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Labour/Management Programme

A LEARNING WORKFORCE FOR THE KNOWLEDGE ECONOMY: RETHINKING METHODS, ROLES, RESPONSIBILITIES

Report on a meeting of Management and Trade Union Experts held under the Labour/Management Programme

Paris, Wednesday 24 September 2003

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Report on a joint meeting of management and trade union experts
held under the OECD Labour/Management Programme

(Paris, 24 September 2003)

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FOREWORD

Under the OECD Labour/Management Programme for 2003, a joint meeting of management and trade union experts on "A Learning Workforce for the Knowledge Economy: Rethinking Methods, Roles, Responsibilities" was held in Paris on 24 September 2003. The meeting was prepared in collaboration with the Business and Industry Advisory Committee to the OECD (BIAC) and the Trade Union Advisory Committee to the OECD (TUAC).

Below, you will find the Agenda of this meeting, along with the overall report of the discussions of the meeting of experts, which was prepared by Ms. Sue Kendall-Bilicki, designated as General Rapporteur for this activity.

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AGENDA

9:30-10:00

SESSION ONE: LIFELONG LEARNING, SKILLS AND COMPETENCIES - WHAT ARE THE KEY ISSUES?

Chair: Mr. Bob HARRIS, TUAC

General introduction

John P. MARTIN, Director, OECD Directorate for Employment, Labour and Social Affairs

- OECD work on lifelong learning and linkage of this meeting's discussion with current OECD activities

Comments by BIAC and TUAC, Mr. Chiel RENIQUE, Mr. Bob HARRIS

- General remarks on policies and actions designed to make lifelong learning a reality for all

10:00-10:45

Skills and Competencies: A Dynamic Perspective for a Learning Workforce

LLL implies a more dynamic perspective on the development of skills and competencies. This brings new challenges and opportunities for providers, learners and employers, resulting in a "learning workforce".

What are the major trends and principles underlying current human resources development and training policies?

Initial Comments by Academic – Mr. Trevor RIORDAN

Discussants

- BIAC: Mr. Patrick BRUNIER
- TUAC: Mr. Roland SCHNEIDER

11:15-13:00

SESSION TWO: INNOVATIVE APPROACHES AND TECHNOLOGIES PROMOTING LIFELONG LEARNING

Chair: Mr. Chiel RENIQUE, BIAC

This session will focus on examples of innovative approaches in the delivery of LLL.

After a long lasting trend towards formal education and training, the concept of competency based learning leads to a renewed attention for learning at the workplace. The use of ICT in education is enriching the variety of learning opportunities, as well as types of investment (for example PC-equipment, software, internet-access).

Presentation of Case Studies:

- BIAC: Dr. Rolf WALTER
- TUAC: Expert from France (to be confirmed)

Presentation of the Report by Monash University (Australia) by social partner on: Lifelong Learning and the World of Work, Professor Chris SELBY-SMITH

Discussant: Mr. Peter TERGEIST, Administrator, OECD Directorate for Employment, Labour and Social Affairs

14:30-15:45

SESSION THREE: RESOURCES AND FACILITIES

Chair: Mr. Bob HARRIS, TUAC

The session continues to highlight new initiatives and arrangements with particular focus on the role of social partners related to public and private investments in learning and training for work, provision of learning opportunities and qualifications frameworks.

- BIAC: Mr. Willie BERENTSEN
- TUAC: Mr. Anders VIND and Ms. Caroline SMITH

Discussant: Mr. Gregory WURZBURG, Principal Administrator, OECD Directorate for Education

16:00-17:30

SESSION FOUR: GENERAL DEBATE AND POLICY CONCLUSIONS

Chair: Mr. Chiel RENIQUE, BIAC

How do we address new policy challenges, facilitate the provision of learning opportunities and provide financing for lifelong learning and training policies?

Introduction: Professor Frank J. COFFIELD

Open debate on policy implications for:

- public policies and institutional frameworks
- social dialogue
- financing
- methods of delivery

17:30-17:45

Summary of the results of the meeting by the Rapporteur

FINAL REPORT

by
Sue Kendall-Bilicki
Senior Editor, OECD Observer
Public Affairs and Communications Directorate
OECD

BACKGROUND AND INTRODUCTION

This meeting of management and trades union experts was organised under the labour/management programme to consider what has changed on the lifelong learning front since 1996 when the OECD first embarked on work in this area. The meeting was timed to be able to provide input into a meeting of OECD labour and employment ministers the following week. A brief document covering main points from the labour/management programme meeting was submitted to the ministerial gathering. It is appended at the end of this document.

Lifelong learning is essential in a fast-changing knowledge economy with an ageing population. Businesses, unions and government all share responsibility for providing lifelong learning and encouraging its use. This meeting focussed on lifelong learning and training issues for people in employment, where business and labour have a shared responsibility with government, rather than for the unemployed or initial education where government carries the major responsibility.

The meeting looked at the current state of play with lifelong learning, and the role and responsibilities of business, trades unions and governments in making lifelong learning a reality for all. It also looked at new methods and approaches to training and the problem of inequity of access to training, as well as the thorny issue of resources for funding lifelong learning. The meeting also analysed some case studies showing innovative approaches to lifelong learning and successful co-operation between social partners.

