

**Lifelong Learning in Germany –
Financing and Innovation:**
*Skill Development, Education Networks,
Support Structures*

Report
of the Federal Ministry of Education and Research (BMBF)
for the Organisation for Economic Cooperation and Development (OECD)
on “Good Practice in the Financing of Lifelong Learning”
within the framework of the project “Co-financing Lifelong Learning”

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1 INTRODUCTION

This Report of the Federal Ministry of Education and Research (BMBF) is part of a *report of the Organisation for Economic Cooperation and Development (OECD)* on “examples of good practice” in the financing of lifelong learning. Thus far, the OECD report has appeared to concentrate primarily on exemplary models for individualised financing of lifelong learning, i.e. financing that is accessible or available to individuals. This focus follows from the realisation that the success of lifelong learning hinges on the willingness of the individual to actively pursue and shape the learning process and to assume responsibility for his or her own education biography. Financial resources must hence be structured in such a way – including co-financing by the individual – as to encourage and support personal responsibility and creativity.

This invariably necessitates accentuation of new priorities in the financing of education and training. In Germany, too, the elaboration of these new accents has long since come to figure prominently in educational policy debate and in the coordinated policies formulated and implemented by the Federal Government and the constituent states¹. In response to this development, the Federal Government has instituted an Expert Commission on Financing Lifelong Learning that has been charged with proposing a feasible and coherent concept for financing education and training for individuals, a concept that takes due account of the educational traditions and structures that have evolved in Germany over the years (see chapter 5.3 of this Report).

Addressing the issue of individualised financing alone, however, does not do justice to the need for a comprehensive approach to encouragement of and support for lifelong learning. Any concept for financing education and training or – to put it more broadly – any reform of the German education system is at the same time governed by the premise that educationally unmotivated or hard-to-reach population groups must be drawn into and kept engaged in the lifelong learning process, and their commitment to education and training must be strengthened. This basic orientation following from the concept of the state as a social state was reflected in the consultations and resolutions of the *Alliance for Jobs, Training and Competitiveness* and reaffirmed in programmatic form above all in the deliberations of the *Education Forum*, a joint project of the Federation and the Länder for the reorientation of education (see chapter 2.2 of this Report). Germany’s position is fully in line with the trailblazing conclusions of the Lisbon European Council in the year 2000 for the construction of a knowledge-based European economic and social area in which social cohesion will be a key prerequisite for exploiting Europe’s productive potential.² Comprehensive support for lifelong learning

¹ The constituent states are hereinafter referred to by their German designation Länder (singular: Land).

² See *inter alia* Kruse, Wilfried: *Lisbon take off? Zum Bedeutungsgewinn von Arbeitspolitik im Europäischen Wettbewerbsmodell*, in: ARBEIT. Zeitschrift für Arbeitsforschung, Arbeitsgestaltung und Arbeitspolitik, Heft 2/2002.

is of central importance in this context, a point that was underscored in the EU Commission's Communication of November 2001 entitled "*Making a European Area of Lifelong Learning a Reality*" and, most recently, in the Resolution of the Council of the European Union on lifelong learning of 27 June 2002 (2002/C163/01). In this resolution the Council expressly invited the Member States

... to develop and implement comprehensive and coherent strategies reflecting the principles and building blocks identified in the Commission's Communication and involving all relevant players, in particular the social partners, civil society, local and regional authorities ...

Further important practical orientation assistance can be found in the EU work programme for 2002–2010 adopted in February 2002 entitled "*Detailed work programme on the future objectives of education and training systems*".

Against this background, alongside the need for assumption of greater responsibility for lifelong learning by the individual – and for corresponding financial arrangements – attention must also always be accorded to the risk of social exclusion entailed in forced individualisation, and both education infrastructure and social welfare measures must be taken to avert it. In Germany's opinion, the spectrum of "good practice in the financing of lifelong learning" therefore may not and cannot *be limited* to models for individualised financing of education and training. "Good practice" in the financing of lifelong learning likewise includes – by no means less important – models for the development and financing of an adequately networked *system of provision of lifelong learning opportunities* as well as corresponding facilities for counselling, support and *coaching*. After all, successful lifelong learning depends not only on the availability of financial resources that can be tailored to individuals' needs but also – and perhaps to an even greater degree – on the *ability or competence of individuals* to take lifelong learning into their own hands as their own *personal project* ("self-management competence"³). Hence civil society competence must be enhanced as well. Conditions conducive to this must first be created in all education institutions⁴, starting with preschool education – a process that likewise requires financing (as the *Education Forum* also pointed out in no uncertain terms). The Federation, the Länder, the municipalities and individual companies are already funding examples of "good practice" in this area that – applying a properly comprehensive definition of the term – fall within the scope of the subject matter of this Report. The social partners play a particularly important role in this context. Special reference should also be made to the wide variety of activities developed by Germany's *16 Länder* within the scope of their

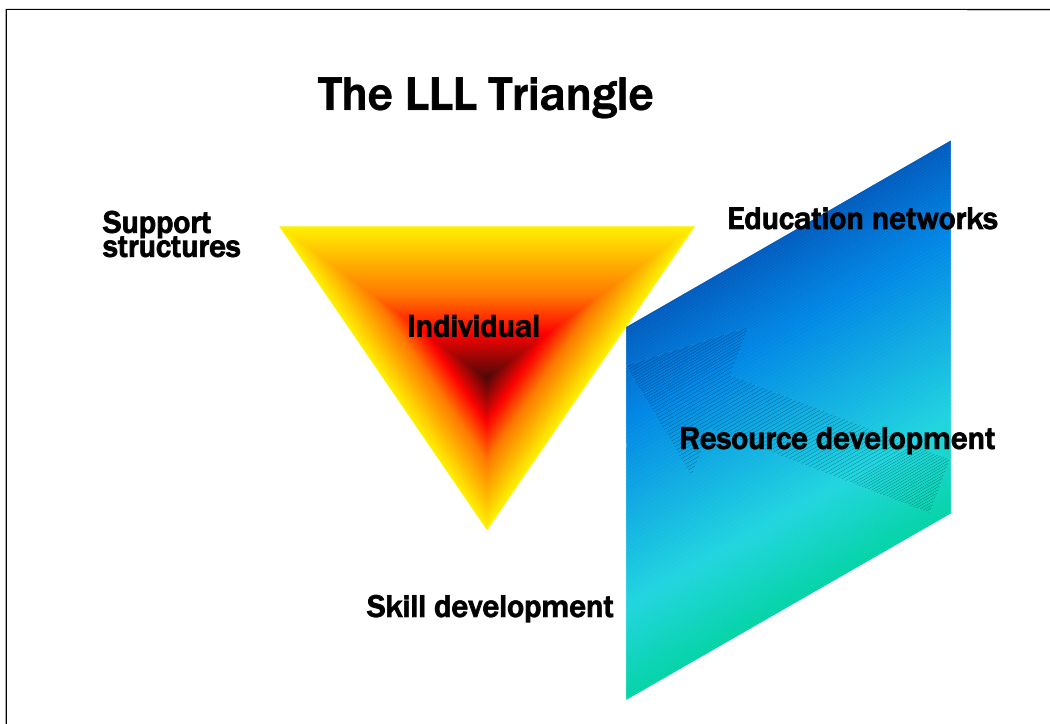
³ See in this context Kruse, Wilfried: *Selbstmanagement und Beruflichkeit. Wie wird beim Übergang ins Arbeitsleben gelernt?* in: Kuda, Eva, and Jürgen Strauß (Hrsg.): Arbeitnehmer als Unternehmer? Herausforderungen für Gewerkschaften und berufliche Bildung, Hamburg 2002.

⁴ What can be taken as given in the German education system and what is currently in the development phase is spelled out in Country Report: Germany, compiled by Jochen Reuling and Georg Hanf of the Federal Institute for Vocational Training for the OECD project "The role of qualifications systems in promoting lifelong learning" (manuscript version, Bonn 2002).

competence for education. They are only mentioned from time to time in this Report but deserve to be described separately in greater detail. The Bund-Länder Commission for Educational Planning and Research Promotion has set up an ad hoc working group to develop a coherent joint strategy. On the basis of expert hearings and surveys conducted with regard to ongoing activities in all areas, a joint strategy for the future of lifelong learning is to be developed by 2004. A first interim report has been submitted by the working group. Current work focusses on a biographical approach.

In all these sub-areas, which together lead to a workable approach to the promotion of lifelong learning, Germany has a wealth of very different examples of good practice – models that have already been successfully tested, pilot projects for further testing and concept development work, but also important agreements between the social partners at and above the company level.⁵ Together they form a diagramme for a – still emerging – “lifelong learning system”: At its centre is the individual, who has been endowed with the corresponding skills and resources, is able to choose from a range of networked and user-oriented educational opportunities and can fall back on an extensive counselling and support network.

⁵ This Report is not the place for estimates of the funding that has already been provided in the area of lifelong learning. Just to give a very rough idea: In Table 5.5 of its interim report, the Expert Commission on Financing Lifelong Learning presented an estimate of the overall volume of funding for continuing education and training in Germany. While continuing education and training are not identical to lifelong learning, the figures are a fairly reliable indicator. According to the interim report, expenditure on continuing education and training by the public sector, companies, individuals and the Federal Employment Service totaled EUR 32 billion in 1999, (1.62% of Germany's gross domestic product), whereby individuals accounted for 7.9% of this amount. (See in this context Expertenkommission Finanzierung Lebenslangen Lernens: Auf dem Weg zur Finanzierung Lebenslangen Lernens – Zwischenbericht, Bielefeld 2002, page 111.)



This Report is structured along the lines of this systemic concept of lifelong learning. It begins with a brief statement of the *orientation and aims of action* (chapter 2) that currently form the basis for the development of lifelong learning in Germany. The subsequent presentation of “good practice” follows from the understanding that lifelong learning takes place in networked structures and sequences of *learning locations*, whereby the *region* as the nexus of people’s lives (chapter 3) and the *company* as the place of lively convergence of *working and learning* (chapter 4) are of particular importance. At these levels, moreover, one encounters not only important *players* in the “lifelong learning system” but also actual or potential co-financers. Against the background of the traditions of the German education system that has evolved over the years – which is marked not only by a federally structured division of political responsibility for education but also by a vocational training system that is separate from the system of general education and is shaped to an extraordinary degree by the parties to collective agreements, the chambers, and the works and staff councils on their own responsibility – these levels take on particular importance as platforms for *real linkage of lifelong learning processes*. In Germany, state funding and approaches have focused to a considerable extent on the *creation* of the prerequisites for and framework conditions conducive to lifelong learning at these levels. Since a survey of examples of good practice at Land level is currently being prepared by the ad-hoc working group on a strategy for lifelong learning at the Bund-Länder Commission for Educational Planning and Research Promotion (BLK), this Report concentrates

primarily on selected examples from the Federal Ministry of Education and Research. They constitute a legitimate part of “good practice in the financing of lifelong learning” and are therefore presented in this Report. Nevertheless, the fact should not be overlooked that the Länder also provide substantial funding and thus make a constructive contribution to the co-financing of lifelong learning.

