill needs for the 21<sup>st</sup> century - prospects for the low-skilled'.

*Alfons De Vadder, Director-General of Fédération belge des entreprises de distribution*

*Eva Kuda, IG Metal, Frankfurt*

*Philippe Méhaut, Deputy Director, Centre d'études et de recherches sur les qualifications (CEREQ), and Newskills project*

- 11.00 Coffee break

- 11.30 General discussion

- 12.30 Presentation of the Newskills project - 'How the "minimum platform" is defined across the EU', *Hilary Steedman, Centre for Economic Performance, London School of Economics, and Newskills project*

- 13.00 Lunch

### **SESSION TWO: TOWARDS A DEFINITION OF A MINIMUM LEARNING PLATFORM FOR ALL**

- 15.00 Presentation and commentary: 'The concept of a minimum learning platform', *Arthur Schneeberger, Institut für Bildungsforschung der Wirtschaft, Vienna*

- 15.30 Round table of social partners on 'Defining a minimum learning platform'  
*David Forrester*, Department for Education and Employment, London  
*Heikki Suomalainen*, Confederation of Finnish Industry and Employers - TT  
*José F. Assis Pacheco*, UGT - *Uniao General de Trabalhadores*, Lisbon
- 16.00 Coffee break
- 16.15 General discussion
- 17.15 Presentation and commentary: 'New job skill needs for the 21<sup>st</sup> century - prospects for the low-skilled' - *Gunnar Eliasson*, Royal Institute of Technology, Stockholm
- 17.50 End of meeting
- 18.00 Welcome drink

### **Friday, 30 October**

#### **SESSION THREE: ACHIEVING A MINIMUM LEARNING PLATFORM FOR ALL**

- 9.00 Presentation on 'Strategies and policy options', *Roberto Carneiro*, Catholic University of Portugal and Newskills project
- 9.30 Presentation and commentary on 'Strategies and policy options', *Jordi Planas*, Institute of Education Science, Barcelona
- 10.00 Round table of social partners - 'Strategies and policy options for achieving a minimum learning platform'  
*Patricia O'Donovan*, ICTU - Irish Congress of Trade Unions  
*Lise Skanting*, Danish Employers' Confederation  
*Eleni Spachis*, European Commission - DG XXII
- 10.45 Coffee break
- 11.15 General discussion
- 12.15 Summary - *Eugenia Kazamaki Ottersten*  
Closing remarks - Cedefop
- 12.45 End of meeting

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# 1. Introduction

Following a lengthy period of great stability, since the mid-1970s the labour market has been in a continuous process of evolution. Human beings, for their part, evolve slowly and laboriously, and this creates a gap between what the market demands of its workforce and what that workforce can offer.

The low-skilled have always been with us. What has not always been with us is the problem they raise. This arises partly from the form and structure of the labour market - ***the scarcity of employment*** - and partly from the very essence of the production process - ***the changing demands for skills***.

***The scarcity of employment:*** technical progress and rising productivity have helped to do away with some of the hard and unrewarding work that has traditionally been the lot of the low-skilled. At a time of a sharp rise in the active population, the labour markets of the European countries have found it very hard to accommodate new arrivals. As a result, young people have, often reluctantly, had to continue their training or studies because they have been unable to find jobs, or have not known how, or because they hoped that by improving their level of training they would increase their subsequent chances of finding work.

In the 1950s and 1960s, there was a shortage of labour on the market, creating difficulties for employers. With the pressure for steady growth, they agreed to take over responsibility for the transition from school to the labour market, including the transition of the least skilled. In some cases they looked beyond national borders for the labour they could not find on the domestic market.

In the 1970s, things changed. The labour market was awash with labour, and queues formed for jobs. It was only logical that it was the best trained, the most adaptable, the people who cost least to take on who were accepted first. In this situation, the low-skilled - who up to then had acquired their skills within the workplace - lost their main route to competence and qualifications. The low-skilled jobs that were formerly their natural preserve were increasingly used as the first jobs for people with considerably higher skills.

***The new demands for skills:*** the nature of the skills required has changed. Physical strength and stamina, technical ability, are now secondary qualities when what is needed is to operate increasingly complex and automated production processes, at a time when the production of services is steadily gaining ground over the production of goods. Shrewdness, an analytical and critical mind, adaptability, open-mindedness, a desire to learn - in other words, cognitive skills and skills in human relations - have become essential. To a growing extent, what is sought in the workforce today is personal involvement, the application of inventiveness, intelligence and energy, dynamism and motivation.

These qualities cannot be acquired irrespective of the circumstances and cannot be expected of everyone to the same degree. Some of them can certainly be learned through formal education and training (a critical mind, analytical ability and organisational skills). Others can only be acquired in the workplace (adaptability, a technical sense, effectiveness, and expertise). Yet others are always very personal and cannot be expected unless they are innate and an inherent part of each individual's own nature (shrewdness, a sense of motivation, determination, the ability to work as part of a team, etc.).

The combination of the two problems - the *shortage of jobs*, and the *new skills demanded* for the jobs available - has created a core of people who are nominally members of the working population in that they want to find a job and live off the fruits of their labour but who in practice have little chance of success. Even if they find work, it tends to be in very marginal jobs, for instance temporary posts or through ad hoc job creation measures. The essentials that they need for existence in fact come from the various social welfare systems.

In practice, however, how does this create a problem? In all honesty, the slow creation of a core of excluded people does not in itself create an economic problem. Long-term unemployment is not in fact a threat to the profitability of enterprises. When it comes to sharing out the added value, which has risen by almost 70% since the 1970s, the profit return has risen steadily while the proportion spent on the wage bill has declined. While many enterprises have closed down during this period, this is not necessarily the sign of an economic crisis: it is also the symbol of change in methods of production and of how the economic fabric is adapting to the new economic context. Companies that fail to adapt die, the healthier companies grow. This is the law of the market.

The problem is in fact of a different kind. It is philosophical, sociological and political.

***It is a philosophical problem***, for can we stand by and accept that 18 million people are jobless in Europe? Can we tolerate the fact that 3 to 5 million of them no longer have any realistic chance of finding stable employment? Can we accept the idea of a ***human reject***?

***It is a sociological problem***, for it is increasingly evident that the growing exclusion of a minority generates violence and urban insecurity, which makes social life harder, more dangerous or uncertain for the majority of people who are integrated into the economy. What good is it to a group of highly skilled working people with stable jobs and high earnings if the material conditions in which they look forward to enjoying their earnings deteriorate to the point of preventing them from truly benefiting? It is in nobody's interest if our living environment lapses into decay, if the poorer areas degenerate into a Third World. It is with our luxury saloons that the disaffected young people from the inner cities go joy-riding.

***It is a political problem***, because what needs to be done is to acquire control of our collective destiny by managing to recreate enough jobs for everyone. In particular, there are measures that should be taken at the macroeconomic and macrosocial level, and yet others undoubtedly devised, in order to emerge from a situation in which jobs are in such short supply, and to move towards a fairer balance and halt the rise of urban guerrilla warfare.

It is not an easy problem, and there is little likelihood of its being quickly resolved, even though the shrinking of the active population predicted for 2010-30 will no doubt almost automatically help to improve the situation somewhat.

This being so, even supposing that we are in a position to implement the mechanisms for the restoration of a more balanced system of employment, this will be only part of the road. There is no point in developing job opportunities if we cannot ensure that the people who are available are integrated into those jobs. And it is here that the educationalist takes over from the macroeconomist and the sociologist. We are in fact facing a genuine challenge: at a time when technological and organisational development has created *new needs for skills* for the new jobs, recent economic history has left us an inheritance of *a hard core of low-skilled people*. What skills are actually needed for the new jobs? What are the characteristics of today's low-skilled? How can we narrow the gap between the new skills now needed and the skills of today's low-skilled people? These are the issues before this Agora.

The starting point for the debate was the research on 'New job skill needs and the low-killed' [Newskill], conducted by a European team coordinated by Hilary Steedman of the London School of Economics and Political Sciences, and financed as part of the DG XII TSER programme. A summary of this research as well as the main questions that the Newskill team wanted to submit to the Agora are presented by Hilary Steedman in **Section 2** of this publication.

In **Section 3**, Eugenia Kazamaki-Ottersten sums up the problems covered by the Newskill research. There are three stages in this research:

- a) investigation of the ***demand for the low-skilled***. Is it true that the demand is falling, and is it true that it is falling faster than the number of low-skilled people?;
- b) a current study on the ***supply of the low-skilled***, focusing *on* the links between ***failure in the compulsory school*** and the ***reluctance to take up the permanent and continuing training*** proposed by employers, which means that they are powerless to offset the shortcomings generated in initial training;
- c) investigation of the ***criteria for employment today***. This part of the work draws on an enquiry currently being conducted on employers, whose views are being solicited on the minimum level of training they require when recruiting.

In **Section 4**, Gunnar Eliasson takes a closer look at the nature of skills on the labour market and their economic value and development, as well as the links between those

skills and productive work, especially in emerging industries. One of the points he stresses is the need for social support during the phase of adapting the supply of skills to the new demands.

These new demands, however, as we have already pointed out in this introduction, cannot of course be applied to the entire working population. It is not necessarily a requirement that every skill be developed to its optimum level. A minimum basic level of competence should be defined, with '**soft skills**' being given the major role. This has led to the idea of a **minimum learning platform**. This idea has been developed in a paper by Hilary Steedman distributed to all those attending Agora IV as a discussion document. This is reproduced in **Section 5**.

In **Section 6**, Arthur Schneeberger analyses the concepts of the low-skilled and the minimum platform. He shows that the concepts are out of date, that the relative disadvantages of the low-skilled are growing because of their lack of interest in training and the increasing wage differentials. The number of low-skilled is undoubtedly falling, but less rapidly than the number of jobs for them, and the position of the hard core of low-skilled is becoming more complex. The situation of the low-skilled today is radically different from that of their parents: the latter chose to enter the working world on completing their compulsory schooling, whereas today's low-skilled have failed at school even though the number of years' education has risen, in some cases considerably. Worse still, in a country such as Austria, where the dual system is well developed, the criteria for the selection of young people for apprenticeship are themselves based on cognitive and social skills that the low-skilled obviously do not possess. This means that they are shut off from any possibility of access to training.

Arthur Schneeberger also shows that while a minimum platform should be imposed on, or offered to, the low-skilled to break this vicious circle, the platform cannot be identical in space and time. Every production system, every society, every country has its own particular features, and those features will evolve as time goes by.

In **Section 7**, Roberto Carneiro shows that although it is a social necessity to define a minimum learning platform for all, this in itself is far from enough. The training effort also has to be adapted. The standard should be not the number of years' study, but rather the level of knowledge to be achieved.

Even so, a human being is not just a productive unit. Personal, cultural, social and civic development deserves to be allocated proper educational efforts.

Lastly, it is only right that a minimum platform should aim at inclusion and social cohesion, breaking away from the traditional approaches, which were based on exclusion at many stages and on selection processes.

A dual system combining the efforts of both employers and schools may help to reduce the trend towards exclusion associated with the inequalities in the distribution of

knowledge. Roberto Carneiro ends with a plea for a new social contract for Europe that would include the right to education on the one hand but also, on the other, the moral obligation to train.

In **Section 8**, Jordi Planas takes up the general observation arrived at in the Agora: that continuing training reinforces rather than offsets inequality. The standard of qualifications has undoubtedly risen over the past few years, and there are considerably more opportunities for training outside the school, but due to lack of interest and lack of the prerequisites for training the lower-skilled do not benefit from those opportunities. This creates a need to maintain or reintroduce measures for further literacy and above all the need to reform compulsory schooling. Under the existing model, the solution is sought outside initial training, in 'second chance schools'. This response is an attempt to remedy the problem but in no way does it prevent it. Why wait for people to fail before bringing more effective teaching methods to bear? Up to now, the compulsory school has been content to accumulate knowledge and increase the official education and training periods, when what is needed is to define the content that will help to guarantee universal access to lifelong training.

**Section 9** is then an account of the discussions taking place throughout this Agora and the general consensus on the analysis of the origin of the difficulties of the low-skilled in meeting the changing needs of the production system, especially in terms of social and transferable competencies.

In the search for solutions to the problems of the low-skilled, the *discussion has shifted away from the major global and egalitarian principles - that individuals must be given the same education and follow the same educational process - and towards a system in which different human beings go through different processes of education and training according to their needs, so that they all arrive at the same point*. The importance of new practices such as those designed to recognise and certify non-formal achievements was highlighted during this discussion, as was the fact that training is a factor not just in career development but also in personal development and an opening out to society. Finally, it was pointed out that although the cost of creating a minimum learning platform is high, it is far more costly not to implement this aim and to have a core of marginalised people.

Lastly, **Section 10** summarises the points of agreement among the researchers, political decision-makers and social partners during the Agora. It was a particular feature of this event that there was very marked unity among all the participants on a subject that is probably one of the major challenges to our society: the integration of the low-skilled in the new permanent education society.

## 2. Summary paper

### **The low-skilled on the European labour market: prospects and policy options**

This is a brief summary of research on the theme 'new job-skill needs and the low-skilled' - the Newskills project financed under the targeted socioeconomic research (TSER) programme of DGXII of the European Commission. The countries represented in the group - France, the Netherlands, Portugal, Sweden and the UK are the countries studied. In addition, data for Germany was collected and incorporated in the research wherever feasible. The membership of the group is attached to this summary.

The declining position of the low-skilled is evidenced by rising wage differentials between the low-skilled and the higher-skilled, and increasing unemployment amongst individuals with low skills. Given that the numbers classified as low-skilled are simultaneously falling, these changes suggest a declining demand for low-skilled labour. Some economists have claimed that it is feasible to protect the low-skilled against a worsening wage position by implementing the right labour market institutions. However, research for the Newskills project indicates that it is probably a better policy to reduce the net supply of low-skilled workers.

An analysis of the demand for labour at different skill levels, so far carried out only for Sweden, indicates that technological change in favour of those at higher levels is the main cause of this fall in demand for low-skilled labour. An analysis of the sectors where new jobs are being created shows that the expanding sectors are where employees typically have higher level skills. Low-skilled individuals are to be found in sectors that are in decline, or not growing particularly fast, in which they are being increasingly concentrated, particularly in Germany. An analysis of inactivity further shows that low-skilled individuals are much more likely to be inactive in all of our countries except Portugal. The result is that the low-skilled have much lower employment/population ratios and much higher unemployment rates than those further up the skills spectrum.

For those in employment however, an analysis of new job/hire quality so far carried out for Portugal, the Netherlands and the UK reveals that new job quality is not declining for any particular skill group relative to others, with the exception of the UK, where the low-skilled are increasingly disadvantaged in terms of real wage rates and involuntary part-time employment rates.

Further research for the Newskills project also confirms that the supply of low-skilled individuals is falling in all European countries studied, principally as a result of the higher qualification levels of young people entering the labour force. Even so, some countries continue to have half or more of the total population of working age having no qualifications beyond those gained in the period of compulsory education (<ISCED 3). Even if current growth rates of those with upper secondary education and/or vocational

training (the ISCED 3 group) continue at their present level, most European countries will still contain a significant group of the low-skilled in 2010.

How, then, can the numbers with only low skills be reduced? Our own research and other work in this area suggest as far as young people are concerned, the primary route is to persuade more young people to continue into upper secondary education and/or vocational training. An analysis for the project of the determinants of participation in post-compulsory education shows that the key explanatory variable is prior success at the compulsory education level, plus, for males, the returns available to offering a higher level of education, and the level of real income available to 'spend' on education. The level of youth unemployment and the availability of training scheme places seem to have little effect.

Most of the low-skilled are adults of whom between one half and two-thirds are in employment. Examining work-related training, our study shows that firms do contribute towards the costs of general training. Disentangling the demand for and supply of training places suggests that workers with lower levels of initial education receive less work-related training in part because they are less interested in taking it, and not because firms are less likely to offer it.