LIFELONG LEARNING, SKILLS AND COMPETENCES: THE KEY ISSUES

Participants agreed that the time has come to move from rhetoric to action on lifelong learning, and that ensuring training for people in the workforce is a shared responsibility of business, labour and governments. They also agreed that inequity of access to training is a crucial issue and that identifying efficient ways of redressing the imbalance is hampered by lack of research into what works and what does not.

The OECD secretariat stressed that studies in many OECD countries show that ability to participate in training leads to better employment possibilities, better earnings and better career prospects. But across all OECD countries, mainly male and well-educated, experienced workers receive and are offered far more training than women and older workers as well as the low-skilled and poorly educated.

The question is how labour-management relations can help improve training opportunities for the low-skilled and disadvantaged and rectify this extreme inequality of access. Rapidly-changing technologies, an ageing population and increasing demand for high-skilled workers make this problem all the more pressing in OECD countries.

The latest OECD *Employment Outlook* suggests co-financing by employers, workers and the public purse to provide the resources needed for training and discusses the merits of different schemes, such as tax credits, payback clauses; apprenticeship, training leave; and individual learning accounts. Ideas such as joint management of training funds, collective bargaining agreements on training, or works councils handling training can sometimes be regarded as good examples but do not identify an “optimum” system to achieve training.

Indeed, the secretariat said, very little research has been done on what works and what does not in co-financing training for people in work, and which strategy works best for which groups. This is in stark contrast to training the unemployed, where there is vast evidence of what works and what does not, and needs to be remedied.

The secretariat hoped the labour ministers’ meeting the following week, on the theme “Towards more and better jobs” would suggest some avenues as to what governments can do to overcome inequalities in access to training; encourage the workforce to invest more in skills upgrading; work with social partners to achieve these outcomes; and identify what additional work they want the secretariat to do to fulfil this task.

But business and labour also hold major responsibility for skills upgrading, especially for the adult workforce. BIAC and TUAC representatives said the two groups are not far apart in their views on the importance of social dialogue, recalling that they have agreed on the principle that implementing lifelong learning is a shared responsibility of government, employers and employees. A TUAC representative said social dialogue needs to result in binding commitments and very clear frameworks regarding approaches to financing lifelong learning. What is missing in the lifelong learning debate is recognition of workers’ time as a resource and an investment.

There was considerable discussion on how to resolve the problem of inequity of access to training, both in terms of increasing the amount of training on offer and improving willingness to take it up among under-represented groups. One business participant noted that BIAC and TUAC have drawn up a joint framework for surveys on lifelong learning which stressed the importance of motivation by all parties. Policies should be reinforced to trigger motivation both in companies and by individuals.

Available evidence suggests that low training levels among low-skilled and older workers are due to lack of demand from these workers, but also due to a lack of learning and training experience. Moreover, in the case of women, part-timers, temporary workers and workers in small firms, employers are not always willing to offer as much training as workers would like, the secretariat said.

A BIAC representative said more needed to be done to boost people’s interest in their own development and motivate them. It would be helpful to establish more links between work and life in general, so that people can immediately see the relevance to their everyday lives of what they learn. He also called for more focus on the individual’s personal development and career planning, as increased personal choices trigger more motivation on the part of the trainee.

A TUAC representative said it is not just a question of motivating individual employees to take up training, but also motivating employers to offer it. For example, where collective bargaining does not cover an industry or sector, a company may be less inclined to train an employee if it feels it will not reap the full benefit of the investment because the person is unlikely to stay with the company, or is working part-time or is on a short-term contract. This is a real problem that needs to be addressed since we are in a period of high labour mobility. The same applies to the problem of insufficient training opportunities for low-skilled and older workers; clear and convincing indications of advantage to themselves from undergoing training would provide an important factor to strengthen their motivation. The prospect of more status in the enterprise or a higher wage would encourage them too.

Several TUAC participants stressed the importance of initial education to provide basic competences that people could build on through their lives, and highlighted the need for systems to help bring people who left full-time education without these basic achievements to a level where they could take up the possibility of further learning. A TUAC representative said that everyone, including the low-skilled, those in part-time work and small businesses, should have a right to be trained. For instance, learning cheques, learning accounts credited with an initial amount the worker could add to, when he or she first enters the workforce, as well as learning time accounts could act as an encouragement to take on board from the start the importance of lifelong learning.

A TUAC representative also said that changing the image of training, so that it is regarded as a right rather than an obligation for employees, could help motivate groups who are not getting training, since there is empirical evidence that the countries with the highest participation rates are those which have instituted a *right* to further training as well as a right to basic education. Some TUAC participants also said this would require changes to initial training and education, because for many people the experience of initial compulsory education kills off any desire for learning in later life.

