2nd Thematic Report

SKILLS AND LIFELONG LEARNING: WHAT DOES ESTONIA HAVE TO LEARN IN TERMS OF IMPROVING SKILLS AND WHO CAN WE LEARN IT FROM?

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The understanding of learning as an obligation and a privilege of youth does not tally with the needs of today's rapidly changing world. Both Estonia and the European Union as a whole have actively started promoting adult learning and set increased involvement in lifelong learning as a key priority. Behind this is the understanding that taking part in adult learning is beneficial in both social and economic terms for those taking part and for society more broadly, since it boosts productivity and employment on the labour market. Within European education terminology the categorisation of learning as formal, non-formal or informal is widespread. The PIAAC dataset enables us to analyse involvement in formal and non-formal learning. Formal learning mostly takes place in schools. It aims to achieve set goals and is led by qualified teachers, and both the learning process and its results are assessed. Non-formal learning also aims to achieve set goals but is voluntary in nature. It is led by a specific performer and is characterised by flexibility and a learner-centred approach[1].

This report compares involvement in lifelong learning in Estonia with the results of five other countries (Finland, Germany, the United Kingdom, the Czech Republic and Russia) and with the average of the 21 OECD countries[2] involved in PIAAC (hereafter referred to as the OECD average). Selection of the countries for comparison was based on the assumption that lifelong learning takes place within, and forms part of, the broader economic, social and cultural system. Opportunities and motivation to participate in lifelong learning arise in accordance with the state of the education system, employment, the welfare society and more. As such, countries with different institutional frameworks were selected for comparison, since previous results have shown that no single existing system is necessarily effective because of its individual parts, but because of the way they work together.

The report seeks answers to the following questions:

- Is the rate of participation in formal and non-formal learning in Estonia high or low compared to the other countries and the OECD average?
- Which socio-demographic groups take a more active role in learning and which take a less active role?
- How is participation in learning affected by work and workplace characteristics?
- How is participation in learning affected by skills level?
- To what extent do characteristics typical of people and workplaces enable the likelihood of participation in learning to be predicted?
- What are people's main reasons for taking part in lifelong learning?
- What financial support do employers provide to participants in learning?
- To what extent do participants in learning consider it useful to their work?
- Which groups feel a greater need to participate in training in order to more effectively cope with their work?
- What proportion of the population would like to take part in lifelong learning but have been unable to for some reason?

1 In this report, lifelong learning refers to non-formal studies and formal adult (aged 24+) education. The PIAAC survey sample comprised respondents aged 16-65. This is different from the Eurostat Adult Education Survey, which involved adults aged 25-64.

2 In calculating the average of the OECD countries involved, data pertaining to Austria, Belgium, Canada, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Japan, Korea, the Netherlands, Norway, Poland, Slovakia, Spain, Sweden, the United Kingdom and the United States were taken into consideration.

Comparing the six countries, the results indicated the following:

Of the countries under study, those whose adult populations are most actively involved in formal learning are Finland and the United Kingdom (15% in the year preceding the survey). A variety of special programmes designed to increase the participation of adults in formal learning have evidently contributed to this, such as 'Skills for Life' in the United Kingdom and 'Noste' in Finland. **One-tenth of adults in Estonia are involved in formal learning**. It is reassuring to see that PIAAC data from 2011 and 2012 and data from the 2007 Adult Education Survey allow us to claim that in the period between the two studies **the proportion of adults taking part in formal learning in Estonia increased significantly**.

The country whose adult population is most actively involved in non-formal learning is Finland, where almost two-thirds of people had undertaken studies in the year preceding the survey. **Around half of all adults in Estonia have participated in non-formal learning**. Since **the proportion of working people in Estonia who feel that they need training in order to cope with their existing duties is significantly higher than the average of the OECD countries involved in PIAAC**, there is a disconnect between training needs and actual participation in training. In all of the countries analysed, including Estonia, those who take part in training are most commonly those who have taken part in training previously (in a perfect example of the Matthew effect). The primary objective of supporting lifelong learning should be to significantly reduce the number of people who have never taken part in training.

In order to reach these groups we must first know who and where they are. In Estonia, **participation in learning is substantially influenced by age, home language (with those who speak Russian at home taking part to a considerably smaller extent) and level of education (the higher this is, the greater the involvement)**. In the case of older age groups, participation in formal learning in Estonia remains markedly lower than the relevant indicators in Finland and the United Kingdom. Involvement in non-formal learning also varies by region: it is highest in northern Estonia and lowest in north-eastern Estonia. The reason for the differences between regions is first and foremost employment structure: whereas highly skilled positions predominate in northern Estonia, the north-east is marked out by semi-skilled blue-collar and elementary occupations. The 'Work-related training and development for adults' programme financed by the European Social Fund was implemented in Estonia. It aimed to open up opportunities for the adult population to participate in lifelong learning and to boost people's ability to compete professionally via high-quality training offered by institutions of vocational education and institutions of professional higher education providing vocational training in all Estonian regions, but the impact of the programme has yet to be analysed. It would perhaps be useful to learn from the experiences of the 'Noste' programme in Finland. A key result of the programme that is highlighted in the final report is close trilateral cooperation between employers, employees and training providers. Adults would be encouraged to take up secondary and vocational studies with grants and loans. For example, anyone over the age of 20 in Sweden who is studying at the basic or secondary levels of education at least part-time is eligible to apply for a student loan and for grants.