This summary presents the results of the first two years of work of the Newskills project. The final year will be spent testing our findings against the perceptions of the realities 'on the ground'. We will be organising meetings with the social partners at which we will discuss our findings, carrying out case studies of firms in our five countries and surveying the views expressed by employers about the skills they need. This *Agora Thessaloniki* seminar is the first of these meetings and an important objective of the seminar is to test our own findings on the future of low-skilled work against the perceptions of the seminar participants. At the end of this process of study and consultation we hope to be able to present a coherent and well-grounded view of the priorities to be adopted in upgrading low skills in Europe both with regard to structures and broad content.

### **Broad issues for discussion:**

The demand for skills - how do the social partners see the demand developing? Is the fall in the demand for the low-skilled beginning to slow? What differences are there between the broad sectors of the economy?

The supply of skills. How far is it possible to define the knowledge/qualities/competencies necessary for employability? To what extent is there still mismatch between supply of and demand for skills?

What action can be taken to ensure that no young person leaves school without the minimum necessary for further learning and, ultimately, employability? How can partnerships with business help schools to motivate young people and ensure that the curriculum provides the basic foundation that young people need?

How can low-skilled adults in employment be motivated to improve their skills? Is it feasible to envisage that the workplace can become a 'learning workplace' using ICT to provide learning opportunities that promote business and improve the skills of the workforce? What are the respective roles of government and the social partners if this is to be a realistic objective?

### **Newskills project participants**

- Coordinator: Dr Hilary Steedman, Centre for Economic Performance, London School of Economics and Political Science
- Dr Steve McIntosh, as above
- Professor Roberto Carneiro, *Centro de Estudos dos Povos e Culturas de Expressao Portuguesa, Universidade Catolica Portuguesa, Lisboa*
- Dr Mario Ferreira Lages, as above
- Professor Willem Houtkoop, Max Goote Centre, *Universiteit van Amsterdam, the Netherlands*
- Dr Hessel Oosterbeek, Faculty of Economics, University of Amsterdam, the Netherlands
- Dr Edwin Leuven, as above
- Dr Asa Murray, Stockholm Institute of Education, Department of Child and Youth Studies
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- Dr Eugenia Kazamaki Ottersten, as above
- Dr Philippe Méhaut, Cereq, Marseille, France
- Mme Annie Boudier, as above

### **Research-related issues raised at Agora Thessaloniki 29/30 October 1998**

#### **Heterogeneity of the low-skilled group**

Inevitably, perhaps, the participants found our definition of the low-skilled (<ISCED 3) somewhat limited in its scope. The first criticism was that the definition only took account of attainments within the formal education and training system and offered no direct indication of performance on other important dimensions of skill, in particular what are called the 'soft' or 'core' skills - i.e. personal and social competencies. As can be seen from the account of the discussion given below, these were almost unanimously declared to be of equal if not greater importance than 'knowledge-based skills' by Agora participants. The second criticism arose from what was identified as the project's failure to

recognise cohort effects within the low-skilled group. In particular, it was stressed that populations that have left school in recent decades with no or low qualification levels have normally done so as a result of being excluded from mainstream education routes by progressive stages of selection and that individuals so excluded often originate from disadvantaged backgrounds. By contrast, individuals from older cohorts (usually aged 45 and over) had often left school at the minimum age because that was then regarded as a socially acceptable level of qualification for entry to employment. In some European countries, formal barriers in the shape of fees for post-compulsory schooling or highly selective entrance requirements to post-compulsory education had prevented many highly able individuals from continuing. These cohorts are therefore most probably different in average ability level from younger cohorts. In addition, many will have developed a whole range of skills through employment, which have never been formally certificated. Our attention was also drawn to the fact that in Denmark among older individuals larger proportions of low-skilled men are unemployed or inactive than is the case for low-skilled women.

### ***Newskills group response***

We will try to disaggregate our skills data by age and also look more closely at gender differences. In particular, we will keep in mind the fact that the 'low-skilled' in the older age groups are far less 'selected' in terms of ability than the younger age groups at that level.

### **'Low-skilled' - connotations of deficit**

'Low-skilled' implies a deficit of something which society generally considers positive and desirable and therefore is bound to be experienced by those so labelled as implying that they are deficient in some way. It has already been pointed out above that this group is very heterogeneous, first because an important dimension of skill is not measured and secondly because of cohort effects. The project was criticised for using this term as it was thought that it could have a demotivating effect on individuals whose self-confidence might already be at a low level.

### ***Newskills group response***

This point is well-taken. The Newskills group's response would be to emphasise that this is a strictly technical term used to facilitate communication of a shared concept among researchers and to define a key variable to be used in our work. The medical profession makes extensive use of terms derived from Latin and Greek to communicate among professionals and to try to ensure that patients do not understand discussion of their case between professionals which may take place in their presence. But in a more educated and egalitarian social environment this sort of behaviour becomes harder to maintain and justify. Basically, we would emphasise that it is only possible to increase our knowledge of how to improve the position of the low-skilled on the labour market and in society if we can achieve clear common understanding and definition of this term. However, we would emphasise that in the titles of our publications we have not used this term. We will keep this point in mind when planning conferences and a final publication based on our work.

(HS)

### **Concern about research on attitude of low-skilled to training**

Although it was only one of a number of pieces of work reported as contributing to the Newskills output so far, a number of participants at the Agora expressed some dismay at the finding reported in [reference to paper by Leuven and Oosterbeek]. This paper reported a finding based on an analysis of data from the OECD/Statistics Canada international adult literacy survey (IALS) that where employees whose qualifications placed them in the lowest skills category were offered training, they were more likely to refuse that offer than employees with higher levels of qualification. This finding caused participants to suggest that there may have been reasons for this reluctance to accept training which arose from the quality of the training offered and/or from the lack of incentives within the company to undertake training.

### ***Newskills group response***

I think this interest underlines the importance of carrying out the analysis using the additional IALS data which has now become available as soon as possible. However, it is not clear that we can say anything from IALS data about quality of training offered or about incentives.

### **Using years of education as a measure of attainment**

Strong criticism was voiced at the meeting of the fact that in most countries a minority, which varies in size from country to country, fails to achieve any useful level of education or skill despite participating in education for the compulsory period - usually nine or 10 years. This view seems to support the view taken in the paper by Oosterbeek et. al. [male wage inequality] that a measure of skill based on years of education must be a less reliable guide to real competence than a measure based on individual testing (IALS).

### ***Newskills group response***

In a study associated with the Newskills project [measuring the quality of educational outputs: some unresolved problems] HS draws attention to fundamental inconsistencies in the measurement of educational outcomes in the European labour force survey in which some countries measure outcomes on the basis of years of attendance and some on qualifications achieved. Some countries use both measures for different stages of education. We should try to give our findings in these areas more prominence when we report on the problems encountered in our project with data sources.

### **Measurement of volume of low-skilled employment**

A word of warning was voiced about the extent to which low-skilled jobs are increasingly taken by individuals (many of whom are immigrants with irregular citizenship status) who are not registered in the official statistics. This might mean that official statistics are overstating the fall in the employment of the low-skilled.

***Newskills group response***

We should try to obtain estimates of these groups for each country from specialists in this area and assess how far these might change our conclusions concerning the size of the low-skilled group.

### **3. New job skill needs and the low-skilled: a summary**

***Eugenia Kazamaki Ottersten***

Most European labour markets have encountered changes during recent years. The situation of the low-skilled in the labour market appears to have deteriorated. Increased competition from industrialising countries and the increasing role of technology in production and 'within-industry' changes have resulted in high demand for human capital, in particular a high demand for higher skill-levels at the workplace.

The core of the classical labour market has been to match an applicant to a vacancy, or labour to a job. The matching concept in the labour market today can be assessed in a slightly modified framework where there is a match of a portfolio of human capital to some specific job design, which is continually changing due to the dynamic nature of the labour market. Different worker characteristics are matched to jobs with different attributes.

Due to the growing speed in the rate of organisational changes and globalisation, parts of the labour market experience a fast erosion of human capital. This development demands continuous adjustment and a steady acquisition of skills. The individual's main endowment in the search for a job is his/her human capital which is composed of personal capital, such as education and experience, and social capital, for example, the individual's ability to work in a team. The individual is over a lifetime subject to a learning performance and lifelong learning. These start in the early childhood years.

The DGXII targeted socioeconomic research program (TSER) project 'new job skill needs and the low-skilled' examines the level of skills in a number of European countries and the demand and supply of such skills. The project involves France, the Netherlands, Portugal, Sweden, and the UK as participating partners. The project coordinator is Hilary Steedman at the London School of Economics (LSE). There is further representation of the LSE, CEREQ (The Centre for Vocational Training) Marseille, the Research Institute for Industrial Economics Stockholm, the School of Education Stockholm, the Catholic University of Portugal Lisbon, and the University of Amsterdam. In addition, data for Germany have been collected and incorporated in the research wherever feasible. The team is interdisciplinary and consists foremost of economists and educationalists. The period of study is primarily from 1985 to 1995 and the project runs from 1996 to 1999.

The project aims at contributing to the basic framework for the design of policies targeted towards the low-skilled, firstly, by documenting the labour market opportunities of the low-skilled, and secondly, by proposing effective ways for developing the necessary skills in society. The low-skilled analysis has been partitioned into three basic fields, first, an examination of the demand for the low-skilled, second, an analysis of the supply of the

low-skilled, and finally, an interdisciplinary approach to education and labour market performance.

The first field examines the demand for labour by skill and the factors which determine the demand for skill. Comparative labour demand analysis is scarce, partly because data are a restriction, partly because institutional differences between countries need to be coherently considered to prevent the obtained results from being biased. Within the project we investigate the distribution of the low-skilled by sector and employment. Further we derive a model of the demand for labour and in the last phase we hope, if data permit, to incorporate institutional differences in an international comparison.

The second approach assesses factors determining the supply of skills. We examine post compulsory education, the wages of varying skill levels, job quality changes, the characteristics of the low-skilled, training, and learning by doing.

The third field aims at defining a minimum platform. The interdisciplinary advantages of the group are most obvious in this phase of the project. We integrate economics and education in an attempt to understand the situation of the low-skilled in the labour market.

The methodology chosen for the analysis has been quite extensive. Several data sources have been investigated carefully to achieve as comparable data sets as possible. In addition, we have improved and elaborated data sets linking earnings, skills and employment using national labour force surveys and similar surveys. Data from the OECD adult literacy survey and country specific household surveys have also been explored. Investigations and comparison of curriculum content, pathways and progression for young cohorts in the different countries have also been pursued. The overall emphasis has been on empirical studies.

A crucial question is who are the low-skilled? In this project ISCED levels 0/1/2 define the low-skilled - low-skilled are defined as individuals having a diploma of lower secondary general or vocational education or lower. This needs to be qualified, because there are different levels of supply of the low-skilled in the different countries and because we aim at determining what constitutes low skills. The definition used in our project coincides with the classification of the low-skilled in comparative data from the international adult literacy survey (IALS). Individuals in ISCED levels 0/1/2 further experience similar labour market characteristics. However, the number of low-skilled with less than upper secondary school is dropping in all countries represented in the study.

## **3.1. Findings**

### **3.1.1. Overall characteristics**

Briefly, it is evident from our research that the low-skilled group share a number of common characteristics. Examining the employment/population ratios by educational

attainment in 1994 for individuals aged 25 to 64 with less than upper secondary education, we find higher unemployment for this group than for those with upper secondary or tertiary education.

In addition, the low-skilled group is represented in employment to a lesser extent than individuals with higher education, in all countries of interest to us. They also experience lower participation rates, and higher levels of unemployment (with the exception of Portugal where the labour market is in transition, but still assimilates the low-skilled). The likelihood for unemployment/inactivity in the lowest skill level is higher than for other groups particularly in Germany and Sweden. 'Skill-biased technical change' in part explains a fall in the demand for individuals in the lowest skill categories and a rise in the demand for those in the higher skill categories.

The population of working age (aged 16 to 64) below level ISCED 3 (less than upper secondary education) has decreased in the mid to second half of the 1990s in comparison with the situation in the mid-1980s in all the above-mentioned countries. It is 43% in France, 22% in Germany, 41% in the Netherlands, 77% in Portugal, 28% in Sweden, and 53% in the UK.

Large differences exist between the countries. However, all the countries have reduced the proportion in the low-skilled group over the 1985-96 period. Nevertheless, some countries continue to have about half or more of the labour force in ISCED levels 0/1/2. Countries which already had the lowest levels of skills, like Sweden and Germany, made the fastest progress. The proportions of low-skilled men and women in the working age population have declined at similar rates in all countries but in Germany and UK where the proportions of women with low skills remains higher. In France, Portugal and Sweden more women have a higher education (ISCED 5/6/7) than men. In Germany, the UK and the Netherlands the situation is reversed and the gap has remained unchanged over the 1986-96 period.

A general finding is that younger populations (aged 25 to 28) are better qualified than the working age population. This can in part be explained by the fact that participation in post compulsory education has risen in most countries. Germany, Sweden, and England have experienced an increase from the 1960-70s to the mid-1990s. We have seen the highest enrolment rates in Germany with a quite constant rate of around 90% for the 16 and 17 years-old over this period. Female participation is, however, lower. In Sweden, there has been an increase from levels around 80% to 90% in the 1990s. The enrolment rates in the Netherlands have seen a rise from 50 and 60% in the mid-1970s to about 90% in the 1990s. Finally, England and Wales have overall shown a slower development than the other countries. Today, the Netherlands, Sweden and Germany seem to have similar skill profiles for young people. Higher enrolment rates in all countries ensure that about 10% or less will be in the low-skills group (as defined today) in the year 2010. However, the number of sectors in each economy in which the low-skilled can find employment is shrinking - with the exception of Portugal. Low-skilled occupations have decreasing shares of employment even in booming sectors, such as, for example, retailing, hotels, and the

public and social services. Germany and the Netherlands have a large concentration of the low-skilled in a small number of sectors, whereas in Portugal and Sweden, for example, the low-skilled are employed in a wider range of sectors.

### **3.1.2. Demand side results**

The labour demand analysis has been based on a production theoretical approach. The findings suggest that there is support for the 'within-industry' of the decrease in the demand for the low-skilled in Sweden. Relative wages are also an important explanatory factor. Labour costs for labour with tertiary education have fallen compared to costs for workers with only compulsory education. Although demographic characteristics appear to be important in explaining differences across industries, overall they are not powerful explanatory factors. So far, due to data restrictions, this analysis has been carried out only for Sweden. However, the aim is to make an international comparison. We will at least include France. In a comparative framework it is important to account for the institutional differences between the countries represented in the project. A paper which assesses the institutional differences in the respective countries has been prepared.

### **3.1.3. Supply side results**

A great number of studies have been concluded within this area. The data collection has been demanding but supply data have proved to be easier to collect than demand data.

In terms of explaining international differences in male wage inequality by differences in the demand and the supply of skill, we find that differences in educational systems matter. The policy conclusion is to reduce the net supply of the low-skilled.

An analysis of new job/hire quality for those already in employment suggests that new job quality is not declining for any particular skill group relative to others in the Netherlands, Portugal, and Sweden. In the UK, over the period 1985-95, however, the low-skilled appear to be relatively disadvantaged in terms of real wage rates and involuntary part-time employment.

The demand for post-compulsory education in Germany, the Netherlands, Sweden and UK suggests that prior success in academic attainment within the period of compulsory education is a great spur to enrolment at the upper secondary level. Noteworthy is that the level of youth unemployment plays a minor role in whether or not to remain in education.

In terms of work-related training we find that firms do contribute towards the costs of general training. In literature, it has most commonly been argued that firms would primarily engage in firm-specific training due to the costs incurred if the person who is trained leaves the firm. In addition, the low-skilled appear to be more reluctant to participate in employer-provided training than those with higher level initial education and training. Differences in types of learning have also been investigated. It has been shown that

learning by doing (informal learning) and formalised learning can be used differently and support different needs in firms depending on the firm's type of production process. This result is based on a Portuguese study. Hence, human capital can be embodied in both formal and informal training.