Chapters 2–4 thus lay the groundwork for the argumentation put forward in this Report. The issue of the (future) financing of lifelong learning can then be addressed in suitable breadth and detail, i.e. also in terms of the creation of the prerequisites for and framework conditions conducive to lifelong learning (chapter 5). Against this background, the task assigned to the Expert Commission on Financing Lifelong Learning – namely the clarification of basic issues pertaining to the financing of lifelong learning for individuals – proves to be extremely important, although it is only part of the greater task of developing a “lifelong learning system”.

As a contribution to the OECD project “Good Practice in the Financing of Lifelong Learning”, this Report makes no claim to completeness. Rather, it describes outstanding examples of activities (good practice) that are directly connected with the creation of the prerequisites for lifelong learning and hence constitute innovations in the existing German education system.

2 ORIENTATION AND AIMS OF ACTION

Lifelong learning has become a key focus in Germany in recent years, both for innovations in the education system and for efforts to open up greater opportunities for disadvantaged groups. The underlying motive for all action in this policy area is to encourage individuals to take greater responsibility for their own education and employment biographies – and, in this context, to develop financing models that will enable and motivate them to do so. Through education, moreover, social exclusion is to not only be prevented but also reduced in order to avoid social inequality, promote cohesion and keep productive potential from going unexploited. The key documents briefly outlined in this chapter each reflect this approach in line with their respective specific objectives.

2.1 Action programme “Lifelong Learning for Everyone” of January 2001

Germany’s education sector exhibits considerable diversity and differentiation; until just very recently, many knowledgeable observers both at home and abroad considered it to be extremely effective and efficient. There can also be few doubts as to its receptiveness to and capacity for innovation, both in *concrete terms* and *in regard to specific issues*. The education sector is marked by and “lives” from a multitude of initiatives, pilot projects and network approaches – many of them funded by the Federal Government, by the governments of the Länder and by the European Union (EU) – in nearly all fields of general education and vocational training. At the same time, however, the sheer multitude of concrete, practical, case-specific reform projects in schools, regions, companies, inter-company training centres, non-company training facilities and facilities run by other providers makes it difficult to keep them straight and gives the impression that synergy and generalisation effects are not being sufficiently utilised – a matter of considerable import, especially in Germany’s new eastern Länder. One reason for this is the distribution of competences and responsibilities within the education system, which sets Germany distinctly apart from other countries. Within the framework of the federal system in the Federal Republic of Germany, for example, general education falls primarily within the purview of the Länder. Competence for vocational training does not lie with a single body or level of government. Vocational training is provided largely within the so-called “dual system”, a combination of in-company training and classroom instruction. The statutory foundation for (in-company) vocational training is the Vocational Training Act of 1969, which established a training system that is clearly separate from general education. The training employers, the chambers and the social partners play a key role in the provision of in-company vocational training. To the extent that vocational schools are involved, these fall within the “cultural sovereignty” of the Länder. The responsibilities of the Federal Government have been defined in keeping with this division of responsibility.

The wealth of options, division of responsibility and differentiation marking the German education sector always pose a difficult challenge when *structural innovations* are on the agenda, as is essentially the case when systemic prerequisites for and framework conditions conducive to lifelong learning are to be created.

Lifelong learning – viewed from the standpoint of learning individuals and their biographies – transects the various competences; a lack of coordination on their part can thus severely complicate the organisation and pursuit of lifelong learning. *Profound improvement of cooperation* – above and beyond the extent of coordination already achieved thus far – between all fields of education and at all levels – but especially “on location” – is therefore a key prerequisite for all progress to be made. Wherever *shared responsibility* for education and *co-investment* in education take on a new quality, the framework conditions for lifelong learning improve. The financing concept for the education sector must further this process.

The Federal Government’s *action programme “Lifelong Learning for Everyone”*, which was launched by the Federal Ministry of Education and Research in January 2001, takes Germany’s specific circumstances into account insofar as work to promote lifelong learning must by no means start “from scratch” but can instead build on a multitude of recent reform measures and initiatives undertaken in close harmony with EU policy in these areas. On the other hand, however, the Federation’s regulatory competence is limited; this is likewise taken into account in the *action programme*. This becomes particularly obvious if one looks at the issue of drafting a feasible individualised financing concept for lifelong learning, one of the “million dollar questions” of a structural nature: Given the strongly supply-oriented spectrum of educational provision – above and beyond the area of compulsory education – that has evolved in Germany over the years, this issue proved so complicated that it was first necessary to appoint an *Expert Commission on Financing Lifelong Learning* to further clarify it.

The action programme stresses the necessary focal areas of creative action in two directions. Since the learning individual “takes centre stage”, the framework conditions must be created for

all people to

- *develop a willingness to pursue lifelong learning,*
- *acquire the skills required for lifelong learning, and*
- *avail themselves of and fully utilise both institutionalised and new learning opportunities in their daily living and working contexts.*

This presupposes an active learner who is in a position to “manage” his learning biography largely on his own. An “environment conducive to learning” must be created for everyone. Not all individuals enjoy equally favourable starting conditions when they embark on the road to lifelong learning, however. It is therefore always essential to

- *prevent concrete barriers to access,*
- *offer second and third chances,*
- *mitigate tendencies towards exclusion, and*
- *draw educationally disadvantaged and hard-to-reach groups into the process of continuous learning.*

In order to achieve this, the education system must be further developed in the direction of a “learning society”. Against the background of the education sector as it appears today – marked by a multitude of discrete education pathways – but also as it will be changing in response to previous impetus for reform, the Federal Ministry of Education and Research is “initially” – i.e. as a first step – pursuing two interrelated objectives through the action programme:

- *enhancing continuing education and training and integrating general, political, cultural and vocational continuing education and training into the overall education system,*
- *enhancing the interconnectedness of all fields of education and education pathways, also from the standpoint of transferability, especially the creation of more bridges from initial training to continuing education and training.*

According to the concept of the action programme, the various programmes, initiatives and measures related to the promotion of learning should focus on the aspects of *linkage* and *bridging*. The field of continuing education and training thus also comes to figure prominently as a kind of *platform*: To begin with, continuing education and training by their very definition enter the picture in the biographical phases after conclusion of initial academic and vocational education and training; furthermore, it is a field of action that has been particularly vigorously promoted by the Federal Government in recent years. It is important, however, that this approach not result in a narrowing of the definition of lifelong learning to encompass only continuing education and training in the traditional sense.

The Federal Government’s action programme combines *research, development and testing measures* that – complementing one another – can help generate long-term support for lifelong learning by individuals *and* bring about future-oriented change in the structures of education. This type of linkage of different measures and approaches through the action programme is designed to facilitate the broadest possible implementation of innovative concepts and enhance transparency.

The action programme can thereby refer to a substantial number of programmes, measures and pioneer projects funded or co-funded by the Federal Government that (can) contribute to the promotion of lifelong learning if they are construed in this sense.

These consist of the following:

- the programme “Learning Culture for Skill Development”,
- the framework concept “Innovative Development of Work – The Future of Work”,
- the BMBF initiative “Early Identification of Qualification Requirements”,
- the reporting system on continuing education,
- the campaign “Quality in Continuing Education”,
- the programme “New Media in Education”,
- the initiative for the future of higher education institutions
- the funding concept for inter-company training centres,
- the BMBF initiative “Additional Qualifications in the Dual System of Vocational Training”
- the programme “School-Economy/Working Life”
- the European CV and further development of the EUROPASS,
- the BLK pilot programme “Lifelong Learning”, and, finally,
- the programme “Learning Regions – Providing Support for Networks” (see chapter 3.1).

As stated earlier, the development of “learning regions” – initially – forms the core of the action programme – and not just because the volume of funding and the sheer number and scope of the projects to be funded place it in the category of a major programme. Rather, its central importance stems above all from the fact that the *region* is perceived as a field of action close to people’s lives and the world of work in which the various initiatives and forms of support for lifelong learning can effectively and tangibly complement one another. “Learning Regions” projects thus take on particular importance as “hinges” and “implementation vehicles” – also against the background of the differentiation and division of political competences in the field of education.

The projects implemented under the programme “Learning Regions” hence also have the task of contributing in very concrete form to the fostering of cooperation and synergies with other projects, endeavours and networks in “their” regions.

The action programme states this very clearly:

For in addition to their own activities, the networks should be utilised for the transfer of innovations to the other parts of the programme. The results and concepts of innovative research projects and development and testing measures funded under the other programme components, for example, should be tested and implemented on a larger scale in these networks. In addition, the networks should cooperate with one another and facilitate broader implementation of innovations by also involving cooperation partners and networks that are not directly funded.

2.2 Education Forum

Parallel to the elaboration of the action programme, issues pertaining to lifelong learning were discussed by the *Education Forum* as well.⁶ The *Education Forum* was established in 1999 by the Federal Government and the Länder in order to “ensure the quality and future viability of education in Germany”. Under the joint chairmanship of the Federal Minister of Education and Research and the Bavarian Minister of Science, Research and the Arts (for the Länder), the *Education Forum* formulated recommendations that had been prepared by previous groups of experts and in prior expertises and assessments. The work of the *Education Forum* focused on five cross-sectoral themes:

- education and training objectives of tomorrow,
- promotion of equal opportunity,
- quality assurance in international competition,
- a lifetime of learning, and
- a new teaching and learning culture.

In addition to the Federal Minister of Education and Research and the ministers of education and science of several of the Länder, the 18 participants in the deliberations of the *Education Forum* included representatives of the social partners, the academic community, the churches, trainees/apprentices and students. The *Education Forum* was

⁶ It must also be mentioned here that as early as October 1998 the Council of Education Experts at the Hans Böckler Foundation submitted guidelines for a new concept for the financing of education. This concept explicitly stressed the importance of encouraging individuals to assume greater responsibility for their own education biographies, also through individualised financing of education (Hans-Böckler-Stiftung: Sachverständigenrat Bildung: Für ein verändertes System der Bildungs-finanzierung. Diskussionspapier Nr. 1. Düsseldorf 1998). The Hans Böckler Foundation – the foundation of the German Trade Union Federation (DGB: Deutscher Gewerkschaftsbund) for the promotion of research and academic study – had invited 13 independent experts to pool their ideas on a reform of the education system and formulate proposals. The Council's financing proposal essentially consisted of the idea of introducing *education accounts* combining education credits, education savings plans and education loans. These are expressly not envisioned for the field of so-called “compulsory education” but are instead intended to stimulate and facilitate lifelong learning.

assisted by a working party (*Arbeitsstab Forum Bildung*). Through numerous publications and major congresses and workshops, greater public attention was to be drawn to the issue of the future viability of the German education system.

The results of the *Education Forum's* deliberations were ultimately summarised and published in the form of *twelve recommendations*⁷. The pervasive theme of the recommendations is to strengthen learners' sense of personal responsibility for their own learning and *at the same time* take steps to prevent exclusion and ensure equal opportunity and participation. The political sector is not relieved of its responsibility in this area, however:

For educational reforms to be successful, the proper legal, organisational and financial framework must be put in place by "those at the top" while the various elements of the reforms must be fleshed out at the lower level.

Lifelong learning is accorded a position of prominence in this context. The summary of the Forum's recommendations under "*III. A lifetime of learning*", for instance, begins with the following:

Learners are taking ever greater responsibility for managing and organising their own ongoing learning. The ability to do so is acquired in the first years of a person's life. New forms of individual counselling and support are needed at all stages of education.