In the case of women, participation in lifelong learning is significantly influenced by the age of their children: the proportion of mothers of young children taking part is

substantially lower than that of women without children or women whose children are older. **Family duties are the biggest barrier to involvement in learning among women in the 25-34 age bracket with one or more children under the age of 2**. The problem here lies between the very liberal labour market and the long period of parental benefits characteristic of our conservative system. We can surmise that young mothers recognise all too acutely the need not to be left behind in terms of labour market developments, but that limited childcare options before children turn 2 make it difficult to flexibly combine family life with professional development.

Although the proportion of the unemployed who are taking part in training has increased markedly in Estonia in recent years, this figure still remains significantly below the same indicator for those in employment (with the difference being substantially greater than in Finland or the United Kingdom and somewhat higher than the OECD average). One of the biggest obstacles to participation in training for the unemployed in Estonia is the cost. As such, an even broader range of free training should be offered to this particular target group and the mechanisms designed to cover the costs involved in taking part in training should be made more effective. **The fact that the unemployed are unaware of training opportunities can also be considered a problem**. More than one-tenth of unemployed people who feel a need for training highlight a lack of information as an obstacle. At the same time, there is no way we can measure a lack of information that is *not* perceived: jobseekers will not necessarily be aware of training opportunities or know to highlight this as a reason.

In Estonia, as in the OECD countries on average, **it is those whose skills level is higher that tend to take part in formal learning**. However, it is difficult to make a justified connection on the basis of the PIAAC data (since the data in question are not longitudinal) as to whether the skills level favours the continuation of learning or whether it is higher due to participation in formal learning. Since the majority of adults who take part in formal learning in Estonia do so at the level of higher education, the reason for major disparities dependent on skills could in fact be that continuing with studies in higher education guarantees an adult learner improved skills. In Estonia, the skills level most notably affects the participation of adults with secondary education in both formal and non-formal learning. We therefore see a cumulative effect in the event of involvement in adult learning that in fact fosters inequality rather than mitigating it.

The survey revealed that **work and workplace characteristics significantly influence participation in learning**. Involvement in both formal and non-formal learning in Estonia depends on how skilled a position is, with the differences here being somewhat higher than on average in the OECD countries. **Participation is highest among those in highly skilled occupations (managers and specialists) and lowest among semi-skilled blue-collar workers. The sector, the branch of the economy and the size of the company also influence participation in learning.**

The most important result of the analysis is the conclusion that work content and workplace characteristics have substantially more impact on involvement in lifelong learning in Estonia than personal characteristics (including education and skills levels). Therefore, the aspect of demand is more important in participation in learning; new skills and/or a higher level of education gained from training or studies are not considered

values in themselves if there is no opportunity to implement them. As initial analysis of the PIAAC data (Halapuu and Valk 2013) showed, Estonia remains below the international average in terms of skills implemented in work. People in Estonia have more skills than there is application for them on the labour market. As a result, a rise in the level of a person's skills will not necessarily lead to their more active involvement in adult learning (as presumed, for example, by the human capital theory and upon which a number of policy documents and related programmes are based). **If there is no real demand for skills on the labour market participation in adult learning is correspondingly low**.

The large proportion of employees without professional education is considered a significant problem on the Estonian labour market. Unfortunately, one-fifth of young people also lack vocational or professional education. During the year preceding the survey less than half of them participated in non-formal learning, which is significantly lower than the indicator for young people with higher education. Moreover, **just one-tenth of young people without professional education feel they need a higher level of education than the one they currently have. The reason for this is that the majority of them are employed in elementary- or semi-skilled occupations**. There is no pressure on them to continue their studies and improve their level of education. Somewhat surprisingly, comparison with young people who have vocational education shows that these two groups are relatively similar in terms of participation in training, social background, jobs, skills level and use of skills in work – which is to say that vocational education (compared to a lack thereof) does not improve young people's prospects significantly. Although the state has set vocational education as a priority, the foregoing comparison reveals that formal promotion alone is not enough: vocational education must ensure in fact the teaching of skills that are needed on the labour market and thereby a rise in the skills level of young people. Here it depends on employment structure whether these skills are needed on the labour market.