A BIAC representative said that in France a new agreement on employee access to lifelong learning had recently been signed by the social partners. The agreement sets out details of a number of vocational training tools, most of which are already in place, but whose use is now facilitated. Employees with 20 years work experience and those over the age of 45, regardless of work experience, will be eligible for a skills audit to be carried out outside working hours after their first 12 months in their current job, and will be given prioritised access to recognition of their work-derived experience. Moreover, all employees with two years service will be able to have a career guidance interview carried out within their company. Finally, the agreement has created a new tool: the training passport or *passport formation*, drawn up at the behest of the employee and which lists the knowledge, skills and occupational aptitude acquired either in initial and continuing training or through professional experience.

The secretariat said that introducing a “right” to training is all very well, but many countries that have done so have attached conditions to exercising this right. A main question was whether or to what extent an employer can veto or delay an employee’s training request. Also the OECD has not seen a link between introducing the right to training and more training actually taking place. France, Belgium and several Länder in Germany have introduced the right to continuing education and training but the three do not come out on top of European studies on continuous vocational training.

The business side suggested that rather than talking about rights and obligations to training, it could be more useful to talk about encouraging and enabling people to train. Increasing the amount of training possibilities on offer is one factor, but you also need motivation on the part of the individual to take it up.

A representative from the ILO said that new approaches to learning will be needed to bring home the idea that learning does not end once working life begins, particularly as slowing population growth in OECD countries means that older workers will have to be trained to keep pace with changing demand for skills. Some 80% of the people who will make up the workforce in 2013 are already in work, but currently participation in education and training goes down from 40% at 16-18 to less than 10% at 60.

A BIAC representative said that a two-year project by German, Dutch and Danish partners to raise awareness among businesses of the need to exploit the abilities of older workers more had shown success and led to some companies developing special programmes for raising older workers’ skills.

Addressing the problem of training in small businesses, a BIAC representative from France said that a survey of lifelong learning in 300 companies, many of them with fewer than 200 employees, found that

while it is true that the first prerequisite is that the boss must be committed to supporting lifelong learning, employees are very keen to take up opportunities to learn. They are well aware that increasing their skills will improve their employability if the company runs into trouble.

SKILLS AND COMPETENCES: A DYNAMIC PERSPECTIVE FOR A LEARNING WORKFORCE

Participants noted that the fast-changing knowledge economy is raising the proportion of high-skilled jobs available while low-skilled employment is shrinking. This, coupled with slower growth in the workforce due to population ageing in OECD countries, makes lifelong learning all the more important for all stakeholders. A representative from the ILO, which expects to adopt a draft recommendation on a new international labour standard on human resource development in 2004, said that demand for workers with more than a secondary education is increasing, and many people do not have the higher literacy levels needed for the knowledge economy.

Participants also discussed ways to ensure that skills are portable, so that workers changing jobs do not have to re-train for skills they have already acquired, which can waste time and funds. They mentioned current EU work to make skills more portable between EU countries. Some noted that ways need to be found to cope with differences of culture between one company and another, as well as national differences, to make it easier to transfer skills.

It is desirable to find ways to recognise skills acquired outside formal training processes and those not measured in paper qualifications, such as the ability to work in a team. More generally, there was considerable discussion of how to recognise, and make better use of, informally acquired skills, either specific skills acquired by someone at work without sitting through a training course or skills that are not always formally measured, such as the ability to work in a team or the ability to learn. Some participants said that failure to recognise and exploit such skills could be wasteful in terms of time and money. The fact that existing skills are not recognised can also discourage people from acquiring any more.

The secretariat noted that one problem of competence-based systems and skills tests is how to assure the quality of the certification or qualification given, and who should arbitrate such professional attainments. Countries have taken differing approaches, but the body assessing the skills must have sufficient authority for the qualification to have real value.

A BIAC representative said French business was moving towards skills-based management, which recognises skills rather than diplomas and treats each employee as an individual whose training needs and career development are personal to them as well as looking at the overall workforce needs. But for this approach to work, human resources policy must be integrated into the company's overall development strategy. Involving social partners makes the process more focussed on the organisation of work, and creates a more collective image favouring social dialogue. Skills-based management also requires a new type of manager who can put it into practice. The French business federation Medef has worked with universities on training students on new management styles before they enter the workforce.

This view on skill-based management triggered a lively debate. TUAC representatives agreed that if human capital is a key business resource, human resource development should be strategically focussed and part of overall management. But only a minority of employers are actually developing workers' skills, teamwork etc. One TUAC representative cited a recent survey showing that only 7% of managers said their companies linked business strategy to human development.

A BIAC representative said this survey result did not reflect what is actually happening in companies, citing a survey in Finland that found that 80% of companies do link human resource development to business

strategy. To be successful, companies in OECD countries need successful resource management because they need to develop skills to be competitive as their key asset is technology and they do not have cheap raw materials to make them competitive.

Some TUAC participants also expressed concern that companies were unwilling to invest in training because they were more interested in maximising short-term profits. The TUAC participants stressed the need for a “high road” to lifelong learning, meaning more relatively well-paid, high-skilled jobs rather than the expansion of low-skilled, low-wage jobs. Public policy can play a role in influencing which kind of jobs companies create, not just through incentives to spend on training but also through policies to promote reform of employment practices.