Personal initiative and "self-management capability" and their early and ongoing encouragement *as well as* permanent availability of reliable counselling services are thus closely interlinked in the Forum's opinion. It considers the development of effective *support structures* to be necessary in three main areas in particular and calls for

- *education and qualification counselling based on individual knowledge and skills,*
- *new forms of support for education processes directed by individual learners, and*
- *increasing transparency with regard to the content and quality of education programmes and with regard to the quality of providers, above all for interested individuals and small enterprises.*

These general demands are then translated into concrete recommendations. No (further) reference is made here to the issue of *financing* lifelong learning.

The detailed *provisional recommendations* published on the basis of an expert report earlier in the course of the Forum's work, however, had devoted an entire section to the "financial and time resources for lifelong learning". These *provisional*

⁷ Forum Bildung: Lernen – ein Leben lang. Empfehlungen und Expertenbericht, Bonn 2001.

recommendations clearly pointed out the strategic role of financing in the context of a strengthening of personal responsibility when they stated:

Lifelong learning requires a long-term financing and learning-time concept that fosters planning certainty, motivation and assumption of responsibility for one's own education pathway. (page 13)

In the opinion of the experts who formulated the provisional recommendations, the demands to be placed on the “financing” of lifelong learning became evident from a comparison with traditional continuing education and training, which were triggered at certain points in an individual's life and for which it was then possible to make financial arrangements limited to the given time and subject matter involved. It was also necessary, they stated, for new criteria and mechanisms to be developed for the mobilisation and allocation of resources, whereby the previous system of *mixed financing* (from four sources: private individuals, companies and administrations, the Federal Employment Service, and the public sector) – which “*has, however, lacked any clear or legally regulated connection between the groups involved and their competences*” (page 40) – should be reconfigured and refocused.

Against this background, the *provisional recommendations* listed six *criteria* that should govern a future financing and learning-time arrangement:

- strengthening of the *user orientation* by priority allocation of funds to individuals, whereby support should be provided in such a way as to also stimulate the individual's willingness to invest in education and training,
- establishment of a *balance* between personal responsibility and support,
- redefinition of the relationship between *learning and working time*, whereby company-independent learning-time accounts increase the individual's freedom to shape the learning process,
- specific support structures for *small and medium-size enterprises (SMEs)* in order to enable them to support their employees' learning,
- expansion of *continuing education and training networks*, and
- *incentives* – including tax incentives – to not only pursue vocational continuing training but also take advantage of *learning opportunities in the area of general education*.

It thus follows that the search for examples of *good practice in the financing of lifelong learning* can by no means be limited to approaches focusing solely on individualised financing concepts. Rather, attention must *at the same time* be drawn to the long-term financing of networked learning opportunities *as well as* the sustainable development of a dual – i.e. available above all to learners but also to education providers – *support system* offering *guidance, counselling and evaluation services*. Moreover, the form these cornerstones of the “*LLL Triangle*” will have to take depends in no small part on

the further development of the internal – i.e. curricular and social – structure of the education sector.

2.3 Commission “Modern Services on the Labour Market” (Hartz Commission)

And, finally, the labour market reforms planned by the Federal Government – some of which have already been initiated – likewise offer points of departure for action to create the prerequisites for and stimulate lifelong learning. The commission “Modern Services on the Labour Market” appointed by the Federal Government, which was headed by Volkswagen Labour Director Peter Hartz and consisted of prominent experts from the political sector, business and industry, the unions and the academic community, was charged above all with elaborating proposals for a comprehensive reform of the Federal Employment Service. It submitted its report in the fall of 2002, and its proposals were incorporated into the policy statement of the Federal Government. Since some of the Hartz Commission’s proposals required legislative action, work commenced on a comprehensive package of legislation in the fall of 2002 and culminated in the passage of the First and Second Acts for Modern Services on the Labour Market. Most of the provisions of this legislation entered into force on 1 January 2003, and some have already prompted the initiation of further legislation.

The thrust of all 13 innovation modules proposed by the Commission is to improve the services on the labour market *and* to mobilise and strengthen the personal initiative of individuals who are threatened with unemployment or are already unemployed. Their universal *guiding principle* is: “*Personal initiative warrants job security.*” Both the planned reorganisation of the Federal Employment Service to make it the central provider of services on the labour market and all the other packages of measures are essentially geared to the following goal: Taking preventive action to avert unemployment if at all possible and – once unemployment has arisen – *drastically shortening its duration*. Attention is accordingly drawn not only to the high cost of lengthy unemployment but also to its destructive impact on the persons affected (and the concomitant waste of productive potential). All measures to shorten the duration of unemployment thus serve to further the stability of employment biographies, which can by all means develop productively over the course of various periods – and places – of employment, and enhance the individuals’ opportunities to shape their own learning biographies on their own responsibility in keeping with the concept of lifelong learning. A detailed presentation of the 13 innovation modules is dispensed with here.⁸

Today, as in the past, *qualifications* naturally figure prominently in all activities to prevent or quickly find a way out of unemployment. For years the Federal Employment Service has consistently allocated substantial funding for measures in this area, which it has deployed in keeping with the provisions of *Book Three of the Social Code*. Thus the

⁸ See in this context Bundesregierung: *Moderne Dienstleistungen am Arbeitsmarkt. Bericht der Kommission, Berlin 2002.*

Federal Employment Service – and hence the companies and employees who pay the contributions that fund its activities – has long been an important financier of continuing vocational education and training as part of lifelong learning.

An important thrust of the intended reforms is to restructure and redefine the emphasis of these training measures. To begin with, they should be more closely linked with real bridges to employment (above all through personnel service agencies) or self-employment than they have in the past and, namely, from the standpoint of both preparation and guidance. Furthermore, they should be designed in such a way as to strengthen *personal responsibility*. Since the beginning of the year 2003, education vouchers have been issued to enable unemployed persons to freely choose among accredited measures and providers. The requisite accreditation of providers hinges on the quality of the services they provide, whereby the assessment of quality is more strongly governed by the actual success of integration than was previously the case.⁹ Training funded by the Federal Employment Service for unemployed persons or persons threatened with unemployment can thus be flexibly integrated into concepts for promoting and financing lifelong learning.

⁹ In implementation of resolutions of the *Alliance for Jobs, Training and Competitiveness*, the Federal Ministry of Education and Research has also launched a large-scale initiative to guarantee the quality of continuing education and training. See Bundesministerium für Bildung und Forschung: Berufsbildungsbericht 2002, Berlin/Bonn 2002, and chapter 5 of this Report.

3 LEARNING IN THE REGION AND IN EDUCATION INSTITUTIONS

The *region* as the nexus of people's lives takes on particular importance in the context of efforts to create the concrete prerequisites for lifelong learning, especially support structures and education networks. It is therefore the focus of many activities of the Federal Government and the Länder to further this process, a number of which have been endowed with substantial funding. These activities represent a significant investment in the creation of an infrastructure (in the broad sense) for lifelong learning, particularly where – most notably in combination with instruments of (regionalised) labour market policy – they generate synergy effects.

This chapter briefly outlines the most important promotion programmes centering on the *region* as a level for translating policy into action. The outline is not complete, however, for it dispenses with a detailed description of labour market instruments and investments in the system of formal education, both of which are also increasingly oriented towards promotion of personal responsibility and lifelong learning.

A discussion of concrete examples of “good practice” is largely dispensed with here as well. However, the example of Osnabrück (section 3.1.2) and the list of key focal areas of funded projects are presented to show that the programmes are indeed stimulating “good practice” *and* are implicitly or explicitly raising the issue of long-term financing.

3.1 Programme “Learning Regions – Providing Support for Networks”

The development of “learning regions” is the central goal of the action programme “Lifelong Learning for Everyone”. The funding guidelines for the programme “Learning Regions – Providing Support for Networks” were published at the end of the year 2000. This programme supports the development and expansion of regional networks. In these networks, as many players as possible (including education institutions, companies, the social partners, youth offices and employment offices as well as socio-cultural institutions and initiatives, for example) are co-operating closely in the design, testing and implementation of innovative concepts for lifelong learning. Approximately EUR 118 million (from the federal budget and the European Social Fund) will be made available for the period up until 2006 in support of these activities.

3.1.1 Regional co-operation and sustainability

The primary aim of the projects under the programme is to bring together education providers and “consumers” as well as other interested parties to form “learning regions”. They are above all designed to

- increase motivation and participation in education, especially on the part of disadvantaged or hard-to-reach persons, and enhance their ability to learn on their own,

- bring about qualitative (and quantitative) improvements in supply structures to make them significantly more user-oriented.

Self-organised learning should likewise be encouraged, as should the establishment of community learning centres.

Network projects should only be funded under the programme if they promise to further progress in three areas:

- *creation of a profile* for the region through innovative measures that clearly identify it as a region that learns,
- expansion of the *networks above and beyond their given “founding partners”* – through establishment of partnerships between bodies active in the areas of “education” and “economic promotion”, for example,
- early and timely consideration of the question of how to continue the project upon discontinuation or degeneration of project funding (*sustainability*).

The framework concept for “Learning Regions” was approved by the Bund-Länder Commission for Educational Planning and Research Promotion in consultation with both the Concerted Action in Continuing Education and the Committee for Continuing and Further Education of the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder in the Federal Republic of Germany. A *steering committee* composed of representatives of the Federation and the Länder coordinates implementation of the programme and is responsible for project selection. Representatives of the Concerted Action in Continuing Education, the social partners, the Federal Employment Service and the scientific support group also serve as members of the steering committee in an advisory capacity.

A consortium led by the German Institute for Adult Education (DIE) was charged with providing scientific support for the programme. This scientific support group will concentrate on the following five fields of research as the programme unfolds: cooperation, regional education landscape, target groups, regional labour market situation and transfer potential.

With its large volume of funding and 79 projects (as of January 2003) *throughout Germany* that are currently receiving support, the programme “Learning Regions” is supplying massive input for the development of regional networks for lifelong learning. However, its necessarily decentralised approach will not make it easy to reap synergies and draw generalisations from its promotion endeavours. For this reason, considerable emphasis is placed on complementary research (scientific support group), transparency and communication. The project management agency organises or supports an ongoing exchange of experience and workshops on specific topics and edits an *information service for learning regions (Infodienst Lernende Regionen)*.

In order to ensure that a project involves as many of the region's education stakeholders as possible and is securely anchored in the region, a *planning phase* is first approved. This planning phase can then be followed by an *implementation phase* lasting a total of four years. Of the 54 regions that entered the planning phase in June 2000, 40 entered the implementation phase in the year 2002. The steering committee gave twelve of the other regions the opportunity to revise and upgrade their applications for the implementation phase by November 2002 (results of the steering committee meeting held in December 2002: ten of the projects were allowed to enter the implementation phase, two were turned down). In the course of the year 2002, another 29 projects from the second tendering round entered the planning phase. By January 2003, a total of 79 projects throughout the country were receiving funding under the programme. Due to the high number of cooperation partners, these 79 projects actually consist of about 230 *individual projects*.