In terms of reasons for taking part in learning, Estonia is quite close to the average of the OECD countries. **In all of the countries under comparison the most common reason for participating in learning is people's desire to be better at their jobs**. In the OECD countries on average and in Estonia around half of all people undertake training for this reason. **The second most common reason given is a desire to increase knowledge and skills in a particular field of interest. The most obvious difference with other countries is the fact that there are very few people in Estonia who listed 'obligation' as a reason for participation**. Nevertheless, it is also observable that instrumental reasons (obligation or certification) are relatively important to those few semi-skilled blue-collar workers who have taken part in in-service training. Whereas less than one-tenth of employees in highly skilled occupations gave this as their main reason for taking part in learning, for as many as a quarter of people employed in semi-skilled blue-collar work and one-fifth of those employed in elementary occupations it is the most important reason. Similar differences emerge when comparing groups in terms of education: external pressure is a much weightier reason for those with basic education to take part in learning than it is for those with higher education.

The financial support provided by employers for employees to take part in formal learning in Estonia is considerably lower than the OECD average. Such support has been provided by employers for participation in formal learning in Estonia to just one-fifth of those who have taken part (compared to 32% on average in the OECD countries). By far

the highest level of support for formal learning is provided in the United Kingdom, where as many as 61% of participants have received it. The reason for such marked differences between countries is clearly whether adults are required to pay tuition fees or not, i.e. the organisation of education. **In the case of non-formal education, three-quarters of participants in Estonia receive financial support from their employers. At the same time, the support of employers is smallest in regard to those groups who need it the most** (for example, adults with a low level of education, workers in elementary occupations and those employed in small companies).

It is a cause for concern that the assessment given of the usefulness of formal and non-formal learning in Estonia (in the work or business with which the respondent was connected) is the most negative compared to the OECD average and the other countries studied. **Just 36% of those involved in formal learning and 29% of those involved in non-formal learning consider training to be very useful in work or business**. This problem could be considered minor if the assessment had only been given by those involved in training which was not connected to their jobs (language, art and other courses which are not necessarily expected to be useful to the job or business), but the assessment of usefulness among participants in work-related non-formal learning was also significantly lower than in the other countries under comparison. **Formal learning is considered least useful in Estonia by people with basic education. Since the majority of them studied at the basic or general educational levels, they tended to acquire general skills rather than the vocational skills needed for work.** Within the framework of learning, the provision of general skills and skills directly connected to work should therefore be better connected. Clearly, the fact that studies are too general and that people see them as being disconnected from their work duties is also one reason why the usefulness of learning is assessed as being so low.

Despite the fact that the usefulness of specific training to work receives a lower than average assessment, adults in Estonia consider training to be far more necessary than the OECD average. As such, people's interest in self-development can be considered noteworthy. Here the need for training depends primarily on the extent to which skills are needed in work. **What sets Estonia apart from most of the other countries under comparison is the fact that the need for training is felt by a quarter of people working in elementary positions (compared to around 10% in the majority of countries studied), whereby fewer than half of them had actually participated in non-formal learning in the year preceding the survey**. As such, it is this very group of people – those working in elementary occupations – that are the most hard done by. **Compared to the other countries analysed, a greater need and desire to participate is felt in Estonia among older blue-collar workers with basic education who are employed in semi-skilled occupations and among workers in elementary occupations**. More learning opportunities should be offered to these particular groups.

Based on the analysis of the PIAAC data a number of policy recommendations can be made. The three most important recommendations are the following:

- Firstly, measures and programmes designed to boost participation in learning should be targeted at specific groups. The analysis indicated that these groups are those with basic education, blue-collar workers, employees of small companies, the unemployed, those without professional education, mothers of young children and older people.
- Secondly, under liberal market conditions Estonia should increase cooperation between parties (employers, the state and unions) in offering training and raising the skills level of the population. One way of doing this would be to reorganise unemployment insurance as employment insurance, part of which would then be used as a fund for the training of important and/or weaker target groups (including employees of small companies) in cooperation with unions, employers and employees.
- Thirdly, in planning special programmes the focus should not merely be on raising the skills level, but also taking demand for skills into account. As such, a programme to boost the skills and knowledge of people with a low skills level should be connected to programmes aimed at job innovation (working culture, organisation of work etc.). One way of addressing labour market needs more precisely would be to implement labour market monitoring and forecasts and a coordination system for skills development[3]. Training aimed at work process innovation should also be included in programmes.

3 The coordination system of the surveillance and forecasting of the labour market and the development of skills (the OSKA system) was created in 2014. In the near future, the OSKA system should create a regular cooperation platform in order to plan the structure, volume and content of educational services between employers and parties offering educational services. It also combines and analyses information on trends on the labour market and in the economy, as well as forecasts of labour needs, ensures relevant regular outreach activities and supports the education system in planning training places in order to take into account professional and occupational needs in a better way.