

## **New Perspectives for Learning - Briefing Paper 13**

### **Low Skills: A Problem For Europe**

#### **Context of the Research**

The relentless fall in the demand for low-skilled labour is a matter of serious concern for European society. Since the beginning of the 1990's the gap between the earnings of high skilled and low skilled workers has widened and in many countries the unemployment rate for people without qualifications is four times higher than for university graduates.

This research focused on France, the Netherlands, Sweden, Portugal and the UK, and used additional information from other EU countries like Germany. It looked at the reasons for the changing situation of the low-skilled on the labour market. It also investigated the extent to which employers' demand for the low-skilled was falling and why, and explored the factors affecting the supply of skills, particularly low-skilled adults in the workforce. The research focused on the low-skilled individuals who have left full-time education after the completion of their period of compulsory education.

#### **Key Conclusions**

The following conclusions were reached: -

1. Despite a sharp decline in the supply of low-skilled individuals on the labour market, their labour market situation has deteriorated over the last decade, as the supply of low-skilled individuals continues to exceed demand at current labour costs.
2. Demand for those with low skills has declined as a result of technical change, which requires more advanced skill levels. Demand for those with low-skills will continue, but only in certain sectors of the economy. Demand will vary from country to country but largely as a function of relative labour costs.
3. The employment sectors in which the low-skilled groups are concentrated are either contracting or not expanding low-skilled employment relative to other skill groups.
4. In most European countries it will take at least a decade to reduce the low-skills group at current rates of progress.

5. Young people should be encouraged to aspire to achieving at least an ISCED 3 (upper secondary) level qualification as a minimum educational requirement for coping with the future demands of the workplace.
6. Employers claim that unskilled jobs now require better communication and social skills, and that many low-skilled individuals lack these skills.
7. A certificate to demonstrate personal qualities, skills and abilities could benefit those who have not achieved traditionally recognised qualifications.
8. Employers do get a high return on investment in work-based training, but incentives for the low-skilled group to participate in workplace training are insufficient. The study found that:
  - a) Poorly qualified individuals receive less training than the more highly qualified.
  - b) Older individuals receive less training than the young.
  - c) Low-skilled individuals are more reluctant to participate in employer-provided training than higher skilled individuals.
  - d) Innovative incentives and support are needed to encourage those already in the labour market to develop their skills to a minimum level, i.e. Individual Learning Accounts as in the UK.
9. Wage subsidies for older low-skilled workers who are soon to reach retirement age may be necessary to counteract labour market exclusion.
10. Current policy failures in education and training, were identified:
  - a) Schools in all European countries continue to produce some young people inadequately equipped or unprepared to take advantage of further education and training. In some European countries at least a third of young people are inadequately prepared.
  - b) Worryingly, a proportion of those have developed an aversion to further education and training because of their experiences at school.
  - c) Because of this, schools need to shift concentration from selection for higher education and focus on the achievement of a minimum level for all. This means maintaining high levels of self-esteem during compulsory education.
  - d) The adult education system fails because it replicates the school system. This has meant that relatively few mature adults have improved their qualifications.
  - e) Low demand for further training by the low-skills group needs to be addressed.

## Key Recommendations

The study recommends that a 'minimum learning platform' should be established, which would set an agreed level of knowledge, skills, and personal qualities that all individuals would be entitled to and expected to acquire.

Recommendations for establishing this platform include: -

1. Each European country should produce its own policies for a 'minimum learning platform', which would address the specific country's problems and challenges with their low-skilled group and their labour market.
2. However, a minimum platform should be informed by a set of values that individuals in all countries can share by virtue of their European citizenship i.e. respect for human rights, the rule of law and democratic decision making.
3. A new balance needs to be established in education between formalised knowledge and personal and social skills.
4. An emphasis on outcomes of the education process could ensure that more individuals attain the minimum threshold, although this could present problems with assessment by conventional means.
5. The workplace should play more of a role in delivering some of the elements of the minimum platform. This would require a new Social Partnership to develop and use the resources of the workplace for learning and individual development.
6. Funding for the distribution of educational resources will need rethinking, as costs for the minority of those who have difficulty with basic skills will be high.
7. It is advised that the current pattern of European entitlement to nine years of basic (compulsory) education should include an entitlement to achieve the "minimum learning platform", although some might require additional years of education to achieve this level.
8. A learning entitlement (e.g. Individual Learning Accounts as in UK) for all citizens will be necessary to ensure access to education at any age and in any situation (i.e. shopping centres).
9. The minimum learning platform has to be open to all, not selectively based on performance. Entitlements and rights should be balanced by duties of citizens to take full advantage of entitlements provided.
10. The platform should not be fixed as requirements will change over time and skills that are not essential to today's labour market may be indispensable in the future.

### **Further Information**

Full title of project - 'New Job Skill Needs and the Low-Skilled' (1996-99)

Final report McIntosh S and Steedman H "Low Skills: A Problem for Europe" published by DG Research of the European Commission, Brussels 2000 (Copies available from CEP at address given below £5 including delivery)

[Full report](#), [Abstract](#), [Summary Partner details](#)

### **Contact Person**

Dr. Hilary Steedman  
London School of Economics and Political Science  
Centre for Economic Performance  
London  
WC2A 2AE  
United Kingdom

Tel: +44 207 955 7789

Fax: +44 207 955 6971

Email: [h.steedman@lse.ac.uk](mailto:h.steedman@lse.ac.uk)

or contact pjb Associates [pjb@pjb.co.uk](mailto:pjb@pjb.co.uk) Tel +44 1353 667973 for more information about other Briefing Papers on "New Perspectives for Learning"