Project funding thus covers a spectrum that is as broad as the entire German education landscape. The spectrum of project partners ranges from schools of nearly every kind, private education providers, companies, employment offices, economic promotion agencies, the chambers, municipalities, Agenda 21 projects and the social partners to teachers and learners ...
(Infodienst Lernende Regionen, 01/02)

Particularly important from the standpoint of *financing lifelong learning* is the fact that the programme operates according to a *degressive funding concept* in order to prompt regional sponsors and partners to develop feasible solutions to the problem of long-term funding, in other words, to ensure sustainability. While projects are fully funded during the planning phase, they must mobilise *funds of their own* for the implementation phase: 20 percent for each of the first two years and 40 percent for each of the two following years.

3.1.2 An example: the Osnabrück Learning Region

Potential network nodes are also emerging at the regional level. The funding for the establishment of such an innovative regional structure for lifelong learning is initially secured largely via the BMBF's "Learning Regions" programme. Due to the rapid degeneration in project funding foreseen under this programme, however, the players are forced to consider the issue of long-term financing from the very beginning. The example of Osnabrück is presented in the following.

The "Osnabrück Learning Region" is a collaborative project of the city and district of Osnabrück, supported by the Weser-Ems administrative district. Central project management thus lies with the competent local authorities, whereby the Volkshochschule of the City of Osnabrück – the most important adult education institution in the region – acts as general coordinator. The project lists 63 cooperation partners by name, including schools, vocational schools and universities, educational

organisations, adult education institutions, several companies, the radio station *OS Radio 104,8*, the local employment office and the chamber of industry and commerce, for example.

At the working level of the project, these partners cooperate in different groupings in three *priority areas* or *sub-networks*:

- linguistic, vocational and cultural integration of non-German-speaking nationals and non-nationals,
- transparency of regional education provision, and
- educational and working environment for young people.

These three fields of action and their interlinkage via a project of the local authorities are based on the following consideration:

The communication structure of a learning culture meeting these requirements must – depending on the goal pursued – include very different aspects that must be prioritized on the basis of regional needs and cannot be realized without public funding. (Project Proposal, page 3)

In all three fields of action, the aim is to establish new structural elements that can function as network nodes and be expected to considerably improve access to regional education for hard-to-reach population groups in particular. The following are a few examples:

- In the field of action “*integration of non-German-speaking nationals and non-nationals*”, the planned measures include the establishment of a joint counselling and examination centre, the elaboration of common quality standards for education programmes, the development of course models and network fora for advisers and teachers as a link between the various activities, etc.
- In the field of action “*educational and working environment for young people*”, the various activities mainly aim to enhance young people’s ability to learn independently. One focus is on young people who have special difficulties in starting a career; another focus is on encouraging greater consideration of new IT occupations in career decision-making. Particular effort is being made in this context to intensify cooperation with the universities and universities of applied sciences (Fachhochschulen) located in the region and – in a rather unusual approach – plans have been made to establish a “*school for parents*” “*in order to enhance parents’ child-raising skills and support them in discharging their parental responsibilities*”.
- In the field of action “*transparency of education provision*”, activities are focusing on the creation of an *education server* as a prerequisite technical medium. It is, however, assumed that it will be necessary to identify the learning culture prerequisites for improving access to educational opportunities. This is to be

facilitated by close cooperation with the new research centre for educational sociology and learning culture that has been established at the university. Public awareness of existing educational options is to be heightened through close cooperation with the Osnabrück radio station *OS Radio 104,8*.

In addition to promoting regional transparency, this “transparent” network will coordinate and link all the other *sub-networks* of the Osnabrück Learning Region.

Each of these three fields of action or sub-networks is managed by its own steering group. The overall project is coordinated by a central steering group¹⁰ that has been established at the Volkshochschule and consists of representatives of the major public-sector partners. Since the beginning of the project, the partners have been discussing the issue of how to develop a sustainable financing concept for the emerging network-based support structure, a concept that is guided by the idea of reasonable financial contributions by participating individuals.

3.2 Programme “Lifelong Learning”

The Bund-Länder Commission for Educational Planning and Research Promotion (BLK) launched an extensive pilot programme on lifelong learning in the year 2000. The priority aim of the programme is to initiate new forms of co-operation between various fields of education both *within* and *between* the individual Länder to promote lifelong learning. A steering committee comprised of representatives of the Federation and the Länder is responsible for management of the programme, selection and coordination of projects, and operational work in the participating Länder. The Land Rhineland-Palatinate is functioning as programme coordinator and is assisted by the German Institute for Adult Education as central project management agency. A programme-related scientific support group has been instituted as well.

Funding in the amount of approximately EUR 13.8 million has been allocated to the programme for the period 2000 to 2004, half of which is provided by the Federal Government and half by the Länder. Additional co-funding in the amount of EUR 2.1 million was obtained from the European Social Fund (ESF).

A total of 22 individual projects running for periods of up to five years are being funded under the programme. Two larger so-called “*collaborative projects*” involving several Länder were also launched at the end of the year 2001 to address structural issues entailed in lifelong learning that transcend Land boundaries. One such issue is the *certification of quality* in the field of continuing education and training; another is the problem complex associated with “*continuing education passports*” and the

¹⁰ The composition of the steering groups of the projects under the “Learning Regions” programme varies greatly; they may, for example, include representatives of the main players on the labour market or sponsors of individual measures.

possibilities for assessing, recognising and certifying skills acquired through informal learning.

An interim assessment conducted at the end of the first two years of the programme came to the conclusion that – from the standpoint of lifelong learning – the target group “teachers” and networks of providers of continuing education and training were overrepresented in the 22 projects currently being implemented. Vocational education and training projects and projects for educationally disadvantaged groups, by contrast, were underrepresented. Or, to put it differently:

Five projects are essentially building continuing education and training networks. Five projects focus primarily on education in schools. Two projects are expressly devoted to organisational development of institutions and facilities. Four projects are developing and testing “train-the-trainer” concepts. Three projects are centered in the area of vocational education and training. Three projects are expressly designed to strengthen self-directed learning.¹¹

The themes of the individual projects are:

- “exploratory learning” – freed from the constraints of time and place – as the motor for a new culture of learning,
- improving the quality of learning; developing a culture of learning in schools and a learning environment,
- self-directed learning and organisational development in continuing education and training institutions
- phases of lifelong learning in vocational training processes of educationally disadvantaged target groups,
- self-organised lifelong learning in the world of work,
- promotion of self-directed learning through the networking of different places of learning to form a “network for a culture of learning”,
- project partnerships in a network of counselling and guidance services,
- network for the implementation of self-directed learning in existing institutional structures for adult education and continuing education and training,
- teaching and learning in a continuing education and training network,
- lifelong exploratory learning in a school, seminar and university network,
- learning-oriented certification of quality in continuing education and training networks,
- intercultural continuing education and training in a network for small and medium-size enterprises,

¹¹ See Apel, Heino: *Lebenslanges Lernen soll breit in die Gesellschaft hineinwirken*, in: *Frankfurter Rundschau*, 26 October 2002.

- development of a regional network for “learning and self-learning” in the lifelong learning programme,
- self-learning ability, pedagogical professionalism and change in a culture of learning,
- innovative methods of promoting lifelong learning in a collaborative network of higher education institutions and continuing education and training institutions,
- language networks in border regions,
- network to link education institutions and sponsors of continuing education and training arrangements,
- coordinated training measures for teachers and pupils in elementary schools to ensure the basic prerequisites for lifelong learning,
- integration of hard-to-reach and learning-deficient pupils at secondary general schools (Hauptschulen) into a continuous lifelong learning biography,
- development, implementation and testing of new teaching and learning arrangements for political education at adult education institutions.

Because these are collaborative and network projects, the partnerships extend far beyond the given project “locations” and involve a multitude of different partners. A total of 190 institutions are “officially” involved in the 22 projects. *Transfer* will be a central task in the context of this pilot programme, especially for the project management agency.

3.3 Programme “Learning Culture for Skill Development”

The programme “*Learning Culture for Skill Development*” launched by the Federal Ministry of Education and Research likewise falls within in this promotion complex. It has its origins in the many qualification issues prompted by the societal transformation process in eastern Germany. The various different ways of learning *in* societal innovation and transformation processes have therefore become the central theme of this programme, which is being pursued both through basic research and through concrete development and design projects with scientific support.

Funding in the amount of approximately EUR 130 million is being made available for this programme by the Federal Government and the European Social Fund for the period 2000 to 2007.

Central thematic areas of the programme in addition to “learning in the process of work” (see chapter 4.10) are “learning in the social environment”, “learning in continuing education and training institutions” and “learning on the Net and with multimedia”. The programme thus complements efforts to more precisely identify the prerequisites for and framework conditions conducive to lifelong learning and test these within the framework of pilot projects. Of central importance in this context is the

question of how learning processes and learning environments must be structured in order to stimulate the self-motivation and personal responsibility of learners and further the development of skills.

Projects encompassed by the thematic area “learning in the social environment” are particularly closely tied to the field of action “region” and are thus closely related to the projects implemented within the framework of “Learning Regions”. This is the case in two respects: Firstly, the object is to develop and test regional *support structures* for the development and stabilisation of learning cultures and for the promotion of skill development in fields of social endeavour outside the company working environment. Secondly, the goal in this context is to develop the skills and preserve and promote the innovation potential of certain target groups that have thus far been vulnerable to exclusion from learning opportunities, namely unemployed and older persons. Promotion of forms of cross-generational learning in the social environment is hence the primary focus of endeavours involving these individuals.

Projects encompassed by the thematic area “learning in continuing education and training institutions” aim to open up these institutions to embrace a new culture of learning and, in particular, to address the – heretofore largely neglected – aspect of support for *self-organised lifelong learning by adults*. The projects implemented within the framework of this thematic area under the rubric “new learning services” are designed to promote organisational development and training of staff in order to help ensure that learners in specific regional contexts have access to education and training institutions that are capable of furthering the continuous development of skills. This includes pilot projects to develop innovative counselling and guidance concepts for self-organised learning by adults.

Strengthening self-organised learning and establishing workable support structures is likewise the thrust of the thematic area “learning on the Net and with multimedia”. Its projects and expertises focus on issues in this area that have not yet been addressed in depth, such as accessibility and real potential for independent learning as well as transparency and recognition of knowledge and skills acquired on the Net and with multimedia.

3.4 Further support for regional networks

Many promotion approaches accord priority to the region as a level of action because it is the nexus of people’s lives and a platform for provision of support that is of direct relevance to their lives. At the level of concrete project implementation, various promotion programmes thus converge in the region, sometimes to the point where one and the same region is literally peppered with projects stemming from different promotion programmes. Hence in this context, *networking* – a task meanwhile incumbent upon all regional projects – always also means pooling resources to generate

synergy effects and permit deployment of the resources thus freed to correct specific identified deficits. In the case of network formation, a distinction can be made between two lines of linkage: between players/institutions at “stations” along the line of the learning biography on the one hand and – horizontally, so to speak – between players/institutions (that can be) engaged in collaborative teaching-learning-guidance-support endeavours on the other hand. The cooperation between labour market institutions and both education institutions *and* companies must certainly be placed at the centre of this horizontal connecting line. Projects from various programmes then cluster along this line at different *nodes*, whereby they are often combined with the aim of drawing educationally disadvantaged or hard-to-reach groups into learning activity and integrating them into ongoing learning and work processes. Promotion programmes functioning in the background in this context include the *Develop Skills!* programme for the advancement of the disadvantaged, the Community initiative *EQUAL* as implemented at national level and the programme *Leonardo da Vinci II*, all of which are co-funded by the national government and the European Social Fund with – by no means insubstantial – input of own resources by the project implementers.