#### **3.1.4. Defining a minimum learning platform**

The third research area aims at defining a 'learning platform' and a profile of education and training. It is important to investigate why individuals and firms engage in training. For example, what explains the enrolment to higher education and what explains the type of training provided by firms? What are the criteria for employment today? The project has now entered its third and final year. At this point a number of policy conclusions have emerged as stated above. We now continue by testing policy implications in a real life setting through a number of case studies. We are collecting information from all countries on what is happening in the policy debate in each country. For example, the Cedefop 29 and 30 October meeting with social partners and education experts was organised to discuss our findings and possible interpretations. What is perceived as a minimum level by practitioners in the area? This meeting proved to be very useful.

The final piece of evidence to our policy conclusions is to learn from on site experiences and conclude whether our previous findings are in line with practice in the field. Site visits have been organised in each country to obtain employers' views concerning the minimum level and to put to test our findings at the firm level. In each country, we use a common questionnaire with which to address firms. There will be a total of 30 case studies, thus presenting us with a lot of information. We also wish to investigate the future prospects of the low-skilled.

### **3.2. Concluding remark**

Summarising our results so far it is evident that conditions for the low-skilled are less favourable than they were 10 years ago, with the possible exception of Portugal, as greater value is being placed on people's human capital. The number of sectors where the low-skilled can find employment is shrinking. The likelihood of unemployment/inactivity is high for the low-skilled and skill-biased change emphasises this development. A general problem at this stage is that participation rates still lag in those countries, which also have the largest low-skilled groups.

We conclude that achievement in the period of compulsory education needs to be boosted. A policy recommendation would be to reduce the net supply of the low-skilled. Employer-provided training improves skills, but does not compensate for the deficit created by inadequate initial education and training.

## 4. Developments in industrial technology and production - competence requirements and the platform theory of on-the-job learning

*Gunnar Eliasson*

### Abstract

Labour market conditions in the industrialised world reflect increasing disparities between demand and supply characteristics. On the one hand, the emerging *knowledge-based information economy* (Eliasson 1990b, OECD 1996) offers an increasing supply of well paid abstract job tasks under flexible labour market contracts, requiring significant education and training. At the same time, studies (among others several from the OECD) indicate that some 25% of the labour force may be *functionally illiterate* and capable of supporting only the intellectually less demanding jobs, the supply of which is rapidly diminishing.

I will discuss this mismatch in the markets for competence (Eliasson 1994a) that is not allowed to be solved by regular price (wage setting) mechanisms according to two theories. They are:

- a) the theory of the experimentally organised economy (EOE); and
- b) the platform theory of cumulative on-the-job lifelong learning (LLL).

The EOE models the mechanisms of change in a dynamic economy and thus reflects the particular characteristics needed to cope with change in terms of LLL. I will then go on to outline a typology of industrial change as we can already observe the change process occurring in some advanced industrialised countries. I finally conclude that the ongoing change towards more pronounced knowledge-based economic structures is forced by technology and global competition and that the only viable strategy for industrial economies is to embrace the new economic order using their existing comparative advantages of industrial knowledge and wealth, recognising that *that strategy will easily fail if policy-makers cannot design the appropriate educational, labour market and social insurance policies*. The nature of these policies is discussed in the paper.<sup>1</sup>

### 4.1. What is competence for the job?

Competence is a very particular production capital. Before I address the topic, therefore, a few words on the nature of competence capital.

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<sup>1</sup> This analysis draws together the results from several papers that I have recently concluded with a project on 'new emerging industries, new jobs and new demands for competence', funded by the Swedish Council for Work Life Research (RALF). I apologize for the frequent references to myself.

Competence capital is embodied in human beings, or teams of human beings. It is the dominant production capital that determines the productivity characteristics of all other forms of capital. Besides its dominance, it distinguishes itself from other forms of capital, however, only in degree. Human-embodied competence is extremely heterogeneous and *redundant* (see Table 1) in all its applications. This characteristic defines flexibility on the job, a quality of the individual increasingly demanded in the market, downplaying the assumed importance of narrow skills. It follows that the economic value of the individual's competence endowment depends on what job the individual holds (*allocation*) emphasising the importance of a flexible labour market and individual flexibility on the job. The economic value of competence finally also depends on the competitive supply of related or substitute competencies in the labour market, underlining its *relativity*.

Technology, or knowledge about technical matters, is an internationally available asset. Its value to somebody, however, also depends on his or her local competence to access and apply it for some useful purpose. This *receiver competence* (Eliasson 1990a) or access to technology is exercised either through acquiring and interpreting information or through the hiring and employing of people with competence.

## 4.2. The experimentally organised economy

The modern industrial economy, and even more so the future industrial economy are characterised by immense diversity far beyond human collective comprehension. Any actor, be it an individual, a business or a policy-making body has to recognize its severely restricted capacity to understand, being grossly uninformed about the whole and frequently very misinformed and liable to constantly make mistaken decisions. This is the nature of the *experimentally organised economy* (EOE, Eliasson 1991,1996a) in which numerous actors enact more or less well informed business experiments. The winners among them are hopefully recognised in the market while the many losers come out as a normal cost for learning and economic development. Experimental *selection* becomes a dominant economic activity.

New technology creating new industries and the possibilities of modularising and distributing production over markets in smaller units (outsourcing) emphasises the experimental character of the modern industrial economy. As competition hardens, the mistakes can no longer be absorbed within the 'protective' (for labour) internal markets of large companies or public work places. The adjustment occurs through the competitive entry of new superior firms, and the forced exit of inferior producers (see Table 2) forcing the consequences of the adjustment down on the shop floors and into the labour market.<sup>2</sup>

The internal adjustment of surviving firms in traditional production does not mean less hardship for individuals. The production backbone of the wealthy industrial economies - engineering industries- is currently going through a dramatic reorganisation (Item 2, Table 2) to survive, an adjustment largely concluded in the US, but not at all in Europe (Andersson et al. 1993).

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<sup>2</sup> The extent of this problem for the disadvantaged and drop-outs is the subject of a separate inquiry in the above-mentioned RALF project. Preliminary results of this inquiry have of course influenced this text.

If the nature of this forceful change, moved by technology and global competition is not properly understood in terms of *educational* and *labour market* reform and the appropriate supply of *social insurance* (Eliasson 1992, 1994a, b), the social consequences, that we can already observe, will be unacceptable and necessary industrial change may not occur or be misdirected to the detriment of economic growth as well as the survival of firms and employment. Critical for success is the nature of human capital demanded in the future and how it is built, or rather accumulated.

### **4.3. The platform theory of cumulative learning**

When a young person enters the job market he or she rarely produces a value above the costs incurred to the employer. This is well recognised, for instance in the German apprentice system where compensation to the apprentice is very low, often below normal living costs, indicating that the apprentice as a learner is gaining personally more than his employer, from his or her job.

Very soon the employee will realize that the competence he or she uses on the job has largely been acquired on-the-job and that part grows rapidly if the job holder is intellectually capable of participating in an advantageous job career. For the jobholder as well as the employer, the capacity of the individual to learn on the job, is critical for long-term economic performance on-the-job, and learning (Eliasson 1998a) goes on throughout working life.

The intellectual capacity to learn starts early on, and enhancing the capacity to learn is the main task of school; namely to build an effective *platform for further learning* on the job. At school, responsibility for advancing that platform is shared jointly between student and parents, on the one hand, and school on the other. On the job, the responsibility is shifted one-sidedly to the jobholder. The employer has other responsibilities that always dominate the attention of top management. A critical and competence demanding strategy of the individual, therefore, is to catch jobs that offer good learning opportunities and place him or her on a fast lifelong learning (LLL) path. Dropping off that path to a lower path is never beneficial to the individual. It should be recognised, however, that the choice of LLL path is always individual, as is the decision to leave school and continue learning on the job (Eliasson 1998a).

Since job content and competence requirements on individual jobs change rapidly and constantly, anyone who settles down satisfied with the platform already achieved will start lagging behind. The job market strategy of the individual should, therefore, be to identify his or her optimal LLL path and the type of employers that will support it. In supporting these choices of the individual, school has a critical role to play.

### **4.4. What is happening in production? - A typology of structural change**

Several new technologies are currently in the process of becoming industrialised and founding new industries. Some (Eliasson 1998b), like biotech and financial services originate in science, while others (notably computing and communications technology) are

indigenous to production. Some, notably again computer and communications technology are generic and used in most lines of production and above all, they are being integrated with existing industries fundamentally to change the nature of those incumbent industries.

Other industries, notably engineering, the backbone of industrial wealth for some 200 years, are dramatically reorganising to cope with competitive change, with firms not succeeding exiting from the market.

Hence, it is of interest to discuss the ongoing industrial transformation in terms of Table 2, that is in terms of competitive *entry*, *reorganisation*, *rationalisation* and *exit*.

The reason for the speeded up change process is that the enduring competence monopoly in engineering technologies the industrialised world has enjoyed for some 200 years is now finally breaking up, subjecting the majority of incumbent firms and their employees in the old mature industrial economies for the first time, to serious competitive change. The outer world, notably eastern Europe is rapidly learning, and catching up at the low end of the technology spectrum. Even though the industrial world is still far ahead in productivity and qualities generated, value added achieved is not sufficient to maintain satisfactory returns on capital<sup>3</sup> and to pay the relatively high real wages of the industrial world. Continued fast growth in real wages can only be supported by a rapid reorganisation of the engineering industry and the creation of new high value added industry in new technologies, and the rapid outphasing of commercially not viable production in order not to lock up resources, notably competence in low value production. It is to be noted that the US is far ahead of Europe on most scores in new industrial creation and the destruction of obsolete structures, and that this is probably the main reason for the unprecedented nine years of stable and fast growth recorded for the US economy. The ability of the US economy to move resources, notably labour, out of inferior production and into the industrial structures of the future, and to weather unexpected negative adjustments at local levels has to be acquired at least in part by Europe in order not to be relegated to a collection of industrial economies of the past. This is significantly a matter of innovative reorganisation of the educational system, and of the institutions of the labour market, and an innovative supply of flexible and efficient social insurance services.

An important part of the successful transition of an economy is a continued rapid increase in the *supply of educated labour and a labour market that facilitates the reallocation of competent people to the new high value added jobs*. A successful transformation of this kind unavoidably places uneducated and unskilled labour in a relatively (not absolutely) disadvantaged position in the sense that wage differences increase, even though faster macro-economic growth means that even low skill labour may enjoy increases in real wages. Successful long-term growth at industry level typically occurs through the entry and exit slots in Table 2.

The new work environment opening up is typically characterised by smaller business units than before being subjected to tougher competition and faster turnover, requiring increased intellectual flexibility (read education) on the part of the job holders and

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<sup>3</sup> The way international and local (national) financial markets work today, each producer (firm) can successfully aim for an internationally determined rate of return after tax. All other factors, like employment and wages, have to adjust to that given target.

considerable experience from labour market mobility. The job tasks being offered are frequently more generous than before, but also considerably more intellectually demanding, requiring education, skills and experience on an order of magnitude not experienced by the parents of the current generation. Even more typical, however is that job specifications are becoming increasingly fuzzy in content as well as demanded skills. The fuzzier job and skill demand specifications becomes the more skills have to be modified and adjusted on the job. This requires education, cognitive skills and talent. The old days with well-defined job vacancies being filled through the job market with well-defined job applicants are gone.

## 4.5. The new emerging industries

The new emerging industries are to be found in the intersection of service and manufacturing production. We find computing and communications firms, software producers, biotech firms, a large part of the technical and management consulting industry, and the highly dynamic financial services industry. This new industrial landscape also includes the healthcare industry. A few of these industries are science based, but most are not, emphasising the role of school for most types of employment being to enhance individual learning capacity and intellectual flexibility on-the-job, not of providing skills for life, a fact that most employers have yet to recognise in their recruiting practices.

In a separate study (Eliasson 1998b), I have analysed the following industries in terms of Table 2;

### 4.5.1. New, entering production

- *Computing and communications (C&C) industry* – A new, well established, but still rapidly innovating and expanding industry, and technology that has dramatically reconfigured the industrial landscape over the past couple of decades.
- *Biotech and healthcare industry* – A new, in its modern form some 20 years-old industry with great potential, that is firmly based in science.
- *Financial services* – An old infrastructure industry that has been completely restructured through C&C technology.

### 4.5.2. Mature, and potential crisis production (reorganisation, rationalisation or exit)

- *Education and research* – An old, academically based industry in need of innovative product development and reorganisation.
- *Engineering industry* – A mature industry with its technological roots in the industrial revolution. The industrial backbone of the industrial world, notably Europe and Japan.

The US economy dominates the industrial world in terms of a high representation of the new entry industries in its industrial structure. We are talking about competence intensive, small-scale<sup>4</sup> service production. Technological change and firm turnover are rapid, job content constantly changing and educational, skill and experience requirements fuzzy and normally determined through trial and error on-the-job, new recruitment and job separations. The job contract forms are moving away from the standard employment contract towards different forms of self-employment.

It should be noted that the entry categories include a significant part of public sector production in Europe (education, healthcare, etc.) products the demand for which is increasing more than proportionately to the increase in GNP. Education and healthcare are both important investment categories for economic development and forms of luxury consumption in wealthy economies. Also (social) insurance should be included in the same categories even though it has not been investigated in the above study. Efficient insurance products are needed to facilitate the structural changes needed for European industries to cope with global competition and technological change, and it is by no means obvious that the production of educational, healthcare and insurance services is best handled in the public domain, protected from innovative competition by the particular financing arrangements of public production.

Engineering industry is the dominant incumbent industry among the wealthy industrial nations, constituting the industrial backbone of most of them. This industry is currently being subjected to radically increased competition in its low end from the new industrialised countries and from the formerly planned economies. At the same time new technology facilitating smaller scale and distributed (integrated, Eliasson 1996b) production is forcing radical restructuring and exit on those industries and the survivors into higher value added and more competence demanding product areas, forcing labour to upgrade.<sup>5</sup> The overall consequence is that firms and labour unable to upgrade cannot generate the value added needed to keep the rate of return to capital on par with what international capital markets require and to pay the real wages of the past. Production is lowered, unemployment grows and income differences increase.

There are other, more volume-oriented industries, for instance raw materials, steel, pulp and paper, oil, energy, etc. being subjected to similar change but where (still positive) raw material rents and economies of scale soften the impact on the producers and their employees. These industries are of less interest in this context. On the whole, however, the new experience of western wealthy industrial nations is that almost their entire production structure is being subjected to competitive challenges from an outside and rapidly learning world.

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<sup>4</sup> Even though there are several large-scale activities in all three categories listed above.

<sup>5</sup> The above-mentioned project includes a study on the possibilities of facilitating this transfer and the consequent intellectual retooling of labour funded by the Swedish *Rådet för Arbetslivsforskning* (The Swedish Council for Work Life Research).

## 4.6. Concluding remarks

New technology facilitating smaller scale, but more competence-intensive production is raising the intensity of global competition and forcing adjustments all the way down to the shop floors and into the labour market on an unprecedented scale among industrialised countries. While the new technologies offer tremendous job and income earning opportunities for the well-educated and agile young people entering the job markets or as self-employed, the less well-educated, the less well prepared and the middle-aged employed who have no or little experience from job change are subjected to increasing pressure to perform, or leave the market for less paying jobs. If policies prevent it from occurring gradually, this transfer may be sudden and massive. As business risks are increasingly moved down firm hierarchies to the shop floor, (social) insurance had better function. The challenge for educational, labour market and social insurance policy-makers is to support the transition through new innovative service products, not to change it.

### **Table 1. The characteristics of competence capital**

1. Heterogeneity
2. Redundancy in each application
3. Value dependent on allocation
4. Relative

*Source:* Eliasson (1994a).

### **Table 2. The four investment growth mechanisms**

1. Entry
2. Reorganisation
3. Rationalisation
4. Exit

*Source:* Eliasson (1996a, p. 45).

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## 5. The idea of a minimum learning platform?