BIAC participants reiterated that companies in OECD countries have no choice but to invest in the knowledge-intensive economy, because their competitiveness does not lie in low wages and in any case only a very small proportion of new jobs in coming years will be for the low-skilled. The EU set itself a goal in Lisbon in 2000 of making Europe the most competitive region in the world by investing in education, technology and research, not by low wages.

The secretariat said that important questions lie behind this debate, notably the reason for such a wide dispersion of attitudes between workers and business on the importance of human resources development in a company’s strategy. Is it the case that companies cannot see the point in investing in the workforce? Are companies that do not invest in training acting against their own long-term interest? What about the evidence that in-company training increases workforce motivation and stability? Or are other factors at play? On the workers’ side, why are some workers not interested in taking up the training on offer? It is time to find answers to these questions and to see how public policy can help achieve more investment in education and more equal dispersion of training across the workforce. If not, the problems of inequity of access will still be the same when OECD labour ministers meet again in five years’ time.

INNOVATIVE APPROACHES AND TECHNOLOGIES PROMOTING LIFELONG LEARNING

Participants discussed various new methods of lifelong learning, including the use of new technologies and e-learning.

A BIAC representative presented a report on an initiative aimed to develop a continuing vocational training system for the IT sector in Germany, jointly carried out and implemented by the social partners and the federal ministry of education and research. The report provided an example of best practice of work between social partners in this area. The initiative, which has provided qualification standards for 29 profiles of different kinds of IT specialists, involved large and small companies, unions, training providers and regulatory networks and was partly funded by the government and unions.

The idea was to reorganise vocational training in the IT sector and to introduce new teaching and learning methods for the new training system. This involved establishing clear, transparent definitions for jobs in the IT field at all levels, both technical and professional, which could be applied across the sector wherever an IT employee was working.

One of the key issues was setting quality standards for competences, so job profiles were based on studying real projects and setting a template for the job profile that laid down a set of activities the trainee must be able to master in a real project to win a certificate of qualification for this job. The training also offered recognition of prior knowledge, which could make the training period shorter, and the possibility to organise one’s training oneself. Each trainee had the support of a coach, technical experts, and in many cases online resources for learning in one’s own time. Feedback from this method was good, with participants experiencing strong personal satisfaction and professional advancement. It was also noted that people can

move between the different levels, so employees would have incentives for a career path that would enable them to climb the system right up to the top.

One BIAC representative said it is important to show that new applications can lead to increased motivation. These results were very impressive. Such systems may be expensive to set up but the investment pays off.

An invited speaker presented a study carried out by Australia's Monash University for BIAC and TUAC on industrial relations and lifelong learning, based on the BIAC/TUAC framework for such surveys. The study looked at eight successful examples of lifelong learning strategies with different emphasis. This highlighted the importance of co-operation, networks, partnerships between different partners and the ability to meet different challenges, such as that of aboriginal education, as well as the need for government commitment to lifelong learning.

The study found considerable similarity of views between stakeholders over motivation, while views differed as to the role of the labour market in lifelong learning, with the employers calling for flexibility and the unions less keen on this. Some stakeholders mentioned that changing working methods, such as the rise of precarious employment, longer working hours, and poorer family life are antithetical to lifelong learning.

The study also found that when looking at lifelong learning, employers are more focused on the operation of the business and efficiency, while unions are more focussed on equity and under-represented groups. But the shift to more emphasis on the individual in training has been good as it represents a more lasting commitment on both sides of the social partnership.

The study also identified four key requirements for effective government action on lifelong learning: recognising education and training as long-term drivers of economic performance; recognising that education and training will only work if they are part of the wider policy process; creating an environment conducive to lifelong learning via incentives and standards; and exhibiting a strong commitment to equity.

The most important step for Australia now is getting the funding right; and getting the right incentives for individuals, employers, and workers to take part in lifelong learning. The question is how to find the best way to co-ordinate and integrate education and training between individuals, between sectors, etc, and how to recognise competences and informal learning outside formal qualifications.

The survey bore out what had been said in this meeting about access and equity, with older workers and professional workers with overseas qualifications particularly suffering. Participants in the survey all affirmed a substantial commitment to lifelong learning, and stressed the need for a holistic approach, involving government and stakeholders.

The main conclusions of the study included the fact that substantial progress has been made, but more work is needed in a number of areas, such as funding, incentives, cross-sectoral co-operation, recognition of prior learning and who makes the decisions about training and lifelong learning: are they industry-led or learner-driven. The study also found that much more needs to be done to bring an end to inequity of access to lifelong learning across various areas of diversity in Australia, such as gender, ethnic group and geographical area.

A TUAC representative said that the studies and surveys presented at the meeting showed that there is very real scope for employers and unions to work in partnership on lifelong learning, and said a way needed to be found to pursue the dialogue in countries where the concept of partnership has not been so strongly developed, such as the US and some newer OECD members.

There was some discussion on whether businesses would keep up the commitment to training in difficult economic times, amid indications of a decline in training in some countries in recent months. An annual survey of spending on training in Finland did suggest a decline in the number of training days reported, but it also suggested an increase in the percentage of personnel receiving training.