Today, development and consolidation of regional networks is a central element of the strategy for the *advancement of disadvantaged groups*¹² as well. This is especially true of the promotion programme launched in 2001 by the Federal Ministry of Education and Research entitled “*Promoting Skills – Vocational Qualification for Target Groups Requiring Special Support*”, which is targeted especially towards adolescents and young adults who have considerable difficulty starting a career. Programme funding in the amount of EUR 53 million up until the year 2005 is being provided by the European Social Fund and the Federal Ministry of Education and Research. This and other programmes (see chapter 3.5) fall in the context of financing lifelong learning because they focus – from the standpoint of *inclusion* – on one of the critical thresholds of occupational biographies, namely the transition from school to the world of work.

3.5 Programme “School-Economy/Working Life”

If support for creation of the prerequisites upon which individuals can build their lifelong learning strategies is also considered an important aspect of financing an emerging “lifelong learning system”, then measures to improve vocational counselling and guidance cannot be neglected. The vocational counselling and guidance provided by schools and the employment offices must be complemented above all by intensified cooperation between schools, the business community and the world of work to offer pupils practical vocational orientation opportunities. This is the thrust of the programme

¹² Detailed information concerning vocationally oriented support for disadvantaged groups in Germany can be found in: Bundesministerium für Bildung und Forschung: Berufliche Qualifizierung Jugendlicher mit besonderem Förderbedarf – Benachteiligtenförderung, Berlin 2000.

“School-Economy/Working Life” funded by the Federal Ministry of Education and Research.

The aim of this programme is to improve young people’s transition from school to vocational education and training. To this end funding is being provided for 34 innovative projects (as of January 2003) that are addressing the numerous guidance, competence and coordination problems arising at the so-called “first threshold” between school and the business community.

In the context of these projects, which approach the issue in a variety of ways, innovative concepts that take due account of age, development level and gender-specific differences are to be tested that will facilitate pupils’ access to the business community and the world of work. Innovations are expected above all from projects that

- aim to institute ongoing joint ventures between schools and partners in the world of work,
- involve promising future-oriented economic sectors with high innovative potential,
- enhance the visibility of alternative education and training pathways and opportunities, also in structurally weak regions, and
- can provide special assistance and support to disadvantaged groups of pupils.

The key focus of the projects should be to foster cooperation in a spirit of partnership between schools, school administrations, companies, business associations and trade unions. This cooperation takes very different concrete forms: members of the business community are available for classroom discussion, materials are jointly developed and put to use, the prerequisites are created for independent familiarisation with companies and occupations, etc.

Examples of practical projects at Land level that forge close links between schools and the business community include TheoPrax in Bavaria, the development of regional networks to ease the transition from school to working life and intensify cooperation in various regions in North Rhine-Westphalia, and support for the upgrading of specialised knowledge and teaching skills of teachers in the field of socio-economic education in Hesse. As a rule, the purpose of these projects is also to develop regional networks. Five projects are being implemented by the social partners.

All in all, approximately 360 schools nationwide are participating in this five-year programme, which has been allotted funding in the amount of EUR 6.5 million.

4 LEARNING ON THE JOB

“Learning on the job” in the sense of active integration of learning and working has been emphasised in discussion at European level as a central element of lifelong learning. It is a long-standing and successful tradition in Germany that finds lively expression in the nation’s highly developed and differentiated so-called “dual system” of vocational training. The indisputable need for reform of this system is attributable to the profound changes that are presently occurring in the workplace and to the necessary adjustments associated with societal transformation processes (demographic developments, globalisation). Within the German vocational training system, companies and the social partners play a prominent role as innovators. Their ongoing innovations in on-the-job initial, further and continuing training are stimulated and supported by a broad range of promotion programmes. These programmes currently focus strongly on the development of learning and training concepts that encourage independence and continuity of education and training within the meaning of the term “lifelong learning”, including development of the necessary – regional – networks. This new focus on “shared responsibility” also invariably raises issues pertaining to the financing or co-financing of education and training.

The following sections of this chapter present – against the background of a wide range of existing arrangements – several outstanding examples of agreements at company or industry level that offer many suggestions as to how to approach the issue of financing lifelong learning. In the broader sense, moreover, all the agreements help to *define a structural framework* for lifelong learning, for they also illuminate the organisational and (learning) infrastructural prerequisites for its success. Further development of these prerequisites is an inseparable element of the overall lifelong learning financing complex. This chapter therefore also briefly outlines *promotion programmes* that focus – *inter alia* – on the modernisation of learning in company work processes (sections 4.10 and 4.11). In addition, it presents a description of a far-reaching approach to the structuring of further career training in the IT sector that provides for substantial *investment* in order to create the basic prerequisites for gearing lifelong learning to concrete graduated goals and ensuring that it is transparent, recognisable and certifiable (section 4.12). The *5000x5000* model launched by Volkswagen AG and the metalworkers’ trade union IG Metall (Industriegewerkschaft Metall) points in the same direction (section 4.8).

4.1 Debis AG

The collective agreement concluded in 1998 between the “association of service companies”, consisting of members of the Baden-Württemberg metalworking employers’ association, and the metalworkers’ trade union IG Metall can certainly be considered an important *forerunner* of the collective agreement on training concluded in 2001 (see chapter 4.2). The companies involved are providers of financial, leasing and

other services from the metalworking/automobile industry, in other words, they are predominantly independent companies created to take over functions formerly handled by the major metalworking/automobile corporations, which are now concentrating on their core operations. This collective agreement for service providers is designed to supplement and in part modify the branch-level collective agreement currently in force for the metal industry in Baden-Württemberg. It became necessary in order to take due account of the special conditions applicable to these service providers.

Part 2 of the agreement regulates compensation issues, Part 3 working time, Part 4 protection for older employees, and Part 6 legal issues arising out of the relationship between this supplementary collective agreement and the branch-level collective agreement.

Part 5 – the shortest part, consisting of a single section 7 – regulates *training issues*. Important elements that were elaborated in greater detail in the 2001 collective agreement on training are outlined here in bold strokes. The employer, for instance, must identify the *need* for further training in order to ensure that the employees are prepared in time to meet current and planned requirements (clause 7.1). A training plan must be drawn up once a year and discussed with the responsible committee of the works council; the concrete details of the planned training measures must be agreed with the works council (clause 7.2).

Section 7 also provides for a discussion of training measures but does not specify its modalities. Clause 7.3 states the following in this regard:

Possible training measures are to be discussed between the employee and his or her superior at least once a year. Agreements regarding training measures are also possible on the employee's initiative.

This agreement also makes a *distinction* between training measures geared to the *performance of current and planned tasks* and “*other training measures*”.

If the measures in question are of the first type, i.e. if they “*serve primarily to train the employee for new projects or have to do with company-specific working methods, systems and procedures*”, the employer must bear the costs of and the time required for participation in the training measure.

“Other training measures”, i.e. those that do not meet the aforementioned criteria, must likewise be agreed between employees and superiors. The *cost* of these measures, however, is *split* between the employer and the employee: While the financial cost of the training measure is borne by the employer, the *employer and employee each contribute half of the working time involved*. In other words, the employee invests in his or her own training by working without pay. Such a precise allocation of costs was avoided under the 2001 collective agreement on training. In addition, the “collective agreement for service providers” provides for a *minimum annual entitlement* to five

days for such training measures, which can be accumulated over a period of five years. Here, too, the 2001 collective agreement on training refrains from specifying any such minimum entitlement in terms of days per year.

4.2 Baden-Württemberg collective agreement on training

The collective agreement on training concluded for the *metal industry in Baden-Württemberg* in the year 2001 attracted particular attention. This agreement, which replaced arrangements from the past, is remarkable not only for its content but also for the way in which it came about. Up until the last collective bargaining movement it seemed rather improbable that employees would be prepared to stage token strikes to enforce their demand for a right to further and continuing training (and limitation of performance requirements).

The new collective agreement includes a number of interesting provisions that open up new prospects. It was agreed that *regular consultations should be held at least once a year* between employees and their respective superiors, in the course of which *training needs* should be discussed and jointly defined, and agreement reached on the necessary training measures. This provision, which seems relatively modest at first sight, is actually equivalent to an indirectly realised right to further and continuing training by virtue of its attendant dispute settlement mechanism. This specifies that where no agreement can be reached about training needs or training measures, in companies with more than 300 employees a decision is to be taken by a commission composed of equal numbers of representatives of labour and management. In smaller firms, it is up to the employer and the works council to reach agreement. If they cannot agree, a final and binding decision is to be taken by a representative of the continuing training agency to be set up by the parties to the collective bargaining process (see details later in this section).

The switch to a consultation between superiors and employees to be held once a year reveals a manifold change of perspective in comparison to the previous regulations. Firstly, the need for further and continuing training is defined from the “bottom up” by individual employees and no longer from the “top down” as a consequence of technical and organisational changes in the particular company. The collective bargaining agreement no longer makes reference to specific factors that may give rise to training needs. In principle, the factor giving rise to a training need is left open. The critical thing is that such a need exists.

In the collective agreement on training, a distinction is made between workplace training and personal training. In the case of *workplace training*, costs are governed by the principle that training time is to be treated like working time and must be remunerated accordingly. No reference is made to any share to be borne by the employee. The situation is different in the case of *personal training*, which is defined as

further or continuing training that is suitable in principle for a job that the employee might take on in the workplace, but for which there may not be any specific need at that time. Employees who wish to engage in personal training of this kind may, after five years of employment with the company, take leave from work for a fixed period of up to three years, with the right to return to a job comparable to their previous job upon completion of their training. In this case, the employee bears the costs of the training measures. The grey area between workplace training and personal training was not regulated since, as the parties to the collective bargaining process know, numerous company agreements now already exist which make provision for an employee contribution here, normally in the form of time.

Target group-specific provisions exist for semi-skilled and unskilled workers in the form of a relatively general clause calling upon the various parties in the workplace to examine the necessity of special programmes for this group. In addition, employees on production line and other repetitive work should be given priority consideration when staff are needed for equivalent or higher-level tasks.

Another important feature is the *extension of the obligations* of employees. Although there is no direct obligation to undergo further or continuing training, employees are bound to take part in the assessment of workplace training needs. This provision can also be interpreted as an indirect obligation to undergo further or continuing training. Employees are furthermore obliged to put to use the skills they have acquired.

An approach already tested in other sectors is the establishment of a *joint agency* for the promotion of further and continuing training. This agency is financed by both parties to the collective bargaining process and managed by bodies consisting of equal numbers of representatives of both sides.