*Hilary Steedman*

The Newskills project is now in its final year of work. In this year, it was envisaged that the members of the group would move from 'theoretical' academic studies based on the collection of data to a survey of policies designed to assist the low-skilled to upgrade and to eventually eliminate the problem of low skills. We planned to test some of our findings in the 'real world'. We planned consultation with employer, employee and government representatives and case studies in all five countries of how different organisations have upgraded their workforce in recent years. But we also planned to evaluate the extent to which there is the potential in European countries for the definition of what we initially called a 'minimum learning platform' whose core might eventually be adopted in Europe as a goal for all citizens.

By this concept of the 'minimum learning platform', we understand a range of skills which the individual is able to use and apply effectively. This range of skills includes first, what is now frequently called 'employability' that is the qualities required to be effective in the workplace. But it is not only that; a 'minimum learning platform' also includes any additional skills needed to *learn* in the workplace and elsewhere in order to develop in employment and as a citizen in society.

Our exploration of what is understood by the 'minimum learning platform' will be based first on a wide-ranging review of evidence taken from government, employer and trade union publications in our five countries - and beyond where practical. But in addition we shall be consulting through interviews with key players from these organisations to explore their thinking on the issue of the 'minimum learning platform'. The Agora IV meeting in Thessaloniki which Cedefop has been kind enough to organise and host was conceived from the outset of our project as a key first stage in our work of consultation with the social partners. Here we are able to consult representatives of the social partners from a wider range of EU countries than are represented in our project alone. We hope that we will be able to hear both presentations of views, analysis of context and discussion of approach.

Our work of reviewing published evidence and reports which seek to define the 'minimum learning platform' is still at an early stage. Today, I will try to summarise the main themes that have emerged as common to a number of EU countries in our survey so far and which might therefore be considered as possible key components of a 'minimum learning platform'.

But before I turn to these findings, perhaps I could just again quickly run through the key points that have emerged from our first two years of work and which are of particular relevance to the minimum level.

We found that evidence from the international adult literacy survey strongly supported the view that countries with high proportions of high-skilled individuals also have a more equal income distribution (a smaller gap between the highest and the lowest paid). This underlines the importance of reducing the skills gap in order to be able to reduce income inequalities.

From our study of changes in stocks of low skills in the population of working age we concluded that in the medium term the entry of better-qualified young people into the working age population will not eliminate the problem of low skills. Action is needed. Only two countries in our study, Germany and Sweden, currently have less than one third of the population of working age at ISCED 3 (i.e. having one or more years of education or training beyond compulsory school) or above. Other countries have from 40 to 80% below this level.

We took as our definition of low skills those who had only qualifications from the compulsory secondary school (ISCED 2). Not all in this group are low-skilled. But when we cross-checked this category against the IALS data we found that between one half and two-thirds of the ISCED 2 group is also at IALS levels 1 and 2. And the ISCED 2 group contains nearly all of those at IALS level 1, the lowest literacy level.

Finally, I would mention again the finding of our Swedish colleagues, that the changes in production over the past ten years are consistent with the story that technological change is the main cause of change in the demand for skills.

I think that the findings of our projects help us to understand why there has been great preoccupation in European countries with defining and explaining the concept of a minimum level. I now turn back to our review of the evidence from different European countries concerning strategies to equip all citizens with the wider range of skills now required for employment, lifelong learning and citizenship.

My brief survey today is not exhaustive but I would like to point out that in a number of countries there is already strong evidence of interest in a 'minimum level'. Naturally, this is not always the term used, but there are striking similarities between countries. In the Netherlands there has been a policy discussion over the last five years on the topic of the so-called 'minimum starter qualification'. The original idea was that every Dutch citizen should have the skills associated with the starter qualification. These would be the minimum level of skills required to start a working career. The qualification was phrased in educational terms; the diploma of the (primary) apprenticeship. Part of the debate discussed whether the existing age-related school obligation should be replaced by a skill-related school obligation. These policy discussions have not yet resulted in full-scale implementation but are being implemented in relation to certain groups, for example, the young unemployed. Overall, the social partners in the Netherlands agree in a general sense that the minimum starter qualification is a worthwhile target, but have changing ideas about implementation and financial responsibility.

In Sweden, there is a tradition that the curriculum of the compulsory school should aim to provide skills necessary for daily life rather than for working life. Almost all young people continue to upper secondary school and employers' proposals for change in the curriculum have focused on students emerging from two-year vocational programmes. These were criticised by employers as being too narrow. The proposals formulated in consultation with employer and employee organisations were for more general education for all students with higher standards set in Swedish, mathematics and English, better understanding of the world of work, social and presentational skills and greater capacity for independent thought and action. There was insistence that English should be mastered by almost all students - manufacturing employers cited the need for machine operators to consult and understand manuals written in English.

The final compromise negotiated with the Education Ministry resulted in the upper secondary school course being lengthened by one third i.e. by one whole year. Two thirds of this extra time was to be allocated entirely to general education in the subjects mentioned above. During the remaining third (10 weeks) employers would provide unpaid work placements for all students during which time the 'softer' skills would be developed. This programme has not been officially recognised as a minimum level but, as we can see from the data on Sweden, around 80% of young people have completed the upper secondary school - although mostly the old two-year vocational courses.

In connection with Sweden, I mentioned the 'softer skills'. The identification of the importance of personal and social skills or the 'softer skills' for effectiveness in the workplace has been an important feature of the debate about a minimum learning platform over the past 10 years. Adequate levels of literacy and numeracy are now seen as necessary for employability but only really effective if accompanied by a range of 'softer skills'. In the UK, employer organisations have taken the lead in emphasising the importance of these skills, and the debate culminated in the incorporation of a range of personal and social skills into new vocational qualifications offered to young people for the first time in the early 1990s. Many countries have debated these same issues and come up with their own definitions of skills in this new area - but it may help to start our debate here today to list the personal and social skills identified for these new programmes in the UK. The skills to be developed as part of a vocational course are:

- a) Improving own learning and performance,
- b) Working with others,
- c) Problem-solving.

In Portugal, researchers working with the Ministry of Education have defined the desired profile of a young person at the end of 12 years of education. This profile stresses citizenship, and social skills as well as academic attainments and has acted as a guide to the development of the curriculum. The social partners have concentrated their commentary on the education system on those leaving at the end of compulsory education. The demand here is not set out in terms of a specific minimum of skills but rather that all leaving compulsory school should receive at least one or preferably two years of vocational training provided partly by schools and partly in the workplace.

France saw the publication in 1996 of a report highly critical of school and post-school education and training. The Fauroux Commission appointed by the Prime Minister and headed by a prominent businessman called for priority to be given to what are termed *savoirs primordiaux* which can be translated as 'core skills' or 'basic learning tools'. Secondly, in common with Swedish employers, the report calls for the integration of substantial work place learning and experience into initial education and training provision. This can be interpreted as a call for the wider 'social and personal' skills to be developed in those about to enter the world of work.

More recently, a substantial debate has taken place in France around seven 'proposals' formulated by main French employers' organisation (CNPF). The main thrust of the proposals has been to assert the primacy of 'competence' - the ability to operationalise a skill or knowledge in a given context - as the prime ingredient of employability. This debate again takes up the point made by Fauroux that the education system alone cannot produce 'operational' employees. It can only provide the underpinning elements.

To summarise, in the countries considered some points of convergence are already apparent.

Communication in all its forms including quantitative literacy and self-presentational skills are now considered to be necessary for employability. This requires a solid foundation of language competence and knowledge of basic mathematics.

In non-English speaking countries, some ability to work in a foreign language, normally English is increasingly required - and achieved - for most employees.

In all countries emphasis is placed on familiarity and basic understanding of information and communication technology (ICT).

Personal and social skills are increasingly valued - these include:

- a) the ability to learn independently;
- b) the capacity to react to and deal effectively with uncertainty and unpredictability in the work environment;
- c) the capacity to manage interpersonal relations successfully;
- d) the ability to manage time and own work in an autonomous manner.

I have tried to illustrate in this brief introduction how different countries are reacting to the challenges that are arising from the new pressures that are shaping our economies and our societies. The approaches adopted in trying to define a 'minimum platform' differ widely across countries. The extensive debate and consultation carried out in France over an 18-month period is one interesting example of how a wide degree of consultation can be achieved. Differences are also emerging in the role that the education system is

expected to play. Finally, we can also detect differences of emphasis on the respective roles of government and business and industry in delivering a minimum platform.

But there are also some points of convergence, as I have outlined here. The review of these issues by the Newskills team is only just beginning and I expect that our discussion today will add to and improve our understanding and assist the work of our project. In our final session, tomorrow morning, we shall be concerned with the wider policy issues associated with attempts to raise the skill levels of the low-skilled - including the challenge of implementing a minimum level for all young people and adults of working age. In this session I hope that we can concentrate on issues closely related to:

- a) the desirability of defining a minimum learning platform as a means of reducing low skills in the population;
- b) the process of defining a minimum learning platform;
- c) the elements that might be considered essential for a minimum learning platform.

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## **6. The concept of a minimum learning platform educational contents and methods for improving the low-skilled**

***Arthur Schneeberger***

Highly industrialised countries show broad empirical evidence of a worsening position of the low-skilled in the labour market. In the framework of the Newskills project, the main statistical indicators have been elaborated: rising wage differences between the low-skilled and the higher-skilled and increasing unemployment amongst individuals with low skills.<sup>6</sup> What can be done to stop this process of segregation and to improve the position of those falling out of the educational mainstream?

One of the basic strategies for amending this situation can be seen in the reduction of the net supply of the labour market with low-skilled workers, as the Newskills experts suggest. The more people with higher levels of initial training and education enter the labour market on the supply side, the higher will be the remaining share of jobs for the low-skilled. But since in most highly industrialised countries the demand for low-skilled workers has been decreasing faster than the supply of low-skilled people, the situation has worsened in spite of strong efforts by educational policy-makers to widen the participation rates in post-compulsory education and training.

If, as an approximate indicator, the 'low-skilled' are defined as those who have not attained or completed any post-compulsory education and training, it is logical to use the ISCED Levels 1 and 2. The primary route to reduce this share in the population would be to 'persuade more young people to continue into upper secondary education and/or vocational training' (Newskills, explanatory note, p. 2). A result of the project quoted above: 'The key variable of participation in post-compulsory education and training is the prior success in compulsory education; furthermore, for male workers, economic returns and real income available to spend on post-compulsory education and training. Those who do not participate and finally attain an initial level of training and education are handicapped in the long run. Motivational lacks for continuing and further training among the low-skilled is one of the consequences. Workers with lower levels in initial education 'receive less work-related training in part because they are less interested in taking it, and not because firms are less likely to offer it.' (Newskills, explanatory note, p. 2). These empirically-based assumptions raise first and foremost the following question:

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<sup>6</sup> Hilary Steedman: Low skills - How the supply is changing across Europe. Cedefop, Contribution to Cedefop's reference publication *European trends in occupations and qualifications*, 1998, forthcoming, p. 1.

*What can be done to ensure that as many young persons as possible leave the educational system with the minimum of knowledge and competencies for their further learning and employability?*

If we take a look at the educational attainment of young persons in terms of ISCED in an international perspective, we can observe, on the one hand, the changes happening over the post-war period and, on the other, the still remarkable differences in national education systems (see Table 1). In the country studies of the Newskills project, it was pointed out that 'education systems have been modified over the post-war period in such a way as to make access to upper secondary education a realistic option for progressively larger groups of young people'<sup>7</sup>. This is also true for north American, Asian and eastern European countries. Growing enrolment in upper secondary education and training pathways is the direction of societal change.

Countries with a still high proportion of their workforces in the primary sector are in quite a different situation. Those who have attained less than upper secondary education are still the vast majority and not a minority who could keep pace with mainstream students. Therefore the educational and labour-market related situation of this share of the workforce cannot be really compared with persons without post-compulsory education and training in countries where a continuation after compulsory school is an expectation of society or can even be regarded as being nearly an obligatory standard. In 1995, nearly 90% of young adults in the Nordic countries, Germany and the United States attained at least an upper secondary education and training level (see Table 1); additionally, some have begun but could not complete the whole training period.

Does this mean that in those countries the problems of low-skilled workers are going to disappear or is it more likely an indication of a higher degree of educational integration and heterogeneity at the first post-compulsory level of education and training?

In the United States, which has more experience than European countries with a nearly comprehensive high-school<sup>8</sup>, the problem of increasing wage gaps between high-school and college graduates is being discussed on a broad basis. In countries where nearly 100% of an age group are included at least at the beginning of upper secondary education and training, a share of educational low-achievers might be subsumed within upper secondary students. If we imputed that low skills are only a problem of those States without any enrolment in post-compulsory education and training, we would turn a blind eye to young persons with problems in those countries where nearly all youngsters at least begin or take part in some kind of post-compulsory training.

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<sup>7</sup> Steedman, op.cit., p. 11.

<sup>8</sup> Martin Trow: 'The exceptionalism of American higher education'. In: Martin Trow, Thorsten Nybom (ed.): University and society. Essays on the social role of research and higher education. Jessica Kingsley Publishers, London and Philadelphia, 1991, Second imprint 1997, p. 160.

Table 1

**Percentage of population who have completed  
at least upper secondary education, 1995**

	Age 25-34	Age 25-64	Increase (%)
<b><i>European countries</i></b>			
Austria	81	69	12
Belgium	70	53	17
Denmark	69	62	7
Finland	83	65	18
France	86	68	18
Germany	89	84	5
Greece	64	43	21
Ireland	64	47	17
Italy	49	35	14
Luxembourg	32	29	3
The Netherlands	70	61	9
Portugal	31	20	11
Spain	47	28	19
Sweden	88	75	13
United Kingdom	86	76	10
Switzerland	88	82	6
Norway	88	81	7
Czech Republic	91	83	8
Poland	88	74	14
Turkey	26	23	3
<b><i>Non-European countries</i></b>			
United States	87	86	1
Canada	84	75	9
Australia	57	53	4
Korea	86	60	26
New Zealand	64	59	5
<b><i>Country means</i></b>	<b>71</b>	<b>60</b>	<b>11</b>

*Source: OECD, Education at a Glance 1997, Paris 1997, p. 39.*

The educational answer to the problems of low-skilled young persons cannot remain a formal one, we have to find *substantial components* of a minimum learning platform and *learning and teaching methods* for how to reach it, at least gradually. It would be useful to look at countries with a highly developed service economy and a knowledge-based occupational structure, in Europe or elsewhere. The technological and organisational changes are causing similar changes in the occupational structure and the skills required.

The economy has always been interested in reliability, a positive attitude and the willingness to work hard. But today, employers emphasise additional hard and soft skills that job applicants would not have needed 20 years ago. In the service economy, it is not only a question of 'hard' or cognitive skills – although they are not to be neglected, increasingly it is also a question of social and communicative skills. The technological and organisational changes are a main cause of changing requirements and of the worsening labour market position of the low-skilled. Therefore the experience of countries with the highest developed technology-based production and service industries is crucial for finding the minimum learning platform of the future knowledge-based society. Changing employment shares for different categories of skill-levels are, to a very large extent, the result of 'within-industry' changes, rather than 'between-industry' changes: 'This suggests that technical changes are an important driving force behind the fall in the demand for the low-skilled.'<sup>9</sup>

At the end of the 1980s, for example, many young Austrians who had not successfully completed any lower secondary education could be integrated without bigger problems in the apprenticeship system and obtained the opportunity to learn both vocational and personality-related contents in the dual system. Over the past few years, employers have begun to stress more and more the apprentices' entrance qualifications regarding cognitive and social skills. Occupational requirements and educational streams have changed and have caused a new situation after compulsory schooling and in their transition from school to working life by means of different pathways of initial education and training.<sup>10</sup>

*Murnane* from Harvard and *Levy* from the MIT have produced a very interesting contribution to the problem of low-achievers and changing skills requirements. Their starting point is data on skills needed today to get a job, e.g. in a modern automobile plant: There, test-scores show that nearly half of the 17-year-olds are not sufficiently trained for this kind of middle-class job.