Some TUAC participants expressed concern about employers' emphasis on self-motivation, because if it is left up to people to ask for training, inequities will widen as the pool of people who do not ask will be bigger than those that do. Programmes are needed to help motivate people.

The BIAC side said it is normal that government, business and unions have different views of the priorities in lifelong learning, but all have an interest in training people. While employers want people to take more responsibility for lifelong learning, they do not want to leave employees to shoulder this responsibility alone.

RESOURCES AND FACILITIES

Participants generally agreed that prime responsibility for basic education and training lies with the government. Governments also have a larger responsibility with regard to training of the unemployed, while responsibility for workplace-based learning is shared by employers, labour and government. But there were differences over who is responsible for what, and who should foot the bill.

Various methods of funding were discussed, such as levies, tax incentives, training agreements and training funds on the enterprise side, as well as job training partnerships with unions. Possible funding methods for individuals included training vouchers, student loans and individual learning accounts. But one point raised by several participants was that overall spending on training needs to increase. According to one European survey cited, only between about 1% and 4% of labour costs, depending on the country, are invested in training courses. BIAC representatives argued that it is at least as important to increase the efficiency and results of training investments.

Several case studies were presented showing methods being used in different countries for provision and funding of lifelong learning.

A BIAC representative from a Dutch business association described a collective bargaining agreement for 2002-2004 covering the labour market, employability and education for 1,200 member companies. Asked if any areas of conflict had emerged, the BIAC representative said one was whether individuals could go off on their own and find a way to acquire the agreed skills for a job or whether they needed to go through the company. It was agreed that employer and employee have to work together on the training plan since the skills would be validated in the context of the company. The agreement also introduced an experimental use of training vouchers for employees. A limited amount of training vouchers were made available, funded via a levy of half a percent of wage cost. Employees applied to the employer for funding for training, and if the employer agreed he would pass the request on to the training fund which would pay it out.

The Dutch BIAC representative said they want every person to have a basic educational level, or "starter's qualification" to improve their employability. They also have a special scheme where low level employees in a company have priority access to training funds – a situation similar to that in England, where funding is focused on those who have missed out in initial education

More generally, concerning the role of collective bargaining in deciding how to organise and fund training, participants agreed that it could be useful as a means of supporting lifelong learning but was not the only solution. The key element is partnership between business and unions to achieve lifelong learning, which can be realised in a number of ways, including collective bargaining.

The role of unions as a vehicle for learning was also discussed. A TUAC representative described the UK's adoption of a national skills strategy in July 2003 and welcomed the fact that as of April 2003, union learning representatives in the UK have had statutory rights. Some 35 million euros has been invested in 350 union-led projects in skills training since 1997 and there are 6,500 union learning representatives to give advice, analyse training needs, and consult with employers. UK unions believe that a skills partnership is needed to address productivity gaps and are pleased that social partnership is a key element of the skills strategy.

A new skills alliance includes national and regional social partnerships and new skills entitlements, such as the recognition of ICT as a third basic skill for life after literacy and numeracy and the entitlement to receive further training to bring individuals up to school-leaving standard. So funding will be focused on those with low skills but there is no guarantee that everyone will be able to get the qualification basics or get time off for training.

Another TUAC representative said unions have a special responsibility for reaching out to low-skill groups and encouraging them to participate more in training and education. Part of the challenge in motivating low-skilled adults is to create facilities for learning that are not part of the "segregation" mechanism of the labour market, which may mirror a bad experience in initial schooling, the basis for selection and segregation in society. One way is to start with the needs of the individual, not those of the labour market.

The secretariat said if there was evidence, such as an increase in the number of people taking up training, that the presence of union learning representatives can stimulate interest in training experience in the workplace it would show the extreme importance of involvement at this level. UK participants said that evidence so far is predominantly anecdotal but first results are positive and a project has been established to look at union learning representatives and their effect in a more organised way.

Several participants expressed concern that the public education system – universities, technical colleges, etc -- is not involved enough in lifelong learning and said there should be more feedback from business and employees to the education system as to what they need in terms of workforce skills. Universities and other public education institutions could also take part in validating informally acquired skills.

When it comes to resources and funding, participants agreed that sharing responsibility among shareholders is crucial. TUAC participants felt that ensuring everyone has "basic skills" for life, including adults who did not acquire them in initial education, is the responsibility of all stakeholders. One view is that individuals who already have skills and are interested in more education and training could bear a larger share of the cost, provided that the acquisition of new skills leads to higher wages or salaries. Moreover, TUAC participants pointed out that due to a lack of commitment on the side of employers and because of a fear of job losses and unemployment, many workers, among them union members, already do contribute to the costs of lifelong learning. At the same time they expressed reservations regarding tax relief and levies to fund training without appropriate conditionality; they are not useful by themselves. In order to make them useful, the right kind of incentives, guidance and support schemes must be implemented in order to enable workers as well as businesses, in particular small and medium sized enterprises, to plan and organise training and to make efficient use of funds and other financial means available.

There was some discussion of savings accounts for training. A TUAC representative noted that initial studies by Danish trades unions concluded that so far no practical way has been found to make such "learning" accounts (based on financial contributions) work, primarily because the interest rate is too low to cover the running costs of the scheme and because of the need for a long period of saving before enough money is available to actually do any training.