The role of the agency is:

- to increase the awareness of the necessity of further and continuing training,
- to develop further and continuing training measures for semi-skilled, unskilled and older employees and for employees after career interruptions,
- to improve information about and transparency of external training provision,
- to publicise models for in-company further and continuing training and, where these do not exist, to develop them,
- to take decisions to resolve workplace disputes,
- to develop quality standards for in-company further and continuing training, to evaluate further and continuing training providers and measures and, where relevant, to certify them.

The founding of the agency follows from the realisation that qualitative collective agreements can only be effective if the workplace actors, particularly in smaller

companies, receive continuous support and advice in implementing them from the parties to the collective bargaining process. In addition, the jointly financed agency appears to be an expression of the awareness that workplace training policy is not a suitable field for sustained conflicts and that progress can be made if the workplace and sectoral actors embark on a strategy which, though it may not be free of conflict, is basically cooperative.

4.3 DaimlerChrysler AG

To implement the collective agreement on training in the Baden-Württemberg metal industry (see chapter 4.2), DaimlerChrysler AG developed a *central works agreement* that entered into force on *1 July 2002*. This agreement applies to all the DaimlerChrysler plants in Baden-Württemberg, which have a total workforce of 96,000, and covers all employees except for executive staff. It was agreed with the central works council that the agreement should initially be a pilot agreement. Experience will be jointly evaluated and consultations will be held to determine whether the scope of the agreement can be broadened to encompass other locations as from fall 2004. The present agreement initially runs until 31 December 2004.

The preamble and sections 1 and 2 of the central works agreement spell out the aims and basic principles governing continuing training, stating *inter alia*:

The parties agree that workplace continuing training and lifelong learning are the key to ensuring the company's competitiveness and to safeguarding the jobs and ensuring the employability of its employees. In addition, they open up vocational prospects for employees.

Against the background of this general aim, however, section 2 ("Basic Principles") specifies the *priority aim* of training: "*The aim of workplace continuing training is essentially the continuous upgrading and adaptation of knowledge in the individual's own area of responsibility.*" It also specifies a *further aim*: "*A further aim is to support personal continuing training.*" Particular *attention* is to be given to those employees who have special training needs. Examples cited are older employees and employees with work limitations.

It was further agreed as a matter of principle that training measures should be *didactically* geared to the employees and, wherever possible, forms of learning should be utilised that were as closely *job-related* as possible.

Responsibility for training should be largely *decentralised* by area and should lie with the *workplace superior* in the given area.

Workplace continuing training

Section 3 of the central works agreement, which is of key importance, defines the “elements of the workplace training process” and – as it were – their chronological order. Once a year, the *management* at each business location – proceeding on the basis of expected technical and organisational changes and taking into account all works planning and strategy processes – is obliged to identify *trends for employee training* and discuss these with the *works council*. The works council may also present suggestions of its own. At the same time, information concerning the past year’s training measures is presented to and discussed with the works council. In this way training needs are defined in more general form (trends).

This is followed by the core element, the *training consultation*, which is held once a year between the employees and their company superiors. In the incentive wage area, this consultation takes the form of a *group meeting*; otherwise it consists of a meeting between the individual employee and his or her superior (in the case of project work both the technical and disciplinary supervisors are involved). At the request of the employee, the works council may attend the training consultation. As a rule, the meeting is announced to the employee one week in advance and is conducted on the basis of a consultation guideline. The superior explains to the employee the impact of expected changes and new technologies on qualifications and training needs.

What is discussed? It is discussed whether the employees, on the basis of their existing qualifications, can keep pace with the continuous development of knowledge or changed requirements in their own areas of responsibility (section 2, second indent of the Baden-Württemberg collective agreement on training). It is also discussed whether and to what extent performance of another concrete equivalent or perhaps higher-level task (section 2, third indent of the Baden-Württemberg collective agreement on training) is conceivable in the light of existing or upgraded qualifications (section 3, subsection 1 of the central works agreement).

Of critical importance at this point is whether a need for training can be *jointly* identified and the necessary relevant training measures *agreed* (section 3, subsection 4 of the central works agreement). This agreement reached in the course of the training consultation defines (to a certain extent) what the necessary workplace training measures are. At the same time, it spells out what training measures are to be implemented when. It may be necessary to set priorities, whereby the basic economic conditions must also be taken into consideration. A written record of the results is to be compiled in keeping with a specimen agreement and integrated into the training plan for the given area.

If it is not possible to reach an agreement between employees and superiors on the need for training and/or a training measure, each of the parties may institute *mediation proceedings before a committee consisting of an equal number of representatives from both sides* (section 3, subsection 7 of the central works agreement).

*The employer assumes the costs of training measures agreed during the training consultation or after mediation proceedings (section 4 of the central works agreement). The time involved in workplace continuing training measures is thereby considered working time; if the measures take place outside normal working hours, the time spent is remunerated without the *bonus paid for extra work* or, at the request of the employee, compensated entirely or in part by time off. Travel time is remunerated as working time without payment of a bonus.*

Personal continuing training

In keeping with the distinction made between “workplace continuing training” and “personal continuing training”, section 6 of the central works agreement centrally regulates the framework conditions for personal continuing training. The definition that was agreed, however, makes it clear that the company’s interests may not be completely ignored in the case of such measures. Section 6 states:

Training is considered to be personal continuing training when the training measures utilised for the purpose of personal career development are basically suited to the performance of a different function within the company...

A distinction can be made here between *external* and *internal personal continuing training*.

External personal continuing training – up to a period of three and, in exceptional cases, five years – is supported through a *reinstatement guarantee* (on the basis of a limited leave agreement), whereby part-time arrangements are also possible. The prerequisite for a reinstatement guarantee is that the individual must previously have been employed by the company for five years. The reinstatement guarantee does not apply to the same position but:

After the end of the training measures, the employees are entitled to return to a job that is comparable to, reasonably equivalent to or more qualified than their previous job.

While there is entitlement to return under the foregoing circumstances, this is not true in the case of internal (i.e. in-company) personal continuing training: Here return *may* be possible. Such cases involve *wishes* of the employee that are not satisfied by the agreement on workplace continuing training. An agreement may be concluded between the superior and the employee in this regard. As a rule, such agreements presume a *contribution* by the employee from his or her *own resources*, such as time accumulated in a working time account.

Responsibilities

In sections 7 and 8 of the central works agreement, an attempt has been made to specify the reciprocal responsibilities of superiors and employees for training measures.

Section 7 unmistakably states: “*The planning and coordination of training measures is the responsibility of management.*” It again describes the tasks to be assumed by the workplace superior in the context of the training process spelled out in section 3 in particular. Furthermore, the superiors are obligated to support personal continuing training aspirations on the part of employees and to take the *initiative* in approaching suitable individuals:

The superiors shall approach suitable employees, as needed or upon recognition of their potential, who are conceivable candidates for career or personal continuing training.

Active involvement in the training process is made *obligatory* for the employees. They are also obligated to put the acquired training to use if their work duties so require.

Sanctions are envisioned in two cases. If employees do not commence or prematurely terminate agreed training measures *without good cause*,

the employees may lose entitlements to compensation under company or collective agreements if they are no longer able to perform their previous job due to lack of training.

If an employee has participated in a particularly expensive training measure (over EUR 5,000) and leaves the company within two years after completing this training, he or she must – if a repayment clause was agreed – reimburse the company for the costs.

Return after parental or family leave

In addition, the central works agreement contains provisions applicable to persons returning from parental or family leave that are also of interest from the standpoint of lifelong learning. Pursuant to these provisions, which are like the provisions agreed in an earlier central works agreement on family leave, a consultation shall take place between superiors and “returnees” no later than six months prior to the end of parental or family leave to determine what qualifications are necessary in order to ensure the employee’s smooth reintegration and enable him or her to assume a job that is comparable to his or her previous job. The following provision is particularly interesting:

To maintain their qualifications and contact with the company, the employees shall perform at least 100 hours of substitution work during each year of family leave ...

Responsibility for maintaining contact with the employees during parental or family leave lies with the company superior in whose personnel lists the persons concerned are entered. Persons on parental or family leave are also expected to take the initiative to maintain contact and ease their reintegration, however.

4.4 Social insurance fund of the scaffolding trade

As early as 1981 the parties to the collective bargaining agreement for the scaffolding trade agreed on a sector-related system of initial and further training that is distinctive especially from the standpoint of the combination of its elements. To begin with, agreement was reached on the structure and content of initial vocational training and subsequent further training as well as the manner in which training was to be conducted – the share of training to be provided in central vocational training facilities, for instance. From this agreement a uniform set of training regulations for the occupation of scaffolder and for subsequent further training emerged in the year 1991. In addition, it was agreed that initial and further training should be financed by a *social insurance fund* jointly administered by the parties to the collective agreement and funded by *contributions levied* on all companies, irrespective of whether employees of a given company were engaged in initial or further training or not.

Employees in the companies of the scaffolding trade have a *legal entitlement* to attend further training courses if they possess the prerequisite qualifications (namely successful completion of the respective preceding “stage” of initial or further training). In concrete terms, this legal entitlement takes the form *inter alia* of guaranteed paid leave from work for the duration of the training measure, which is conducted at one of the accredited training facilities of the trade agreed by the parties to the collective agreement.

This system was created because the parties to the collective agreement agreed at the time that the existing level of on-the-job training for employees was insufficient to keep pace with the swift process of technological and logistic change in the sector. It was evidently possible at that time to reach agreement on the point that a systematic raising of the level of employee qualifications and permanent upgrading of skills were in the common vital interest of *all* the companies in the sector and thus justified financing in the form of a *standard contribution levied on all companies*.

Each company pays 26 percent (1995) of gross wages into the social insurance fund, which then covers the cost of supplementary benefits and vocational training. A specific share of this amount is allocated to each of the designated funding purposes, whereby 2.5 percent of gross wages is earmarked for “vocational training risk” (i.e. about ten percent of total contributions). Expressed in 1995 figures, this means that contributions in the amount of DM 17.8 million were earmarked for vocational training, DM 5.1 million thereof for vocational further training.

The companies continue to pay the wages of employees who are attending a further training course or taking an examination (in the amount of eight hours pay for each day of actual attendance). The *social insurance fund* reimburses the companies for this continued payment of wages plus compensation in the amount of 45 percent of the social insurance contributions payable by the employer for the employee during this

time. The *social insurance fund* covers the cost of travel to and from the training facility and reimburses the facility for the course fees and the costs of teaching materials. All in all, support provided by the *social insurance fund* in the area of initial and further training encompasses initial vocational training for the occupation of scaffolder, further training as certified chief scaffold assembler, further training as certified scaffolding foreman and the training course leading to suitability as certified apprentice instructor. To give an idea of the scale of this support: In 1995 there were 750 trainees nationwide, eleven further training courses for certified chief scaffold assemblers with a total enrolment of 231, and ten further training courses for certified scaffolding foremen with a total enrolment of 233.

4.5 Training fund for the agricultural and forestry sector

A fund-based financing system for initial, further and continuing training has existed since 1996 in the agricultural and forestry sector as well. Both companies and employees pay into this fund, however. Every *employee of the companies belonging to this sector who is permanently employed and subject to compulsory pension insurance* must contribute to the fund, irrespective of the company's legal form. At the time the corresponding *collective agreement* was concluded in 1996, employers paid DM 7 per month and employees DM 3 per month into the fund. Total contributions for the 89,500 employees in this sector thus amounted to DM 10,741,500 in 1996. Two institutions were founded to implement the collective agreement: the *Qualifizierungsfonds Land- und Forstwirtschaft e.V.* (training fund), which collects the contributions, and the *Förderwerk der Land- und Forstwirtschaft e.V.* (development agency), which functions as the sponsor of training. This division also enables the development agency to obtain co-financing from other sources such as the European Social Fund to supplement national funding resources.