The American educational researchers did not stop with an analysis of skills deficits, they also explored the basic skills needs of the future, they defined 'new basic skills'<sup>11</sup> based on case studies in companies. Their findings about basic skills needed today and in the future have important implications for the European discussion about a minimum learning platform, too.

Basing on case studies *Murnane* and *Levy* suggest that people need the following abilities to get a middle-class job, terming them '*the new basic skills*':

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<sup>9</sup> Steedman, op.cit., p. 2.

<sup>10</sup> These changes are analysed in: Lorenz Lassnigg, Arthur Schneeberger: Transition from initial education to working life. OECD-Country background report: Austria, Research report commissioned by the Federal Ministry of Education and Cultural Affairs, Vienna, July 1997, pp. 10ff., 18ff.

<sup>11</sup> Richard J. Murnane / Frank Levy: Teaching the new basic skills. New York, The Free Press, 1996, pp. 31ff.

- a) 'the ability to read at the ninth-grade level or higher;
- b) the ability to do math at the ninth-grade level or higher;
- c) the ability to solve semistructured problems where hypotheses must be formed and tested;
- d) the ability to work in groups with persons of various backgrounds;
- e) the ability to communicate effectively, both orally and in writing;
- f) the ability to use personal computers to carry out simple tasks like word processing.'

It does seem difficult to show strong similarities between the underlying problems in the United States (and the quoted suggestions by the authors about how to solve the problems) and the thoughts discussed by European educational researchers in this seminar. Therefore, the findings of *Murnane* and *Levy* based on expert talk in companies have considerable relevance for the problem of defining a minimum learning platform. Furthermore, under the aspects of the sociology of knowledge, it can be regarded as a hint that similar social structures and problems cause similar problems in the educational systems and, as a consequence, in the research area dealing with it.

For non-English speaking countries, we should add a further minimum skill that young people need for being able to cope with occupational requirements in our technology-based service economy with its manifold needs:

the ability to understand and to read some basic English.

The need for some basic command of English can come up when reading technical manuals, while being away in a foreign country on an installation or construction job, or in the tourism industry and retail trade. It is important to mention that these requirements occur in many occupational areas at the skilled workers' level, not only above it. For these reasons classes of 'subject-related English' have been introduced in the syllabi of the Austrian part-time schools for apprentices in the 1990s.

Some would say that all the points mentioned above are too low for being a minimum learning platform, some that they are too high. But in any case this underlines the need for both 'hard' skills (like math and writing) and 'soft' skills like communication and social behaviour. I do not suppose that the minimum skills explored by Murnane/Levy are too low, not an all. Maybe they are too high to reach within the framework of compulsory schooling or at schools in general. This means that we need certain arrangements to ensure a high attainment rate of basic skills and a socially broad integration of youth into some kind of upper secondary education and training.

Firstly, post-compulsory schooling should be structured and graded basing on defined cognitive and social skills, including the minimum learning platform. Disadvantaged young persons should be given more time and additional/special instruction to reach the minimum learning platform as a basic level for their further work and training. Secondly, it

is necessary to make use of the learning possibilities of dual or alternating training models as a device of motivation and it is also vital to learn from concrete experience. Some of these young persons can learn the same as the majority in vocational education and training pathways if they are given more time for the same curriculum.

Let us take an example from Austria, namely one out of many measures developed in the framework of the national employment action plan based on the employment guidelines of the European Commission:

Since this year it is possible to conclude special *'pre-apprenticeship'* contracts<sup>12</sup> with low-achievers who cannot find a regular training place. They have the chance to learn the same as regular apprentices learn in their first year of the training period, but they are granted two years to learn the contents regular apprentices master in one year. We should not underestimate the time factor. We need clearly defined learning levels but more flexibility for individual time periods to reach the various levels.

It is not enough to provide post-compulsory educational pathways with broad access and a high degree of formal (not substantial!) permeability. We need special provisions for those with problems and for those who need more time, more help and special learning arrangements in order to reach the minimum skills level described above. It is decisive to provide an education and training offer with a high variety of learning opportunities which leave scope for different learning paces and places of instruction.

## **Conclusions**

We have to take into account at least three crucial aspects to be able to improve the low-skilled, to give everybody the chance to attain the minimum learning platform and to provide appropriate support in the framework of a socially broad integration in various and diverse pathways of upper secondary education and training:

- We need a very modest and graded approach to the hard skills as components of the minimum learning platform we want to design. Otherwise we would turn education into a device of exclusion of those being at risk in the transition from compulsory school to working life not of social integration and personal improvement.
- We should use the advantages of workplace experience, learning and learning motivation in all existing and innovative ways available to us, not only
  - (a) to train technical skills, albeit this is extremely important;
  - (b) but also to improve the 'softer skills'.

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<sup>12</sup> The introduction of the *Vorlehre* is one of the results of the national employment action plan based on the employment guidelines of the European Commission. It was the aim of the concept to avoid any kind of 'stigmatisation' for the youngsters who go through the programme. Therefore it is directly linked with the standard apprenticeship programme: Those who are sufficiently qualified after the two years will have the opportunity to continue within the standard programme, the others will get a recognised certificate for the qualifications acquired by them; see: Georg Piskaty: *'Die Vorlehre – ein Bildungsangebot für "low-achievers"'*, in: *Mitteilungen des Instituts für Bildungsforschung der Wirtschaft*, 10/1998, p. 9.

In our service society the 'soft skills' have, in many parts of occupational and private life, turned into decisive and very hard skills. (Let me mention as a sidepoint that soft skills can be improved under favourable conditions but they cannot be taught as maths or geography. They can merely be promoted.) That has to be considered when designing programmes for low-skilled youngsters to obtain the minimum learning platform before or during an initial vocational education and training programme.

- We have to consider, and take the appropriate pedagogical consequences of, different paces of learning. Some young persons need more time to reach a certain skill level than others do.

In Austria there are a lot of very experienced craftsmen, for instance, who have trained apprentices already for a long time in their trades and who know that different learning paces do not involve lowering the standards of the outcomes of vocational training and education in the end. It just means, in many cases, that they are confronted with young persons who need some more time, patience and understanding to learn the same skills standards. Therefore it is necessary to define clear levels of skills standards that can be attained step by step. The most basic level, including the transversal skills, should be taken as the minimum learning platform. To make my point very clear: different learning paces and special support have nothing to do with 'watering down' educational and skills standards. Clear standards are an essential prerequisite for our efforts of integrating the low-skilled, of youth at risk, in the transition from compulsory school to working life.

I do not hypothesise that everybody can learn everything if she/he gets more and more time. Undoubtedly that would be an absurd position in terms of the psychology of personal development. Of course there are always barriers and limits to learning, but in this seminar we are speaking about reaching a minimum learning platform for as many people as possible. And I am deeply convinced that there are chances of overcoming various barriers (at social, emotional, cognitive levels) by providing youngsters with more time to learn and by giving them special support.

# **7. Achieving a minimum learning platform for all - Critical queries influencing strategies and policy options**

***Roberto Carneiro***

## **Abstract**

Europe faces a difficult challenge when the gradual spread of a knowledge economy is considered against a persistent backlog of low-skilled labour. Defining a minimum learning platform for all is a necessary step, but far from sufficient. Our institutional fabric will be put to the test by our ability to launch effective strategies and policies addressing the issue. In addition, our common allegiance to a legacy of values and social commitments will be equally tested. In this paper we attempt to spell out some broad directions for such an endeavour. Initially, we survey the four major target groups involved, followed by an analysis of how overall educational priorities could be affected. The paper looks at some philosophical principles guiding a new learning thrust and spells out a profile of inescapable European values. We also consider the guiding concept of lifelong learning as it relates to an approach marked by the notion of inclusive knowledge. Finally, the paper addresses the challenge of a new social contract for Europe: in the form of a crucial balance between rights and duties and in the way in which education and learning could take place in a seamless knowledge-based European Union.

## **7.1. Discerning the different target groups**

When issues surrounding the low-skilled are addressed, it is important to differentiate between the various potential target groups.

Each population discloses specific needs in line with its background or particular situation. Proposed policies will therefore be subject to mounting pressures for modification to adapt them to the demands of various client groups.

We shall adopt a typology of four target populations categorised under two broad headings. The need for remedial measures will gradually fall as prevention rises to the top of the political agenda. This landscape of needs entails a corresponding policy framework as exemplified in the following table:

**Table 1 – A simple typology of target groups**

	PREVENTION		REMEDICATION	
TARGET	High-risk children	Low-skilled employed	School failures	Low-skilled unemployed
POLICIES (examples)	Early education  Positive discrimination actions	On-the-job training  Assisted learning-by-doing	Second-chance education  Vocational training	Re-skilling activities  Training entitlements for readjustment

The best policy mix to be applied in each situation requires a careful evaluation of surrounding conditions. The issues at stake are often compounded by institutional constraints or societal barriers, which call for different strategies fitting the particular settings.

Let us illustrate some examples of these conditions. School-focused strategies can be impaired or even hampered by uneven quality of provision, with particular reference to the levels of basic or compulsory education. Likewise, uncertainties surrounding investments of firms in general training or reluctance of the low-skilled to participate in training activities ought to be taken on board when remedies are designed. From a different angle, the high risk of transitions – within the school system, from school to work, or between labour cycles – is a very serious factor which influences the effectiveness of public policies.

The overall definition of the problem – low skilled – hides a complex cluster of outstanding issues. The core question is whether or not public policies are equipped to cope with such a wide array of concrete situations and to move away from a context of standardisation and nationally uniform approaches.

## **7.2. Focusing education on what is really important**

Starting the new millennium with a clean slate on human misfortunes is a generous idea. A new calendar era always conceals quintessential utopia.

A forward-looking educational strategy – of sufficient vision to surmount the inheritance of a past fraught with frustration and neglect – is bound to look at the complex question of basic education in a different way.

Current policies put into practice in industrial countries, particularly in the wake of the *education for all* call launched at Jomtien (1990), have foundered when catering for those at the lower extreme of the social ladder. In most European countries, we are proud of the virtues of universal basic education; any statement to the contrary would be considered nothing less than heresy. However, in our very same systems we are still struggling with a 20 to 25% underclass of students who are simply not succeeding, either because they are early dropouts or are unable to reach the prescribed level of attainment.

Setting aside our more detailed findings, our research on the low skilled confirms one fundamental intuition: the main policy agenda aimed at redressing the problem of the least qualified in our economies will inevitably require measures aimed at a reduction in the net supply of low skills.

This simple conclusion brings forth concurrent pressure on our national educational policies. A core effort to address the issue calls for greater investment in the upper cycles of compulsory education and puts forward a bid to increase the corresponding allocation of resources. In fact, herein lies a critical segment where supply of an 'appropriate education' falls short of the demand, signalling a serious market failure and opening the case for streamlined public policies. Furthermore, investments in quality basic education yield the highest economic returns and bring prosperity gains for a larger number of citizens. Finally, one should also expect high social returns from externalities associated with the reduction of social entitlements and the minimisation of related social costs.

Qualitative improvements in basic training will boost standards of achievement of the target population and provide the broad foundations needed for lifelong skills upgrading. Research also shows that satisfactory completion of basic education by those in the handicapped social groups can raise individual preferences for further education and increase the demand for upper secondary studies or, alternatively, post-compulsory vocational training.

### **7.3. One same human person - different human developments**

Achieving a minimum learning platform for all, sets a formidable challenge for our European institutions.

The scope of this challenge is even greater if one considers the century-old legacy constituted by the so-called European social model and the *corpus* of humanistic values that underlie it.

Europe is the birthplace of distinct concepts regarding the place and role of the human being in society. Invariably, these notions gravitate around successive definitions of each particular *homo* and of his critical relation to the environment. The capacity to reflect upon this common predicament is *generative*: that is to say, it leads to a state of awareness that characterises higher-order societies.

A minimum learning platform is not a simple technical target. Nor can it be seen as a result of a mere educational algorithm. It deals with all aspects of the human condition and requires us to involve fully those aspects of our common humanity which strive for elevation and fulfilment.

It is wise to recall the unity of the human condition that lies beneath the endless variety of mankind. In this respect, we could elicit several types of *homo* – conflicting or complementary – in line with the progression of societies and with the concurrent emergence of cultures.<sup>13</sup>

The *homo faber* excelled in cultures of tools.

The *homo socialis* developed cultures of group relation.

The *homo mediaticus* expanded cultures of communication and intermediation.

The *homo ludens* preferred the cultures of leisure.

The *homo economicus* concentrated on cultures of appropriation and accumulation.

The *homo conectus* – the latest mutant – is expert in cultures of networking.

We could extend this analysis *ad nauseam*. However, the final mosaic is made up of hybrids rather than by pure breeds; in other words, each human person is an intricate combination of the different types of any such classification.

The fundamental question is whether or not these developments, however interesting they might appear, contribute to the real advancement of *homo sapiens*, the wisest echelon of a species destined to contemplate the universe and to derive from it *cultures of interpretation*.

A minimum learning platform is that threshold level - translated into knowledge and basic understanding of mankind - that allows for a personal quest for meaning. Employability, certainly, but also the ability to interrogate one's sense of existence and to draw all the radical consequences springing from the apparently simple awareness that no-one lives in isolation: learning to live together, learning to learn together and learning to grow together, are closely intertwined in the pathway springing from the basic values of solidarity and sharing, to arrive at a firm commitment toward freedom and excellence.

Education is the road to personal empowerment especially when it is attuned to a landscape of uncertainty and change. A broad approach to human advancement needs will require overcoming the linear - unidimensional - concept of skills upgrading. It is true that, from the economic point of view, society requires the furthering of professional development and the fostering of sustainable employability at all times. But two other categories merit the adequate provision of educational effort: personal and cultural development, and social and community development.

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<sup>13</sup> This section draws on concepts that we presented during a Unesco conference in 1998 (R. Carneiro, 'The new frontiers in education', Unesco, *21<sup>st</sup> century dialogues*, Paris: 1998).

While personal and cultural assets contribute to the enhancement of individual meaning, social and community development addresses the fundamental quest of active citizenship in our modern complex societies. The formation of social capital is not a minor challenge. On the contrary, it lays the foundations of social cohesion and trust - a necessary ingredient of robust societies - thus providing the setting where sustainable development becomes possible and mature communities can blossom.

## **7.4. A profile of European values**

The previous considerations lead to an area of concern regarding the preservation of our common European heritage.

In preparing present or future citizens for the tasks of participating in the consolidation and further development of our common home – Europe – it becomes increasingly evident that employability issues go hand in hand with the profile of values that we, as a community, share.

Learning to live together requires sharing a vision and a sense of belonging. Over the centuries, generation after generation, Europeans have been able to affirm and propose to the global community a set of values that have developed into what has been gradually identified in political jargon as ‘the western world’. Some main elements of this are:

*human rights and the superlative value of human dignity,  
personal responsibility, fundamental freedoms and democratic rule,  
peace and the rejection of violence as a means,  
Respect for others and the spirit of solidarity,  
equitable development,  
equal opportunities,  
principles of rational thought,  
ethics of evidence and proof as a basis for scientific thinking,  
preservation of the ecosystem.*

Europe must stand fast on this set of values to live up to her historic international duties and to deliver accordingly. For many centuries she was one major source of spiritual wealth to humanity. The transition from an industrial mode of producing to a knowledge-based society entails a host of transformations both in the development paradigm and in appropriate learning strategies: we shall present the four pillars of development and modern learning in the following manner:

**Table 2 – On development and learning: 4+4 pillars**

<b>THE FOUR PILLARS OF DEVELOPMENT<sup>14</sup></b>	<b>THE FOUR PILLARS OF LEARNING<sup>15</sup></b>
Skilled people	Learning to be
Knowledge institutions	Learning to know
Knowledge networks	Learning to do
Information infrastructures	Learning to live together

Learning to be emerges as a timeless priority. This pillar relates to the lasting construction of identity – personal or collective - and to the formation of the self. The learning process involved entails a lifelong inner journey conducive to maturity and self-determination.