In some countries, notably Germany, companies are experimenting with ‘learning time’ accounts, either based on collective bargaining agreements or on agreements with works councils. Learning time accounts enable workers to accumulate time credits from overtime, flexitime or working time reductions and use these later on for continuing vocational training. It is estimated that learning time accounts have been implemented by about 3% of all companies in Germany. These accounts are a variation on existing “working time” accounts allowing workers to manage their working time. One of the conclusions to be drawn from the experience so far is that existing frameworks of social partnerships can support the processes of increasing the participation of workers in lifelong learning.

On the thorny question of who should pay for lifelong learning, one problem is that the link between who pays and who benefits is not as clear as with initial education and training, where there is a clear correspondence between what society in general gleans from it and the fact that society is paying for it through the public purse, the secretariat said. If it is up to employers to pay for lifelong learning, they will only pay what it is worth to them. Partnerships do not mean equal benefits to all for everything but they do mean making sure everyone gets their fair share of the result and there does have to be symmetry between benefits and costs. So in the case of completing a basic education, there is clearly a public good involved, and government has a key role to play.

Rewards for training also provoked lively discussion. TUAC participants said that wages and salaries should reflect skill levels appropriately. Referring to “work must pay” they also said that since increased skills lead to improved productivity, employees should reap an appropriate share of the productivity increase in the form of higher wages. Employers expect investors to want an appropriate rate of return on their investment, so why are they unwilling to offer employees a return on their investment in their own human capital. BIAC participants agreed that training should bring rewards, but said that there are many kinds of rewards, such as improved employability or keeping your current job, not just pay. And linking training automatically to pay regardless of other factors such as increased productivity or improved business performance could backfire and discourage companies from paying for training. Training can help you step up in your career but the link between training and reward is much more complex than simply an automatic link between training and wages.

One BIAC representative said that the question of who pays is really a difference of degree based on the relationship between investment and benefits. The more obvious it is that the training is more related to the present job (rather than personal development), then the more reasonable it is that the employer pays rather than the individual.

The secretariat suggested that while it is true that linking pay to training creates difficulties for management, variants of ‘pay-for-knowledge’ had been used by a number of companies and the concept remained attractive. Wages seem to reflect formal qualifications at the start of working life, but can we say the same about lifelong learning and if not why not. It may be that outcomes are much harder to isolate and measure, but surely if lifelong learning is so valuable there should be some way of recognising that it is important? It is also important to ensure that training will actually be put to concrete use in the workplace.

An invited speaker from a UK university said one reason for the lack of progress on lifelong learning was that it is all practice with no theory to back it up. Official texts talk about the civilising effects and economic results of learning but governments will not give a theory of learning or lifelong learning. Lifelong learning is a radical idea if taken seriously, but that would mean embracing a new overall concept that would imply changing the entire learning system, including initial education, rather than trying to introduce it as an add-on to what we already have, which is currently the case.

He also challenged the received wisdom from economists that input to education equals output in economy, saying it was a myth and at best 10% true. There is no equation that measures education spending in and

economic growth out, and the rates of return in the education market are seriously overplayed. Education is necessary for economic growth but is not enough on its own; there are a host of other factors involved.

The secretariat said this argument missed the distinction between the rate of return to the individual from investing in learning and the spillover effect on the economy as a whole from improved education. There is clear documented evidence of a positive rate of return to individuals from investing in education, though the results are more difficult to measure in terms of overall economic growth.

Several participants said the meeting should not lose sight of the fact that the main point of workplace training is to improve the quality of the performance of firms. They went on to say that this is obviously the central issue but tends to get lost in all the talk of qualifications, rights to training and assessment. TUAC participants did not agree with this rather narrow definition regarding the role of workplace training. They also emphasized the social responsibility of firms, which comprises also job-related training as part of continuing vocational training and thus of lifelong learning.

However, participants agreed that since we do not always know what works and what will not in incentives and funding for training, it is good that a variety of ways are being tried and experimenting should be encouraged. But they also agreed that it is equally important to evaluate what works and what does not. They noted that much more is known about what works or does not work in labour market programmes than in training and we need to know more.

At the end of the meeting, participants agreed to prepare a brief summary of main points from the discussion to be put before the labour ministerial meeting.

CONCLUSION:

MAIN POINTS FROM JOINT MEETING OF MANAGEMENT AND TRADE UNION EXPERTS ON "A LEARNING WORKFORCE FOR THE KNOWLEDGE ECONOMY: RETHINKING METHODS, ROLES, RESPONSIBILITIES" UNDER THE LABOUR/MANAGEMENT PROGRAMME (24 SEPTEMBER 2003)

1. Lifelong learning is essential in a fast-changing knowledge economy with an ageing population. Business, unions and government all share responsibility for providing lifelong learning and encouraging its use. Individuals also have a responsibility to be lifelong learners. Governments take a larger responsibility in lifelong learning for the unemployed (as well as for the initial education on which adult learning is built); business and trade unions for those employed.