The development agency emerged in the years 1990 and 1991 against the background of the situation of the agricultural and forestry sector in the former German Democratic Republic (GDR): After Germany's reunification, adaptation to EU conditions led to deep cuts in personnel. This prompted the former horticulture, agriculture and forestry union (GGLF: Gewerkschaft Gartenbau, Landwirtschaft und Forsten) – now the building, agriculture and environment union (IG BAU: Industriegewerkschaft Bauen-Agrar-Umwelt) – to search for solutions above and beyond the conclusion of individual social compensation plans, solutions that would open up new prospects both for workers who were still employed and those who had lost their jobs. In 1991 the employers' association of agricultural and forestry operations and the former Treuhandanstalt (Trust Agency) thus reached an agreement on the creation of a *training fund*, which was followed by a number of other agreements in 1992 and 1993 that spelled out the objectives to be pursued.

The primary objective of the *training fund* – in keeping with the situation that prompted its creation – was to promote employment, training and new business start-ups. The *target group* consequently consisted not only of persons employed in agriculture and forestry but also persons who had been formerly employed in this sector and wished to work there again.

Pursuant to section 3 of the collective agreement on the training fund, the funding aims are to create and safeguard competitive full-time and part-time jobs in agriculture and forestry through training. To this end, funding is provided for a number of different measures: further and continuing training for workers who are presently employed in agriculture and forestry or for former workers who wish to work in this sector again, support for institutions and associations that implement such measures, complementary work-related information campaigns and support, and expertises.

Both the *training fund* and the *development agency* have the legal form of a registered association and are run by the union and the employers' association as equal partners at both federal and regional level.

During the first few years – in response to the profound changes in Germany's new eastern Länder – structural assistance endeavours were the focus of activity. They were co-funded from a variety of sources, especially labour market policy and European structural policy instruments. In addition to direct implementation of training measures, employment promotion endeavours were flanked by support for employment and training companies, rural community and regional development, and promotion of business start-ups. Under the *collective agreement of 1 January 1996*, the focus has meanwhile shifted to the training of workers in agriculture and forestry (approximately 80 percent of all measures now serve this aim). Thus the fund objectives in this sector now more closely resemble those in the scaffolding trade. One important difference remains, however: the training fund is financed by contributions levied – in different percentages – on both companies and employees.

This model in the agricultural and forestry sector is particularly interesting not only due to its parity principle, its funding method and its structural and employment policy components. Since workers are widely distributed over a large geographical area and are only very rarely concentrated in specific places, the *development agency* must also find new and more mobile solutions to the question of how training can be made accessible to workers without unreasonably great effort and expense.

4.6 Further training in the chemical industry

The further training foundation in Germany's chemical industry is remarkable because it was established in 1993 as a joint initiative of the *federal employers' association of the chemical industry* (Bundesarbeitgeberverband Chemie) and the *chemical workers' union* (IG CPK: Industriegewerkschaft Chemie, Papier, Keramik; now: IG BCE: Industriegewerkschaft Bergbau, Chemie, Energie). The purpose of the foundation is to provide services for job-related further training on the basis of the following common insight:

Job-related further training cannot be the sole responsibility of employers or unions. Social partnership is a suitable framework for tackling this extensive task effectively.

The foundation does *not* provide its own further training programmes. It sees itself as a joint institution and infrastructure for promoting further training. The social partnership approach is an important aspect: *“The concepts developed by the foundation are to serve as a model for relations between the social partners also outside collective bargaining.”*

The work of the foundation is carried out in *projects* financed from the return on investment of its endowment, to which both sides of industry have contributed. In addition, public funds are solicited for specific projects.

The foundation is active in a number of different fields; its projects are usually carried out by working groups composed of knowledgeable corporate representatives of both management and labour.

The fields of work include the following:

- development of further training concepts and programmes,
- preparation of various training materials to be made available,
- development of models for further training,
- provision of training personnel and seminar organisers, and
- advisory services for companies and works councils.

Furthermore, the foundation regularly publishes documents, organizes work conferences and participates in international studies on continuing education and training. It thus offers extensive and differentiated services.

The preamble of the Framework Agreement of 1993 summarises what prompted the parties to the collective agreement to establish the foundation.

They were essentially motivated by the insight

- that due to the rapid developments in the fields of technology and the sciences but also in the economic sector and in society, job-related further training has taken on additional importance,
- that the linkage of chemistry and technology characteristic of the chemical industry necessitates interdisciplinary thinking on the part of numerous employees and a command of basic knowledge in various specialties,
- that the commitment of the chemical industry to optimal work safety and to effective environmental protection demands a high level of skill and responsibility from employees,
- that further training can maintain and improve employee productivity,
- that further training opens up better vocational perspectives for employees, and
- that the importance of the further training that has traditionally been actively promoted in the chemical industry will therefore increase in the future.
(Managing Director Heinz Schlieper, 1999)

The foundation is run by both sides of the industry. Chairmanship of the Board alternates annually between the president of the mining, chemicals and energy union (IG BCE) and the executive director of the federal employers' association of the chemical industry. Another member of the Board comes from the education and training department of one of the major chemical corporations. An advisory council supports the work of the further training foundation.

In the opinion of both the organisations involved, the further training foundation is the manifestation of a culture of cooperation that has developed between the parties to the collective agreement and is marked not by emphasis on the interest-driven issues that divide but instead first and foremost by exploration of the areas where interests overlap. This approach is a particularly long-standing tradition between the parties in the area of initial and further training. A central aim of the foundation's activities, however, is to help further the spread of this culture of cooperation to encompass the companies – especially the small and medium-size companies – of the industry. Since the major corporations of the chemical industry have well-developed and professionally run vocational training departments and institutions, it is above all the small and medium-size companies that are to profit from the work of the further training foundation. Since the clearly practical orientation of the various projects of the further training foundation is predicated upon the active involvement of experts from companies of the chemical industry, a *de facto* transfer of “good practice” in the area of vocational further training frequently results. In the past ten years, the importance of continuing education and training for an education-intensive sector like the chemical industry has taken on even greater immediacy than was foreseeable at the time the foundation was established in 1993. Given the then-projected scope of foundation's functions and its initially experimental nature, its capital endowment was quite limited; now – according to the

managing director in 1999 – “*an increase in the foundation’s capital endowment appears necessary*”. (Schlieper 1999, page 127) This is especially true if greater attention is to be given to the needs of the small and medium-size companies, for: “*This, however, presupposes extremely intensive advice, support and persuasion work for and involving representatives of the companies concerned.*” (ibid.)

In May 2003 (after the finalization of this paper), labour and management in the chemical industry concluded – as part of their pay package deal 2003 – a collective agreement on training, which is important and is therefore presented briefly in the following. This collective agreement is understood as a framework within which special works agreements are to be negotiated. The term “training” is defined broadly and expressly includes the individual aspect: “*Training within the meaning of this agreement means all company-related and individual further training...*” (Section 2). The agreement stipulates the following tools for implementation: training plans, training programmes, and an individual training agreement which is generally to be concluded on the basis of an individual interview or group meeting. The following principle applies: “*The training agreement shall be concluded on the basis of company requirements and the need for maintaining and developing the vocational skills of workers*” (Section 3). Therefore, as this means balancing company requirements and individual training needs, a general rule has been established governing workers’ own potential contributions: “*Workers’ own contributions are as a rule made in the form of time.*” For that purpose, workers may use the extra free time they are granted as compensation for overtime work or the long-term accounts stipulated in the new collective agreement for the chemical sector. The further training foundation is to help with the development of counselling services on the basis of *regional* networks of well-established education providers. Under the heading “The future of training”, the pay package deal 2003 also includes the objective of increasing the number of training places. A rate of increase of 1.7% was agreed for 2003; future rates of increase will be negotiated in the pay rounds of following years.

4.7 Deutsche Shell AG

As early as 1988 a company collective agreement was concluded that provides that employees may use the free time resulting from the reduction of working hours for participation in continuing training to enhance their personal and work-related skills without there being an urgent need for such skills at their current workplace.

In the year 2001, the company’s continuing training activities amounted to a total of approximately 7 days per staff member, of which 2½ days were used for what is termed interfunctional training. This mainly refers to so-called “soft skills” that are not directly related to a specific specialty or workplace, such as communication and leadership skills. 1.45 days of the time needed for such training were provided under the above-mentioned collective agreement.

The agreement concluded between the company and the relevant union (IG BCE, which did not include the mining sector at that time) supplemented the collective agreement covering pay that had been concluded the year before. It forms the basis for a “*programme to promote the further training of staff of the Deutsche Petroleum Aktiengesellschaft*”, which was termed a “pilot project” at the time. The first sentences of the agreement refer in particular to the great importance of individual commitment to further training.

When in 1988 regular weekly working hours were to be reduced to 38 hours or 37.5 hours, consideration was given to the possibility of using the additional free time for further training as a joint “investment” to be made by the company and its staff. On the basis of existing provisions governing working time accounts and related instruments such as the reduction of working hours, additional paid non-work shifts and compensatory time, employees invest in training the extra free time they are granted as compensation for overtime hours. This is done on a voluntary basis. Once every year, the continuing training programme is discussed by the department for human resources development learning together with the central works council.

These provisions, which pursue a co-investment approach, were unique in Germany for quite some time. They have therefore been of great, though rather more symbolic, importance within the company. The works council and the human resources executives in particular consider this agreement a common asset to be preserved. These provisions also raised problems at the company level, however, as it was, for example, necessary to draw a clear line between workplace-related training and the more general programmes offered in connection with the reduction of working hours.

By linking qualification and reduction of working hours, the company and workers' representatives sought to make the agreement a model for other areas.

4.8 Training under the VW “5000x5000 Project”

In 2001, after lengthy and controversial negotiations, *Auto 5000 GmbH*, a wholly-owned subsidiary of Volkswagen AG established for that very purpose, and the *engineering workers' union* (IG Metall) signed a spectacular collective agreement for what has come to be known as the “5000x5000 Project”. This project-related agreement embarks on a new road in collective bargaining and has been concluded for an initial experimental phase of 3½ years. Under this agreement it will be possible to create up to 5000 new jobs for the production of a new motor vehicle at the Wolfsburg location and to fill these jobs with *unemployed workers*. According to IG Metall, these successful efforts to create a large number of new jobs in Wolfsburg send an important message, for they represent a landmark reversal of the trend towards locational shift. This is one reason why the union has agreed that pay shall not be governed by the Volkswagen company agreement but shall instead be similar to the – markedly lower – wages

stipulated in the collective agreement for the metal industry in the Lower Saxony region. Furthermore, the *project pay agreement* (Projekttarifvertrag) and its annexes include approaches to work organization and worker participation that go far beyond existing arrangements. IG Metall has commented on this as follows:

The VW 5000x5000 Project does not follow this trend (of re-Taylorisation). Work organization constitutes a separate innovation area and will be re-designed. The project envisions the large-scale introduction of teamwork and a holistic concept of work.¹³

Within this overall approach, *qualifications and training* are of outstanding importance. The preamble of the project pay agreement includes the following statement:

Intensive previous qualification and continuous updating training for all employed persons are necessary for lastingly easing the pressure on the labour market.