Learning to know appears fully embedded in the realm of scientific progress and technological breakthrough. This principle addresses the urgent need to respond to new sources of information, diversity in multimedia content, new modes of learning in a networked society and the growing importance of knowledge-workers. To express it in other words, it makes the most of a multisectoral approach which imparts the pleasure of learning through all stages of life.

Learning to do lays the groundwork for bridging knowledge and skills, learning and competencies, inert and active knowledge, codified and tacit knowledge, the psychology and sociology of learning. This proposition draws the attention of educators and policy-makers to the need for further experimentation with alternative models involving both periods of formal classroom learning and professional experience. Learning by doing and doing by learning turns out to be the key to the most sought after problem-solving skills required to face uncertainty and the changing nature of work.

Finally, learning to live together epitomises a formidable challenge of our times. This pillar addresses the building of cohesion thresholds, in the absence of which communities are non-viable and development does not take place. It contemplates the construction of core citizenship values within intercultural settings. Ultimately, it provides the precondition for a culture of peace.

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<sup>14</sup> It is worthwhile consulting the World Development Report 1998/99, *Knowledge for Development*, World Bank, Oxford University Press, Washington, D.C. (1998), an issue fully dedicated to the knowledge-based economies.

<sup>15</sup> We utilise here the nomenclature presented in the report of the International Commission for Education in the 21<sup>st</sup> Century: *Learning, the treasure within*, Unesco, Paris: 1996.

## 7.5. Learning throughout life and the way to inclusive knowledge

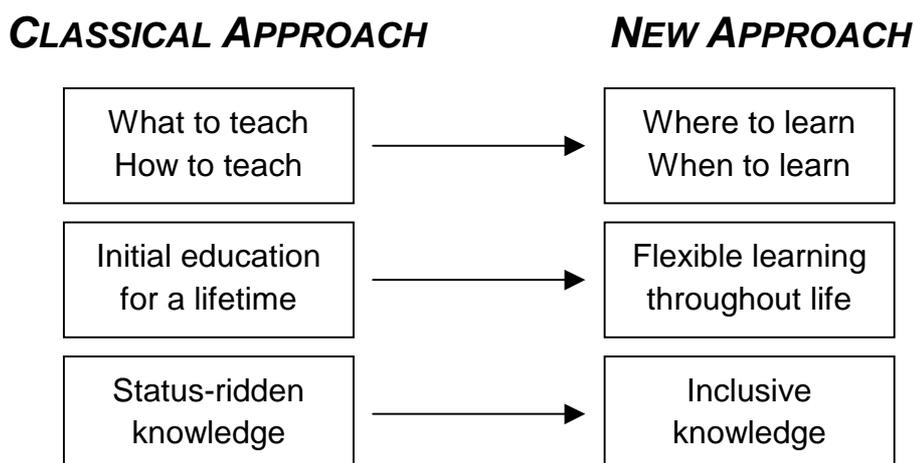
A minimum learning platform open to all presupposes a knowledge system whose access is inclusive. Such a definition contrasts with the traditional approach to education and training, that which was a source of multiple exclusions and encompassed selective processes *vis-à-vis* economic activity.

The information society carries the potential to overcome the exclusive mode typical of industrial organisation. But it also contains the potential to widen disparities based on knowledge-distribution inequalities in any given society.

The way to inclusive knowledge rides a fine line. Many stories have failed in spite of overstated good intentions. It must take on board the momentous possibilities offered by new information and communication technologies (ICT) both to reverse a tradition of social stratification and to learn to work effectively against the forces which produce inter-generational poverty. Therefore, implementing a learning society will also have to cope with the conventional predictors of exclusion in our communities: ethnic minorities, slum areas and urban squatters, poor social background, single parent families, multiple school failure, and many more familiar deprivations.

The contrast between a classical and a new approach to learning strategies is schematically depicted in the following diagram:

**Table 3 – The way to inclusive knowledge**



It goes without saying that a fresh strategy inspired by the notion of inclusive knowledge nurtures development of a community of learners. A society propelled by the desire to learn throughout life should base its learning policies on six broad directions:

- ensuring a diversity of learning itineraries;
- warranting continuing learning opportunities to all members of the community;
- fostering community participation in the design and delivery of learning;
- implementing antidotes to un-learning and to de-skilling;
- adding social dimensions to knowledge production and diffusion;
- finding remedies to overcome the inequitable distribution of intelligence.

These policies stem from a totally different perspective of the educational system and on the roles of its main actors. Three simple illustrations can help understand the scope of such institutional changes. Firstly, the introduction of a study-time entitlement scheme following the compulsory schooling period could decisively assist in shifting from a teaching supply to a learning demand paradigm. Secondly, putting teachers and educators at the centre of new learning opportunities may reverse a longstanding inertia of educational institutions and release new energy to drive a lifelong learning policy. Thirdly, a dual system combining strengths of both companies and schools can help minimise the 'trust gap' between employers and training centres, making the most of cooperative ventures and profiting from the corporate curriculum.

These societal partnerships for learning bear a potential host of advantages. In fact, the responsibility for ensuring broad opportunities to access knowledge and to advance in learning no longer lies with one segment of society alone. One obvious area of co-operation is that which looks to the complex problem of non-formal skills and to related modes of acquisition. Indeed, the intangible asset base of our economies is constantly broadening as a consequence of multiple channels to access modern knowledge such as: learning-by-doing, sheer accumulation of experience, tacit knowledge formation, internet browsing, oblique transmission practices, self-learning, learning by mobility, non-formal apprenticeship, and so forth.

Our highly competitive environments make it untenable to overlook the effects of non-formal learning or to undervalue its contribution to the sustainability of our economies. Finding innovative ways to recognise, measure, accredit and certify such knowledge and skills is a matter of urgency, even survival. Furthermore, this is a task to be performed together with firms, educational institutions, employers associations and unions, if we think that our dual society – very much a consequence of sharp educational gulfs between generations – merits urgent redressing.

Changes in society entail a commensurate shift in the overall teaching and learning paradigms.

This transition from traditional modes of delivery, inspired by the needs of static markets, to an environment with variable geometry markets, now definitely liberated from the industrial model of heavyweight formal institutions, is schematically depicted in Figure 1.

## TEACHING AND LEARNING MODES

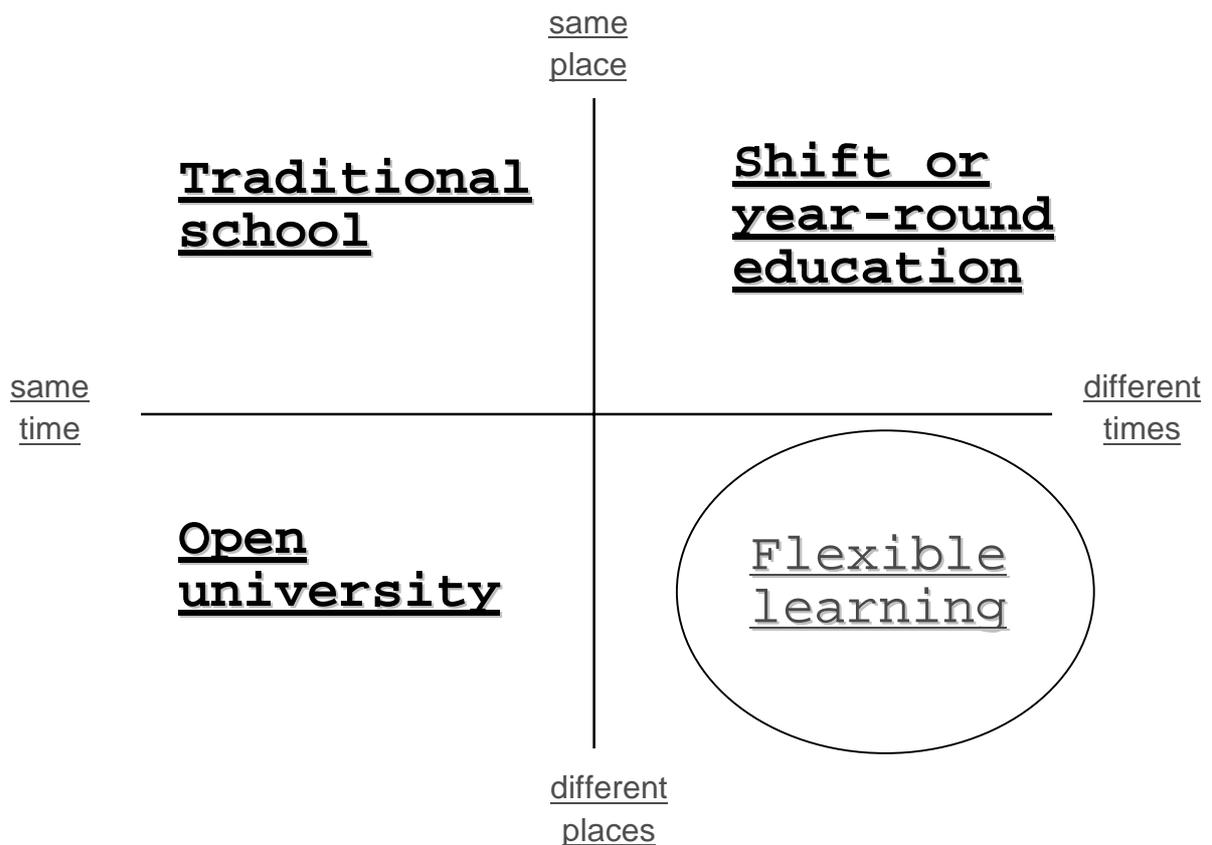


Figure 1 – Traditional and flexible delivery systems in education and learning

Flexible learning systems will gradually replace the outmoded formal education and training designs based on same place or same time delivery concepts. Indeed, flexible systems in knowledge access will take full advantage of new ICT possibilities granting learners the freedom to choose the most convenient time or place to exercise their learning activities in a permanent fashion<sup>16</sup>.

Knowing is no longer a prerogative bestowed by formal institutions. Plato himself, two and a half millennia ago, had the perfect premonition of how important it would be to allow a multiplicity of ways to knowing. *Epistheme* consisted in the scientific way of knowing while *techne* reported the acquisition of technical knowledge. *Dianoai* would assemble all the relevant cognitive processes. However, the wealth of practical knowledge derived from learning through experience occupied an equally important place in Plato's cognitive philosophy: *Metis* was the name he attributed to this knowledge base, anticipating to a large degree what are nowadays elaborate theories surrounding the concepts of *tacit knowledge* and/or *cunning intelligence*.

Policies that espouse the natural formation of wisdom out of life will increasingly demand *Metis*-friendly institutions, that is to say institutions that draw strength from learning from

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<sup>16</sup> Carneiro, op.cit. (1998).

actual skills at work in the real world. Solid manifold experience, proven to be effective under the most severe conditions, remains in short supply. It is somewhat tragic that scholarly knowledge is so often made up of contempt for the unobserved social constructs that travel between generations by simple observation, by mentoring, by doing and by means of informal advice.

## 7.6. A new social contract for Europe

Our continent has invariably connected development and community wealth to some kind of a social contract. The burning questions concerning the European way to the future or, in other words, our prevailing social model constitute another way of formulating the same question: that of the contractual basis of our society and of the rulings set out to harmonise the legitimate interests of the State, society and the citizen<sup>17</sup>.

The social contract is mostly an implicit agreement, accepted by all parties concerned. The post-war social contract, which lasted successfully for some 50 years, is at present grossly outdated. This terminal stage is becoming apparent in a number of assumptions that no longer hold today: stable and full employment; the benefits of the welfare State; a limitless economic growth machinery; absolute faith in democratic governance; a strict separation between constitutional powers.

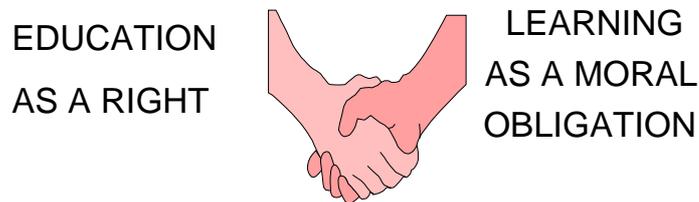
There remains little doubt that unless a new concerted effort is put into practice to produce a different social contract, tailored to serve the complex information society and to make the most of learning challenges, our societies will run into growing difficulties. In this new contractual approach, the economy will go on playing an important role; however, it is not the sole nor the primordial factor. Full citizenship standards, striking a right balance between duties and rights, will increasingly call upon values such as justice, fairness, equity and solidarity in both our national and international orders.

Adam Smith, a founding father of modern economics, put it eloquently: 'The major differences between the most dissimilar of human beings are not based on nature but on habit, custom and education'. These words would suggest a new social contract inspired by the meeting of two ends. On one side, the full realisation of education as a right, in line with the universal declaration of human rights; on the other, the recognition of learning as a moral obligation, regardless of whether such a precept impinges upon individuals, organisations or societies as a whole.

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<sup>17</sup> For an abridged but very telling essay on the traditions of the free city and the origins of our social contract read Q. Skinner, *Liberty before liberalism*, Cambridge University Press, Cambridge: 1998.

## RIGHTS AND OBLIGATIONS



*Figure 2 – Education and Learning as a basis for a new social contract*

By this token, strategies and policies aiming at Europe-wide acceptance of a minimum learning platform would be regarded from a totally different angle. The unfolding of multiple supply opportunities is certainly an integral part of the contract. But equally decisive would now appear to be the stimulation of demand as part and parcel of a new vision of both social obligations and moral duties. A European dimension to continuous learning throughout life springs from this combination of rights and duties produced from the ferment of the emergent learning society.

Modern complexity theory as proclaimed by the most renowned authorities tells us that it is in the inner nature of complex systems to self-organise<sup>18</sup>. Another current doctrine affecting complex systems is that self-organisation stems from a limited cluster of *emergent properties*.

Our submission is that the information society tends to self-organise around patterns of cognition. Therefore, the pivotal emergent property conditioning the very future of these multifarious societies is *learning*. The winners will be selected among those peoples, societies and systems that fully grasp this challenge and that sooner than others develop into *learning societies and nurture knowledge-based structures*.

Europe can and should occupy a pole position in this race to a new millennium.

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<sup>18</sup> See, for instance Paul R. Krugman, *The self-organising economy*, Blackwell Publishers, Cambridge, Massachusetts: 1996.

## **8. Arriving at a minimum educational platform for all: the political options and strategies. What sort of compulsory schooling? What curriculum? How to achieve a minimum educational platform for all**

*Jordi Planas*

What are the political strategies and options for arriving at a minimum educational platform for all? The search for a reply entails a debate on the existing model of compulsory schooling, which has led to a marked rise in the standard of education for most of our population without being able to achieve this end for everyone.

The text that follows reflects current thinking rather than firmly based conviction. In describing this thinking, I would like to share the facts and describe the issues to which they give rise when we are faced with a problem that might affect deeply that segment of young people and adults who have not succeeded in reaching a minimum standard of education and training. The problem may also affect school systems which, despite all the progress made over the past few decades, have now come up against a discouraging threshold that is hard to surmount.

### **8.1. The reference framework: the effects of policies on education, training and vocational integration conducted in Europe over the past 20 to 30 years on standards of education and training**

1. The great effort that has been made by our educational systems and individuals and their families have led to an extraordinary rise in the levels of qualification of younger generations (Planas, Ed. 1998 Agora I). This rise in the level of qualifications is partly due to the increase in the number of those gaining diplomas at the middle and higher levels, and partly to the fall in the school failure rate in the context of a lengthening of the period of compulsory schooling (Casal, Garcia, Planas, 1998).
2. We are also witnessing growing opportunities for education and training outside the school, mainly due to the development of explicit continuing training.