2. The time has come to move from rhetoric to action. A survey on lifelong learning conducted by BIAC and TUAC as well as cases presented at the LMP seminar revealed that partnerships and social dialogue between employers and trade unions, as well as employee participation, are resulting in more focused training responding to the needs of employees and the firm, a sector or region. Two additional points highlighted by the survey and case studies are the revival of interest for learning at the workplace and the trend to link in a better way company strategies with human resources development.

3. Business and unions place different emphasis on why lifelong learning is important. For business, the key factor is remaining competitive and ultimately staying in business. For unions, the emphasis is more on maintaining and developing jobs and equity of access. This does not alter the fact that both attach great importance to lifelong learning. Thus they agreed to encourage employers to extend training opportunities as well as encouraging and enabling the workforce to take them up.

4. Taking the “high road” to training and learning is important for all. As the demand for higher level of qualifications is increasing, it is in the interest of employers, employees and governments to increase the employability of the workforce in this higher-skill environment. This implies tackling the current inequity in the participation in training. Currently the low-skilled are far less likely to participate in training than the higher-skilled, and groups such as part-timers, older workers and women are also under-represented.

5. To increase the motivation for training, new methods of teaching and learning can be useful – e-learning, mentoring for example. New management systems based around competencies place more focus on the individual and also call for new methods of recognising acquired skills. Innovative approaches are required in addressing skills, such as the ability to work in a team, which is not measured by qualifications. In other cases, employees may possess two-thirds of the skills required for a particular qualification level, and thus an approach is needed to enable an employee to acquire only the remaining third. Case studies in OECD countries show success in such innovative learning processes, with improved participation, relevance and efficiency of training.

6. Incentives for training are important, both for employers and employees. Public policy also has a role to play in creating incentives. However, there is no one size fits all solution, and various methods are being tried: tax breaks, training vouchers, training accounts etc. Moreover, investment in time is as valuable as financial investment. To increase the motivation for training, the acquisition of new skills should be rewarded. Trades unions favour direct links such as an increase in remuneration, while employers see a wider notion of rewards such as promotion or safeguarding jobs. The question of who pays for training remains difficult to answer. For the trades unions, the best way to resolve it is to determine how to share the costs both in terms of financial investment and time invested by negotiation between social partners. Employers feel that how the investments are shared by employer and employee should depend on the return: for job-related learning, the primary responsibility is with the employer; in case of more general qualifications, the individual will take primary responsibility.

7. There is a need for more information on what works and what does not. Relatively little work has been done on measuring the qualitative and quantitative results of different training methods and incentives. The meeting felt it would be useful for business and unions in other countries to commission together a survey of lifelong learning at national level, as has already been done in Australia by the Monash University for The Australian Chamber of Commerce and Industry and the Australian Council of Trade Unions. New methods are also needed to measure time and investment put into training since innovative training methods such as learning at the workplace, informal learning and e-learning do not fit into traditional “training days spent” measurement.

FRAMEWORK FOR SURVEY ON LIFE LONG LEARNING

1. Principles:

- ✦ governments, employers, and employees share responsibility for LLL - trade unions and employers' organisations have an important role to play
- ✦ there must be wide/equitable access for all
- ✦ the development of competencies¹ as a key concept for teaching and learning
- ✦ motivation is a key factor in learning
- ✦ no one model fits all situations, but sector / industry specific frameworks can be feasible
- ✦ systems of qualification and recognition should be established through partnership

2. Motivations:

Shared responsibility is based on motivations for LLL of each of the three actors. Although their perspectives may be different, their motivations can reinforce each other.

Governments:

Human capital, access and equity, social cohesion, innovation and growth, flexible labour force, combating unemployment.

Employers:

Competitiveness, innovation and growth, employability of employees, flexibility of the organisation, competence management.

Employers' organisations:

Human capital as a strategic asset for innovation and growth in the economy; LLL as an instrument for full development of all talents and better functioning of the labour market.

Employees:

Employability, personal development, career, employment security, safety-net in the event of change, ability to use acquired skills, income.

Trade unions:

Human capital as a strategic asset and a factor contributing to social inclusion, making the right to education and training a reality, improving adult education, gender equity, adaptability and innovation at firm level.

3. Methods and approaches:

- ✦ New methods for learning and teaching, use of new technologies (ICT), learning at the workplace, distance learning.
- ✦ Guidance and advice

¹ Competencies are understood in a broad sense, i.e. encompassing knowledge, skills, and attitudes.

- ✦ Methods for assessment, recognition, including assessment of prior learning and work experience, qualification frameworks.
- ✦ Accreditation of providers, accountability and quality control.
- ✦ Improved infrastructure, including public as well as private providers based on a well-functioning market.
- ✦ Partnership and recognition of diversity of approaches, flexibility of delivery, interaction between workplaces and LLL providers .
- ✦ Responsibility of education and training providers for the development and application of new methods and approaches.

4. Resources and facilities:

- ✦ Shared responsibility of governments, employers, and employees as well as employers' organisations and trade unions for LLL and the effective use of resources.
- ✦ Governments have the main responsibility for providing good initial education, which is essential for successful lifelong learning.
- ✦ Mixed schemes and incentives for financing of life long learning are required (tax schemes, learning accounts, investment in time by employer/employee, training credits, etc).