3. Going against the mainstream of these major and highly positive trends, segments of our population - a minority, but a significant minority - are excluded from general improvement in the level of qualification. First of all, those excluded are those who leave school without acquiring what is regarded as the minimum standard, in other words those classified as educational failures (Casal, Garcia, Planas, 1998). Secondly, access to continuing training is very much dependent on workers' previous standard of qualification/training. Low-skilled workers have, due to lack of interest (Steedman, 1998) or lack of ability, less access to lifelong training as it is organised today.
4. We find a polarisation of training itineraries mapped out in the form of work experience and explicit continuing training, depending on differences in initial school education. The data available show that continuing training is not a compensatory factor but one that increases the differences in initial training. Those differences are amplified, because the least qualified are less likely to access continuing training and, if they do, are less able to follow it. In reality, although continuing training is in a period of full expansion, it aggravates the role of initial school education in that rather than serving as an alternative training route for people with a low level of initial education it tends to be directed towards those who already have a good education and training.
5. A low level of education and training is a relative phenomenon, and its effects must be measured in the light of changes in the historical context. People who do not have a minimum education are generally more highly educated than their parents, but **today not having this minimum education gradually becomes a factor in their exclusion from the labour market**, which was not the case in their parents' time. On the labour markets in our countries, as pointed out in the introductory report to this seminar (Steedman, 1998), the tendency is towards a gradual reduction in both remuneration and in job opportunities for low-skilled workers.
6. Together with the increase in demand for qualifications arising from changes in the production system, **the increase in the number of diploma-holders** at middle and higher levels **has had the effect of reinforcing the value of qualifications as a labour market signal** and as a criterion for access to job and training opportunities. In the same way, the absence of a diploma or the holding of certificates associated with school failure send out negative signals on the labour market (Dupray 1998).
7. As a consequence, people with a low level of education have at the same time fewer chances of finding a job and taking training than the rest of the population. This means that people who have not reached a minimum level of education and qualification today run a twofold risk of exclusion from the working world and from society.
8. The scientific, technological and production changes that have made education a lifelong process also show us that the minimum platform of education and training is a dynamic factor, which calls for continuing training actions that are not just measures to improve and update vocational competencies but also aim at lifelong 'further literacy' (DG XXII, Social Dialogue in Europe, 1997).
9. Basic general education, which should be acquired during the period of compulsory schooling, thus becomes the key factor in obtaining access to other training. It is the prerequisite for access to the minimum platform of education and its renewal.

10. In educational terms, young people who have not attained the minimum level of education have none the less attended school for a long time. This alters both the subjective and objective significance of educational setbacks. For previous generations, failure to achieve a basic initial education was due to the lack of educational opportunities. Today, school failure occurs after a lengthy period of compulsory schooling. In general the setback is linked with rejection of the school system.
11. The reaction of educational systems to this situation (Casal, García, Planas, 1998) could be summarised by two points: first, **giving up the struggle** to eradicate persisting school failure; second, externalisation of the process of catching up with schooling by **looking outside the compulsory school for a solution in the form of further measures** based on the philosophy of the 'second chance school', which takes a fairly wide variety of forms in individual countries.
12. Simultaneously **continuing training systems, which are currently** expanding, whether they are for continuing training in the public sector or within the workplace, **have found it hard to attract and draw into their training measures those workers with a low level of qualification**; they are therefore contributing towards widening the initial education gaps.
13. One of the reasons why the continuing training systems find it so hard to attract low-skilled workers is the difficulty they encounter in implementing 'remedial literacy' measures. Literacy skills, however, are a vital prerequisite for embarking on continuing training measures for low-skilled workers whose education and basic training date far back (Social dialogue documents - DGXXII 1997).

## **8.2. What can be done in education: obligations of presence and success**

14. The above considerations reinforce the strategic option of concentrating on compulsory initial training to 'arrive at a minimum educational platform for all'. Indirectly, provided that measures are adopted to provide initial education that are genuinely directed to all, this will lead to a redefinition of the objectives, content and methodologies that will undoubtedly also serve for the 'remedial literacy education' of low-skilled workers. In the same way, steps taken in the context of training for low-skilled workers will undoubtedly provide lessons and be a source of inspiration in redefining the objectives, content and methods of compulsory initial training for all.
15. We are witnessing a crisis in the model of compulsory schooling. The model that has enabled us to arrive at the flourishing status of education today is proving incapable of providing minimum training to those who have been educational failures in their lengthy period of compulsory schooling. As we have already pointed out, with the current model we are seeking a solution to shortcomings in the initial system outside and after compulsory schooling, in what is called the 'second-chance school'. This is a remedial response rather than a preventive measure, and it has many side effects.

16. The aim of compulsory schooling that has helped to improve the level of education was to offer extended comprehensive education for all. This model is today being challenged by the fact that it cannot do away with the threshold of failure.
17. Recent research (Hannan et al. 1995; Mueller, Shavit and Ucen, 1996) shows that in a very wide range of initial education systems, it is the more comprehensive forms (those that are unified in structure and in educational processes) that can have the worst effects in terms of social exclusion for those who left school as educational failures.
18. Our school systems are proving powerless to achieve the declared aim of compulsory education: success for all. This means that here is an obligation of presence rather than of results.
19. **The problem is no longer to offer schooling for all and to make it compulsory, but rather to determine what sort of schooling to provide, what its aims should be and what its content.** The model based on the comprehensive nature of the school has come up against a threshold of failure and has proved ineffective in reducing the number - admittedly very small compared with the situation at certain prior times - of those who fail to achieve that threshold.
20. **The current model of compulsory schooling** based on an obligation of presence rather than an obligation of success **is directed more towards the homogeneity of the process than of results.** This concept of compulsory schooling places emphasis on equality of school opportunities, and therefore on the process. It is generally common to all European countries, but its limits seem to have become apparent at a time when lack of educational success has serious effects on social and working life, gradually leading to exclusion.
21. For those responsible for 'second chance' opportunities, it is obvious that catching up with basic education should be developed in an education model more closely linked to the practical and 'real life', and be more diversified, more 'made to measure'. Even so, the 'second chance' experiments are having disappointing results because of all the negative factors accumulated by their 'clients' during the long period of schooling that led to their setbacks in their 'first chance'.
22. The alternative to this model designed to prevent the failure of whole segments of the youth population should be based on a **redefinition of both the objectives and the procedures of the educational obligation.** Very briefly, this will be a system emphasising results, which is able actually to set this minimum educational platform (called by some people the lowest common denominator or the cultural 'minimum wage') and impose it as an **essential objective for everyone by the end of initial training, while being flexible and pragmatic in the choice of processes.**
23. This type of approach essentially prevails in the experiments that can be associated with the idea of the 'second-chance school'. **Nevertheless, there seems to be no reason why people should have suffered from failure for a long time before action is taken, before they are offered more carefully considered methods better suited to their needs.** In short, why should more appropriate and effective

methods not be used from the moment when the non-adjustment leading to failure becomes apparent?

24. Naturally the objectives of this minimum educational platform cannot be the same as for compulsory schooling, but they probably correspond to the inner core of the latter's objectives, or the lowest level of education that is socially acceptable.
25. How can the content of this minimum educational platform be defined, and who should define it? In general, our school systems have reacted to the increase in the subjects of learning by adding them on without any real effort to select and therefore without setting priorities. Our school systems have thus incorporated new subjects of learning, including more language and new languages, diversifying their methods to help people acquire horizontal competencies, etc., without prioritising in any way, without **defining the core of what a citizen and worker needs**. The effect of this accumulation on school curricula has differed from country to country, but in general it has had the result of not aiming at the essentials, and of **increasing the 'official' duration of compulsory schooling without guaranteeing those essentials**. Defining the content of the minimum educational platform calls rather for guaranteeing the essentials and therefore reducing expectations, so that initial education can secure access to lifelong educational and training for all.
26. It would therefore seem logical that the school system should not be the only system to define the content of this minimum educational platform, which should also be used in continuing training as a point of reference for 'further literacy acquisition'. **A wide range of social institutions should help to define this platform, whose goals are not just vocational but also social and cultural**.
27. The school reforms of the past few years have mainly been in procedures. However, in such an approach to compulsory schooling, the school must be **open to a wide variety of procedures and scenarios, provided that they are effective and therefore geared to their actual target groups**.
28. These new procedures should logically **make more routine use of those locations that are still under-used by the school, such as the institutions and customary scenarios of social and working life outside the school**. The experience of 'second-chance schools' will undoubtedly be a good source of ideas that can be used in the new routes planned, to avoid wasting the 'first chance'.
29. One last question arises concerning this reform of the existing model. Is this approach based on a minimum platform necessary only in the education of the segment of the population that has today encountered setbacks? Should it not be applied to the education of all? It is important to avoid innovatory approaches being earmarked solely for the 'failures', separately from the 'successes', as there is a risk of creating ghettos.
30. Finally there are certain questions on the strategy to be implemented in reforming the system. **Could the desired result not be achieved by circumventing radical institutional and statutory changes? Could it not be done by intelligent action involving teachers in compulsory schools in a project that would be a reaction against the existing model, laying the foundation for new strategies in favour of**

**a school for all? Could these changes not be supported by the mass involvement of social institutions such as enterprises, administrative authorities? These are good questions, and they should be put to those who make the decisions on educational systems.**

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## 9. Account of seminar discussions

There follows a report of the discussion held at the above meeting. This summary is not presented in chronological order of how the discussion proceeded at the meeting, rather it is presented according to the various themes that emerged during the debate.

### 9.1. New skill needs, and the problems facing the low-skilled

#### 9.1.1. The changing nature of jobs

The declining position of the low-skilled was illustrated by a number of participants (for example, **Johan van Rens** and **Eugenia Kazamaki Ottersten**) through falling employment and labour force participation rates for those at or below ISCED level 2.

There seemed to be a general consensus that the main reason for this decline in the economic fortunes of the low-skilled is the changing nature of the jobs that need to be performed in a modern, European economy. As a result of advances in technology and increased competition, both within domestic economies and on the world market, there have been increases in the demand for higher skilled workers, and a fall in demand for low-skilled workers. **Philippe Mehaut** gave examples of the problems facing low-skilled workers in this new environment, describing textile workers whose factory closes, and who find alternative employment in the service sector. He stressed that the repetitive routine of manufacturing jobs restricted to one or two simple operations can actually lead to a loss of skill. When these same employees move to take jobs in the service sector, they are then suddenly required to have the social skills to interact with people, as well as product/service knowledge. Even if they remain in the manufacturing sector, they are likely to be faced by jobs demanding more technical knowledge, where they are expected to manage their tools and equipment, and their time as well if they are on flexitime.

**Heikki Suomalainen** pointed out that once low-skilled jobs are lost as a result of economic downturn those jobs do not come back. Companies are forced to find new ways of re organising the delivery of services and production.

#### 9.1.2. The new skills

Two participants reviewed the skills that are now needed in the modern labour market. **Alfons De Vadder** suggested that in commerce the new skills needed are computer science and technology knowledge, logistics (for example just-in-time scheduling), sales and marketing (that is, a knowledge of products), quality issues, and social skills. He also pointed out that some occupations which do not have high formal entrance requirements, for example housekeeping and caring occupations, are still expanding but that additional training in social and personal skills is often required. More generally, **Heikki**

**Suomalainen** mentioned the work of the European Union of Employers in defining core skills for Europe. He suggested the following core skills are necessary to successfully compete in the labour market; communication, numeracy, information technology, problem solving, personal and interpersonal skills, adaptability and a capacity to learn independently.

**Gunnar Eliasson** described how new technology has made possible modularisation and outsourcing, customised products, smaller batch size, internationalisation and new industry formation. This has resulted in more exposed firms, a more rapid turnover of firms, less secure internal labour markets, and hence faster job turnover. It is therefore very important that individuals continue to develop their skills throughout their working lives, and do not get left behind when business practices and technology change. Individuals who do not improve their skills through investment in lifelong learning will find it increasingly difficult to find new jobs if they lose their current one. He stressed that in the future, dropping out of lifelong learning, whether from school or later in life, will seriously damage an individual's life prospects.

With respect to the relative importance of skills, many participants followed up the points made by **Alfons de Vadder**, **Philippe Mehaut** and **Heikki Suomalainen** by stressing the way in which the move to the 'service economy' is increasing the importance of the so-called 'soft' skills, i.e. personal and social skills, required for face to face interaction with customers, team-working, flexible response and self-directed learning. **Jose Fernando Assis Pacheco** added a further important skill to this portfolio, namely the ability to manage one's own career. **Eva Kuda** spoke about the situation in the metalworking sector in Germany, in which skilled workers were being recruited to take on jobs which were previously regarded as semi-skilled (*Leistungsgruppe 2*). Those with no skills were the first to lose their jobs and there were also problems for older workers whose skills were out of date. Fewer workers without qualifications were being employed. A group on the labour market is now being described as '*neue Ungelernte*' (the 'new unskilled') - their problem is not so much a lack of knowledge as a lack of general competencies, team-working, etc. They are at the greatest risk of unemployment.

**Eva Kuda** additionally stressed that it is not only the workers who need to learn new skills and obtain new qualifications. Of equal importance is the need to retrain and qualify those who are responsible for personnel strategies and human resources, who clearly must be aware of the new skill demands they are making of their employees.

### 9.1.3. Over-education

Continuing with **Eva Kuda's** description of the German industrial metal sector, the possibility of over-education was outlined, whereby individuals are over-qualified for the work that they are performing. **Eva Kuda** described how 30% of those working as un- or low-skilled labour do in fact have formal qualifications as skilled workers. The problem is that the rate of growth of skilled labour is much bigger than the increase in skilled work positions. Therefore, getting more qualifications does not always help to reduce the risks

of being unemployed or downgraded. Consequences of this include a lack of incentive for such individuals to undertake training if they already consider themselves to be over-qualified, and the danger that they may lose the skills they have, if they are not being fully utilised. Of course, the answer is not to reduce the number of qualifications obtained. The value of the qualifications can only be realised in a properly organised work system, hence the need for the 'new unskilled' to become acquainted with general competencies and team working, as mentioned above. We need to concentrate on the quality of the work on offer and establish a qualified work organisation, which does not exclude any group of workers but offers the opportunity to qualify within the work.

It is unlikely that over-education is a very serious problem resulting from a minimum learning platform, as this platform will not be specifying a very high level of skills. However, the point certainly does raise an interesting issue regarding suitable job availability. If we are going to specify a minimum learning platform, it is important that jobs are created which will fully utilise the skills created.

## **9.2. What can be done to improve the position of the low-skilled?**

Throughout the discussions, various policies were suggested to improve the labour market position of the low-skilled. Some participants suggested creating employment for the low-skilled, for example **Alfons De Vadder** cited the United States where low-skilled individuals are employed in shops to pack bags for customers, and **Philippe Mehaut** also urged that the low-skilled could help to raise standards of service in retailing and other service sectors with appropriate training. It was noted that the increase in the number of two-worker households is leading to an increased demand for household services. **Eva Kuda** stressed the need to improve the quality of work in manufacturing through different methods of organising work. She suggested that team-working could be structured so as to improve the qualifications of the low-skilled who might also benefit from job rotation so that they could learn a variety of skills. She considered that the way to achieve this was through collective agreements which would aim to raise the qualifications of the least qualified. Much of this would depend on the quality of management which makes decisions about training - they needed to become aware of the problem. **Heikki Suomalainen** mentioned that as the 1950s 'baby-boomers' retire from the labour force, often from traditional industries, then new openings may become available for the younger low-skilled.

**Eugenia Kazamaki Ottersten** suggested that family support and encouragement can be an important instrument for preventing youngsters finishing their formal education without skills or formal qualifications, although **Jordi Planas** pointed out that many of the low-skilled come from dysfunctional families, where parental guidance cannot be relied on. **Jose Fernando Assis Pacheco** commented that disadvantaged families need support, to ensure that their children receive access to appropriate education or training.

**Roberto Carneiro** described how different groups of low-skilled individuals need different policies directed at them, a theme re-iterated by **Eleni Spachis**. Four groups were identified by **Roberto Carneiro**. For two groups, namely high-risk children who are struggling at school and the low-skilled employed with a high risk of becoming unemployed, preventive measures are important. For the other two groups, school dropouts and low-skilled individuals who are unemployed, more redemptive measures are required. **Jose Fernando Assis Pacheco** considered that measures whereby an individual in employment goes on study leave to retrain and his/her place is taken by an unemployed person could help the low-skilled. These measures had already been tried in the Scandinavian countries.

## 9.3. The minimum learning platform

### 9.3.1. Content of the platform

The aim of a minimum learning platform is that all members of society will acquire the skills necessary to function in the labour market, and more generally to achieve citizenship in society, and to be empowered rather than excluded (**Roberto Carneiro**). The discussion about the creation of a minimum learning platform did not go as far as to specify the content of the platform, but rather discussed ways in which such a platform should be defined. **David Forrester** said that the platform should be defined in terms of skills to be acquired, and not just in terms of years of schooling, as the latter are not necessarily comparable across countries, and do not give an indication of the skills learnt during those years in school. **David Forrester** explained that the British government had specified two types of personal and social skills. These are, first, key skills - communication, numeracy and IT and, second, core skills which designate the more intangible personal and social skills. It is intended that all young people on vocational courses should be obliged to demonstrate these skills. The government's proposals for dealing with the hard core of educational failure is to provide a 'pre-vocational gateway' programme in a friendly non-educational setting so as to try to ensure that all are able to get a foot on the lowest rung of the ladder of opportunity provided by work-based education and training. The cost of these special programmes and poor motivation of young people in this group are major problems. **Jordi Planas** commented that the content of the platform should be a lowest common denominator across individuals, and therefore something that everyone can achieve. He went on to add, however, that the platform should not be seen as something that is fixed, but should be able to change and develop over time. **Philippe Mehaut** reiterated this point, pointing out that an individual who is not computer literate is probably not below the minimum learning platform today, but one day they could well be.

### 9.3.2. The processes involved

It was also pointed out that it is not sufficient simply to define the content of the minimum learning platform, but that we must also consider delivery, that is the processes involved in getting people up onto the platform and context, that is, where learning takes place (**David**

**Forrester, Jose Fernando Assis Pacheco**). It then becomes clear that, because people begin with different innate abilities, the processes required to get them all to a particular level will differ. Some will require a lot more time and effort spent on them than others, before they achieve this basic level of skills. This discussion was therefore moving away from the egalitarian or comprehensive principle of all individuals receiving the same education and undergoing the same processes, to a system where different people go through different processes according to their needs, so that they all end up at the same point (**Jose Fernando Assis Pacheco, Jordi Planas**). Obviously, it is recognised that the platform is a minimum, however, and of course beyond this point individuals will diverge again according to their abilities and desires, and some will go a lot further above the minimum level than others.

### **9.3.3. A single platform in Europe?**

Other issues that were considered included debating whether a single minimum learning platform across the whole of Europe could be defined. **Jose Fernando Assis Pacheco** pointed out that if the platform is being defined in terms of the requirements of employers, then we have to acknowledge differences in the national labour markets in Europe and realise that these requirements will differ across countries. For example the skills that are thought of as essential in the more developed countries of Europe may be considered as more than the minimum required to function in the labour markets of some of the less developed countries, and so necessitating a different definition of the minimum learning platform in each country. On the other hand, we should not only consider the requirements of employers, but also think about the needs of individuals, as pointed out by **Patricia O'Donovan**. If the platform is something that is empowering people as individuals, then should it not be set the same for people of all countries? **Patricia O'Donovan** also expressed the concern that a minimum platform could form a new barrier to employment if access to training were not assured for all who were active in the labour market. If the objective was to enable adults to reach their full potential then a flexible approach to content would be needed. She pointed to the known difficulties of delivering such training in small firms where there are many low-skilled workers. Tackling this problem would require a new partnership between employers and unions.

### **9.3.4. The cost of the platform**

The cost of raising all people at least to the level of a minimum learning platform was considered, with, for example **Gunnar Eliasson** worrying that it could be very costly to provide the necessary education and training to everyone who needed it. **Roberto Carneiro** pointed out, however, that the opportunity costs of not getting everyone to a minimum standard and leaving people excluded from society would also be very high.

### 9.3.5. How to certify competencies

**Jens Bjørnåvold** described the project he is coordinating at Cedefop which emphasises the importance of trying to recognise and certificate competencies gained through experience in the workplace. A recent issue of the European Journal *Vocational Training* asks 'What do we know?' and contains articles on measuring knowledge, skill and competencies in the labour market. **Heikki Suomalainen** also raised the problem that an educational certificate does not convey information about the skills of an individual except at a very general level. A competence-based qualification system has been introduced in Finland, but it takes some time to be well understood and for employers to have confidence in it. **Elena Spachis** emphasised that the issue of the low-skilled has a European dimension. The European Union countries all need to ask the questions of how to address the needs of individuals with low skills, who will carry out the work and who will pay? She stressed as others had also done that the 'so-called low-skilled group' is in fact highly heterogeneous and that it is important to find a way to accredit non-formal skills. The Commission is currently carrying out work in this area.

## 9.4. The delivery of the minimum learning platform

### 9.4.1. Education as an end in itself

**Roberto Carneiro** explained his view that education should not just be seen as a tool, but as an end in itself. Education should be seen as an inner journey to become wise, with externality effects for labour market status. However, the education product should still be customised to the needs of society. At the moment, the social contract that is followed is that individuals obey, then the State protects them. However, individuals no longer want to passively obey and the State is losing its capacity to protect. A new social contract must balance rights and responsibilities. With regards to our discussion, education should be a right, but learning should be a responsibility of all individuals.

Such ideas were also reflected in the words of others, for example **Lise Skanting** commented that education should 'set people free, giving them the ability to work and live a life.' She observed that young people stay too long in education and that the education process is too uniform and does not take sufficient account of the needs of the least able and the brightest pupils. Some pupils are put off learning for life by their school experiences. Schools are too disconnected from real life and teach that results are not important. Instead, they should do more to prepare students for the labour market and 'teach the pleasure of learning' so that young people want to continue learning in adult life.

### 9.4.2. The type of training to be offered

A common theme running through the words of many was that the 'soft' skills, i.e. personal and social skills, cannot be taught in schools (**Arthur Schneeberger**, **Jens Bjørnåvold**, **Jurgen Thiele**). The position was summed up by **Alberto Melo**, who said

that it is very difficult for formal education to satisfy the skill needs of all employers in all sectors. Therefore, schools should continue to teach a core curriculum that prepares individuals for employment in a general sense, as well as making them good citizens, while specific skills and 'soft skills' needed for particular jobs, should be learned on-the-job.

Another point that was stressed is the differences in the training/retraining needs of the young low-skilled and older individuals with a low level of formal qualifications (**Jordi Planas, Philippe Mehaut, Gunnar Eliasson**). The differences in the training on offer must reflect the fact that older low-skilled workers will have already gained 'soft' skills and work experience through their time in employment, while the young low-skilled who have just dropped out of school will have to learn such skills, as well as skills related specifically to intended employment. In addition, **Lise Skanting, Jose Fernando Assis Pacheco** and **Philippe Mehaut** all observed that content and training methods used with adult workers should differ from those used with young people. In particular, individuals who have been in work for a long period of time may be very wary of retraining methods that resemble formal education. They may resent being treated like children again, and in addition, if they were early school leavers, they may have had bad experiences in formal education that they do not want to repeat. (**Lise Skanting** said that this was particularly the case for males in Denmark, though not so much for females).

The training that is required is such that it will provide some of the skills described above, that the low-skilled lack. The ability to learn must also be taught, so that people will in future attend to their lifelong learning (**Heikki Suomalainen, Jose Fernando Assis Pacheco**). Many of the new jobs described are based on technologies that will be changed and developed through time, so that individuals need the capacity to be able to change and develop accordingly.

#### **9.4.3. The delivery of training**

While not going into specifics of particular training programmes, some debate also took place concerning the type of training, and the processes involved that could be used. **Roberto Carneiro** stressed that training must become more flexible if it is to attend to people's needs, so that it is not fixed at certain times and places, but can take place at different locations and be offered on a round the clock, all year basis. For example, the Internet could become a very useful training tool. Other training methods such as new apprenticeships, the gaining of tacit knowledge, and learning-by-doing were also mentioned by **Roberto Carneiro**. **Lise Skanting** also pointed out that most homes in Denmark now have a computer with Internet access, and that such tools should be used more in education and training.

#### **9.4.4. Socioeconomic considerations**

**Patricia O'Donovan** raised a number of points concerning the socio-economic status of the individuals that we are talking about, that had not been considered in the debate. For example, she commented that no one had presented information on the socio-economic make-up of the low-skilled group. Such information is important, as it could help explain why people are low-skilled. For example, in the past, post-compulsory education had to be paid for, and so some older workers could be low-skilled because they did not have the money to invest in their education when they were young. Similarly, younger low-skilled individuals may have dropped out of formal education because of problems in their families. Indeed many young people classified as being low-skilled come from disadvantaged backgrounds. We also should consider the broader economic and political context within which people are living. The underlying ideology of the conservative government in the UK in the 1980s and 1990s was one of a deregulated economy, with consequent low pay levels for those with low skills. It would be difficult to achieve one's lifelong learning potential within such a context.

## **10. Summary of seminar conclusions on the minimum learning platform**

The aim of the Agora IV Meeting in Thessaloniki on 29 and 30 October 1998 was to gauge the reactions of employer and employee representatives' and of representatives of national government and the European Commission to the concept of a minimum learning platform and elicit views on how this might be defined and operationalised. The meeting was organised by Cedefop in conjunction with researchers from the Newskills research group financed by DG XII of the European Commission as part of its programme of targeted socio-economic research (TSER). The Newskills project (summarised below in Section 2) examines the employment prospects of those with a low level of formal education in Europe and aims to raise awareness of the importance of a minimum learning platform after consultation with the social partners.

The discussions reported in Section 9 summarise the debate that took place at the meeting and papers from Hilary Steedman (Section 5) and Arthur Schneeberger (Section 6) set out some of the main issues. Here we flag up the main issues that were raised and which will need to be considered by the Newskills group in the course of their work this year.

Participants from all the constituencies represented at the meeting expressed support for the concept of a minimum learning platform and there were actually no dissenting voices about the desirability of individual European countries moving towards defining the content and delivery that they considered appropriate.

Dissatisfaction with the outcomes of the formal education system for the minority of low achievers or 'marginalised' young school leavers constituted an important reason why support for the concept of a minimum platform was widespread.

Dissatisfaction centred around two main concerns. The first was a concern with the difficulty of including in the curriculum of the school the core personal and social skills that many considered indispensable for employment and the capacity for lifelong learning.

The need for a new balance between formalised knowledge and personal and social skills was emphasised. The concept of 'basic skills' itself requires revision so as to incorporate the 'higher order' basic skills of problem-solving and self-directed learning that are becoming necessary for all citizens in Europe.

The second concern that emerged was that achievement after nine or more years of schooling continues to be immensely variable with a minority failing to achieve a viable level. It was felt that an outcomes-based definition of goals might be a way of ensuring that a minimum threshold was attained by many more than at present.

However, the outcomes-based model raises problems of assessment and measurement of attainment which will need to be addressed. This is a particular problem with the newer 'soft' personal and social skills which cannot easily be assessed by conventional means and with outcomes defined in terms of practical competencies.

The necessity of considering alternative ways of delivering the minimum learning platform was also stressed. That is, the processes which will enable individual learners, young people and adults alike, to attain the level of the minimum platform, require innovative thought and action.

There was a widespread view that the workplace would have to play a much more central role than in the past in delivering some elements of the minimum platform. This in turn would require the creation of a new social partnership to develop and use the resources of the workplace for learning and individual development.

Such a development also raises the question of how costs of enabling young people and adults to attain the minimum learning platform should be shared. Inevitably there will be resource implications since costs for the minority of those who have difficulty with basic skills will be high. It may be necessary to rethink the current basis for distributing educational resources which results in those needing education the most frequently receiving less than the average level of resources.

There was a strong feeling that it would be desirable to move away from the current pattern in Europe of universal entitlement to the same number of years of education without definition of a minimum acceptable outcome. Instead, entitlement would be to years of education *and* to achievement of the minimum platform, although most would progress beyond that point.

The idea of having a single minimum learning platform across all of Europe was also discussed. Although it was recognised that the needs of individuals should form part of the content of the platform, the needs of employers are very important, and as these differ according to the varying labour market conditions across different European countries, the platform may have to be set at a different level in different countries.

We should also acknowledge that the platform is not fixed, but will change over time. What are not essential skills for today's labour market may one day be indispensable, and hence part of any minimum learning platform.

## 11. List of Participants

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BJØRNÅVOLD Jens  
 FRIES GUGGENHEIM Éric  
 MAURAGE Marie-Jeanne  
 VAN RENS Johan

## 12. Papers produced as part of the Newskills project

Kazamaki Ottersten E (1998) 'Labour demand: an institutional approach' Mimeo, Industriens Utredningsinstitut, Stockholm

Kirsch (1998) 'Devenir des bas niveaux de qualification: comparaison des situations nationales' mimeo CEREQ, Marseille

Lages M (1998) 'Some questions on the differential success of portuguese students' Mimeo, CEPCEP, Universidade Catolica Portuguesa, Lisboa

Lages M (1997) 'The output of the school system in Portugal: facts, figures and issues' Centre for Economic Performance, London School of Economics and Political Science

Leuven E and Oosterbeek H (1998) 'The quality of new jobs for the low-skilled in Europe' mimeo, Faculty of Economics, University of Amsterdam

Leuven E, Oosterbeek H, and van Ophem H (1998) 'Explaining international differences in male wage inequality by differences in demand and supply of skill' Centre for Economic Performance discussion paper No. 392, May

Leuven E and Oosterbeek H (1997) 'Demand and supply of work-related training: evidence from four countries', Tinbergen Institute discussion papers 97-013/3.

McIntosh S (1998b) 'The demand for post-compulsory education in four European countries' Centre for Economic Performance discussion paper No 393, May

McIntosh S (1998a) 'Job quality in the United Kingdom, 1985-95' Working paper No 981, Centre for Economic Performance, London School of Economics and Political Science

McIntosh S (1999) 'The determinants of vocational training across Europe' Mimeo, Centre for Economic Performance, London School of Economics and Political Science

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Steedman H (1999) 'Looking into the qualifications black box: what can international surveys tell us about basic competence?' Mimeo, Centre for Economic Performance, London School of Economics and Political Science

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CEDEFOP – European Centre for the Development of Vocational Training

**AGORA - IV**

**The low-skilled on the European labour market: prospects and policy options**

**Towards a minimum learning platform**

***Thessaloniki, 29-30 October 1998***

*Éric Fries Guggenheim*

*Project coordinator, CEDEFOP*

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The Agora Thessaloniki project provides one such forum. Its aim is to provide a meeting point and channel of communication for those involved in vocational education and training, namely practitioners, employers and their associations, workers and unions, governments and researchers. The Agora provides an opportunity for multilateral discussions that bring together conflicting ideas and promote understanding. Four Agoras have already taken place:

- I. Diplomas and the labour market
- II. The role of the enterprise in lifelong learning
- III. Mobility and training
- IV. The low-skilled on the labour market

This booklet describes the proceedings of **Agora IV**. The point of departure for the debate in Agora IV was the research on '**New Job Skill Needs and the Low-Skilled**' [Newskills] conducted by a European team coordinated by Hilary Steedman of the London School of Economics and Political Science, and financed under the DG XII TSER programme. The Newskills project examines the employment prospects of those with a low level of formal education in Europe and aims to raise awareness of the importance of a **minimum learning platform** after consultation with the social partners.

The aim of Agora IV was to gauge the reactions of employer and employee representatives and of representatives of national governments and the European Commission to this new concept and to elicit views on how it might be defined and applied. The main result of the Agora was that participants from all the constituencies represented at the meeting expressed support for the concept of a minimum learning platform. Moreover, no dissenting voices were heard when it was proposed that individual European countries should move towards defining the content and delivery that they considered appropriate.

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