5. Obstacles:

Are there major obstacles for investment in re-skilling? (eg: no use in the workplace of newly acquired skills, the risk of free riders/ poaching, no understanding of personal interest to invest in learning, gender-specific obstacles)
How can these obstacles be reduced?

EXAMPLES TO BE PROVIDED

Based on the above-mentioned framework, members are requested to provide best practice examples from their organisations/affiliates/countries illustrating specific items of the abovementioned framework. Examples illustrating successful co-operation between actors as well as with public authorities are particularly welcome.

Replies should be sent to

- Hanni Rosenbaum, BIAC (rosenbaum@biac.org)

By 31 December 2001

ANNEX 2

LIST OF PARTICIPANTS**INVITED SPEAKERS**

Professor Chris SELBY SMITH Department of Management
 Monash University
 Australia

Professor Frank J. COFFIELD Professor of Education
 United Kingdom

BUSINESS EXPERTS

| | | |
|----------------------------|---|-------------|
| Mr. Chiel RENIQUE | Co-Chair of the meeting Vice-président de la réunion Chairman of the BIAC Education Committee Senior Adviser Confederation of Netherlands Industry and Employers VNO-NCW | NETHERLANDS |
| Mr. Holger HELLER | Project Manager Federation of Austrian Industry | AUSTRIA |
| Mr. Patrick BRUNIER | Chef du Service "Formation Initiale" Mouvement des Entreprises de France (MEDEF) | FRANCE |
| Ms. Marie-Béatrice RUGGERI | Chef du Service Formation Regionalisation MEDEF | FRANCE |
| Mrs. Mette RINGSTED | Director Education & Training Confederation of Danish Employers | DENMARK |
| Ms. Marita AHO | Advisor Confederation of Finnish Industry and Employers | FINLAND |
| Ms. Antje GERSTEIN | European and International Affairs Confederation of German Employers' Associations (BDA) | GERMANY |
| Dr. Rolf WALTER | Processware GMBH | GERMANY |
| Mr. Attilio OLIVA | Vice Chairman of the BIAC Education Committee Responsible for the Relations with Educational European Organizations, Confindustria and Executive President of the Associazione LLL | ITALY |

| | | |
|----------------------|------------------------------------|-------------|
| Mr. Willie BERENTSEN | Engineer FME-CWM (Metalelektro) | NETHERLANDS |
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TRADE UNION EXPERTS

| | | |
|------------------------|---|-------------------|
| Mr. Bob HARRIS | Co-Chair of the meeting Chairman, Président TUAC Working Group on Education, Training and Employment Policy | |
| Ms. Marie-Hélène SKA | Attachée au Service d'Etudes Confédération des Syndicats Chrétiens de Belgique CSC | BELGIUM |
| Mr. Anders VIND | Confederation of Danish Trade Unions - LO-DK | DENMARK |
| M. Yves BAUNAY | Secrétaire National SNES-FSU | FRANCE |
| Mr. Jean-Louis BESNARD | Union Nationale des Syndicats Autonomes – UNSA | FRANCE |
| Mr. Arnaud PARIENTI | SNES-FSU | FRANCE |
| Ms. Wenche PAULSRUD | Head of Unit Confederation of Vocational Unions – YS | NORWAY |
| Ms. Caroline SMITH | Policy Officer Trades Union Congress – TUC Congress House | UNITED KINGDOM |
| Mr. Pat LEREW | Senior Vice President National Association of Schoolmasters NASUWT | UNITED KINGDOM |
| Mr. Klaus SCHÖMANN | European Trade Union Institute – ETUI | E.U. |

ILO (International Labour Organisation)

| | |
|--------------------|---|
| Mr. Trevor RIORDAN | Manager, Training Policies and Programmes Skills Development Department (IFP/Skills) |
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BUSINESS AND INDUSTRY ADVISORY COMMITTEE TO THE OECD (BIAC)

| | |
|--------------------|----------------|
| Ms. Nicole PRIMMER | Policy Manager |
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TRADE UNION ADVISORY COMMITTEE TO THE OECD (TUAC)

Mr. John EVANS General Secretary

Mr. Roland SCHNEIDER Senior Policy Advisor

RAPPORTEURMs. Sue KENDALL-BILICKI Senior Editor
OECD Observer
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Permanent Delegation to the OECDMr Björn JONZON Director SWEDEN
Ministry of Industry, Employment and
CommunicationsM. Philippe BRANDT Counsellor SWITZERLAND
Permanent Delegation to the OECD**OECD SECRETARIAT****General Secretariat**

Mr. Herwig SCHLÖGL Deputy Secretary-General

Ms. Berglind ÁSGEIRSDÓTTIR Deputy Secretary-General

Directorate for Education

Mr. Gregory WURZBURG Principal Administrator

Directorate for Employment, Labour and Social Affairs

Mr. John MARTIN Director

Mr. Peter TERGEIST Administrator

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Mr. John WEST

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BIAC/TUAC Relations