What type of qualifications are meant is defined in the *basic principles* included in the *training pay agreement* (Qualifizierungstarifvertrag).

In addition to specialized knowledge, the following skills and competencies are to be taught:

- *cooperation and communication skills,*
- *openness to new forms of division of labour,*
- *the ability to solve conflicts in a cooperative manner, and*
- *the ability to work independently within the team and meet quality requirements.*

This *training pay agreement* concluded between Auto 5000 GmbH and IG Metall is part of the set of collective agreements governing the 5000x5000 Project.

The collective agreement sets out the *basic principles, stages in training and financing arrangements*.

It must always be borne in mind that the people who are to take up employment with Auto 5000 GmbH have previously been unemployed. This explains the sequence of training stages defined in the agreement. The first stage – which precedes the commencement of *ongoing training* – is a preparation phase to ensure that the prospective employees obtain the *general level of suitability for industrial work*. This preparation phase takes place after the personnel selection process but before acceptance into employment and is handled by the *labour administration*. A six-month

¹³ Industriegewerkschaft Metall, Bezirk Hannover: 5000x5000. Das IG-Metall-Tarifsystem für das VW Project 5000x5000, Hannover, November 2001.

start-up period follows, which is to enable the employees to attain the *general level of suitability for work in the automobile industry*. The employment relationship is initially limited to these six months and *de facto* constitutes a work process-related training and probationary employment relationship during which a fixed gross remuneration of EUR 2,045 is paid for an average of 35 working hours per week. If employment is to continue after this period, a contract of indefinite duration is concluded on the basis of the conditions agreed between Auto 5000 GmbH and IG Metall.

During this permanent contractual relationship, workers are to participate in *ongoing training*, the methods and basic content of which will be agreed between the corporate management and the works council. The basic rights and obligations of employees regarding training are stipulated in the collective agreement: “*Employees are entitled to an individual development and training plan but are required to undergo the agreed training that is on offer.*”

Upon successful conclusion of such training, participants are to be awarded a certificate designating them “automotive engineering specialists” (see details later in this section).

As a rule, the time spent on individual training is to average three hours per week. Half of this time is remunerated by the employer in addition to regular working hours, but only half, for: “*Employees have to make up half the individual training time.*”

“*Training time*” means both process-related periods (*training on the job*) and periods that take place outside the work process in training establishments/factories or outside the company (*training off the job*) as well as all structured communication and learning processes in teams. This explicitly refers to the provisions governing *work organization* in the overall wage agreement, the *project pay agreement*.

The arrangements governing the financing of training can be summarised as follows: Training in the preparation phase preceding employment is financed from the budget of the labour administration, as the participants in such training are unemployed persons. Training during the start-up period is fully financed by the company. The infrastructure costs of *ongoing training* during the permanent contractual relationship are fully covered by the company, which also pays half of the extra three hours per week needed on average for such training; the other half of this training time must be borne by the employees, who contribute free time for this purpose. The collective agreement thus provides for a co-investment in training.

In the future, employees of Auto 5000 GmbH will be able to earn certification as an “automotive engineering specialist” (Automobilbauer [IHK]) from the Chamber of Industry and Commerce after two years. To this end a *cooperation agreement between the Lüneburg-Wolfsburg Chamber of Industry and Commerce and Auto 5000 GmbH* was concluded in October 2002.

Participation in the Chamber's "automotive engineering specialist" training programme is voluntary for employees of Auto 5000 GmbH and entails no additional expenditure of time or money, for the training measures envisaged at Auto 5000 GmbH (including the time contributed by the employees themselves) are recognised. The prerequisites specified for admission to the certification programme are: successful completion of a vocational training programme or comparable qualification, knowledge of methodology and quality management, social skills, basic technical skills and a minimum of two years employment in learning and work processes at an automobile manufacturer.

The acquired skills are tested in a *workshop* in which a typical workplace problem must be analysed, addressed and a promising course of action proposed for its resolution. Thus the qualifications acquired are tested and certified in a way that is in keeping with their acquisition in on-the-job learning and work processes.

4.9 FRAPORT AG

FRAPORT AG operates the Frankfurt am Main Airport, Germany's largest commercial airport. The corporation currently has about 13,000 employees.

Personnel development is of strategic importance to this corporation. The air transport sector is in a continual state of development; new occupational demands must be met by ongoing further education and training.

"Mobility in the minds of employees as well" is the motto of a new educational opportunity introduced in the year 2000: the "FRAPORT Q-Card" (Q-Card stands for Qualification Card).

The Q-Card is a bonus card that the corporation loads with a virtual credit of EUR 600 each year. With this card, employees can enrol in courses offered through the corporation's education services (Fraport College, Fraport Academy) that are not directly required for the performance of their present jobs. In return, they must invest their free time or flexitime credits from their working time accounts.

The programme currently encompasses the following thematic areas:

- information technology,
- media skills,
- behaviour training and work techniques, and
- business administration.

Approximately 85 different training courses were offered in the first half of 2002.

The fees for the courses range between EUR 200 (for a one-day course such as "Developing New Self-Energy") and EUR 600 (for a six-day course such as "Basic Knowledge of Business Administration").

A certificate of attendance is issued for the courses.

In addition to the opportunities afforded by the Q-Card, training courses continue to be offered that are required for the performance of employees' tasks; these courses are held during working hours.

The Q-Card is a *cost- and time-sharing* instrument for lifelong learning. It is not a "savings account".

In the year 2002, FRAPORT won one of the "initiative awards for training and further education" for its Q-Card. These awards, which are under the patronage of Federal President Johannes Rau, are jointly presented by the Otto Wolff Foundation, the Association of German Chambers of Industry and Commerce (DIHT) and the business weekly magazine "Wirtschaftswoche".

In the field of individual personnel development, moreover, FRAPORT offers employees an *Intranet Service* developed and maintained by a "Job Alliance" involving FRAPORT, Degussa AG, Deutsche Bank AG and Deutsche Lufthansa AG. The Job Alliance partners jointly offer an Intranet-based platform encompassing what is termed a "skill and aptitude test", practical forms of guidance for inter-company training and development opportunities, temporary employee exchange programmes, a joint job market and up-to-date information on labour market trends.

4.10 Pilot projects/learning cultures

For many years the *Federal Institute for Vocational Training* has already been funding pilot projects in companies that focus on modernisation of initial and further training. These projects fulfil an important educational policy function: They test innovations in the content, methods and structure of on-the-job learning and thus concurrently lay the foundations for broader skills geared to greater career independence. Hence the funding and systematic support provided for these pilot projects must likewise be considered an – ongoing – investment in the creation of the prerequisites for lifelong learning – in this case on the "supply side" of education and involving close interlinkage of learning and working. The substantial funding provided for the pilot projects is commensurate with the obligation of the implementing firms and their partners to create *transferable products*. These can take the form of practical concepts for action, guides, materials and media. The by no means insubstantial financial contribution from the firms' own resources is designed to ensure their vested interest in and corresponding implementation of the projects.

Funding is presently being provided for 17 such *business-sector pilot projects* that concentrate on the development of skills for work in companies as *learning organisations*. The testing of self-directed learning processes – through a cross-hierarchical approach in the automobile industry, for instance, or with the aid of

qualified self-assessments or in the context of small and medium-size enterprises – is one of the main themes of this generation of pilot projects and demonstrates the close connection to the financing of lifelong learning.

Promotion of innovation at workplace level is also the aim of a number of projects from the programme “*Learning Culture for Skill Development*” (see chapter 3.3), whereby there is definitely a correspondence between their focus and that of the aforementioned business-sector pilot projects. This is especially true of the area “*learning in the process of work*” which centres on the development of learning, working and business cultures in which greater scope is conceded for self-directed learning. Here the object is, on the one hand, the development of these skills and, on the other hand, an organisation of work processes that is open to the transfer of these skills. It is thereby assumed that a modern and open learning culture is one of the core resources of future strategic corporate development. Conceptually and empirically oriented research projects are combined in this area with so-called *practical projects* structured according to the selected types of companies in which such approaches are to be tested.

Within the programme *Learning Culture for Skill Development* – in keeping with the aim of creating prerequisites for the biographical “construction” of lifelong learning – the studies on “learning in the process of work” address the substance of the problem complex associated with *informal on-the-job learning and its certification*. Projects to incorporate and evaluate informally acquired skills are being implemented in this context by the Federal Institute for Vocational Training on behalf of the Federal Ministry of Education and Research.

4.11 Framework concept “Innovative Development of Work – The Future of Work”

The framework concept “Innovative Development of Work – The Future of Work” was published by the Federal Ministry of Education and Research in the year 2001.¹⁴ While this programme is a *follow-up* to previous important research and development programmes such as “Humanisation of Working Life” and “Work and Technology”, it also incorporates additional important aspects of the general process of structural change into its objectives. This includes the continuing spread of e-business and its impact on employees but also the impact of the profound demographic changes that were the focus of the work of a Committee of Inquiry of the German Bundestag. The Committee’s conclusions and proposals – to the extent that they concern the development and future of work – likewise form a key point of departure for the new promotion concept. All in all, the programme aims to activate flexible and productive potentials in companies, the development of which is becoming increasingly dependent

¹⁴ The brochure appeared in English in the year 2002.

on the existence of a corporate culture that systematically promotes innovativeness, creativity and motivation for lifelong learning.

The programme has been endowed with approximately EUR 83 million for the period 2001 to 2005.

Its connection with the promotion of lifelong learning becomes immediately clear from a look at the basic orientation of the framework concept. It proceeds from a holistic concept of innovation that places human resources at the centre of companies' future development. The corresponding *model* for projects to be funded is accordingly described as follows in the *framework concept*:

Competence for the future. To promote and expand the development opportunities of individuals and companies, so that they can shape the processes of change occurring in the working world in an active and human-oriented manner and thus contribute to economic success and employment.

Here competence is understood to be proactive and development-oriented – and thus gives an important accentuation to the concept of lifelong learning.

Against this background, the concept defines four major fields of research for which funding applications can be submitted – preferably by project alliances with strong company involvement. Especially the first field “*development and maintenance of competence and employability*” is intrinsically related to lifelong learning and thereby concentrates especially on the shaping of the framework conditions conducive hereto at the workplace; in other words, it focuses especially on the design of work organisation. The other fields of research are related to this in terms of content (second field: sustainable company development; third field: promotion of equal opportunities and the exploitation of untapped potentials; fourth field: new ways of implementation and transfer).

The grant conditions are designed to foster incentive and sustainability: Companies in the commercial sector are eligible for funds covering up to 50 percent of the actual cost; Small and medium-size enterprises are eligible for an additional ten percent, as are companies from Germany's new eastern Länder.

4.12 Non-formal learning as a structural element of lifelong learning: the example of further IT training

One of the core elements of the “lifelong learning system” depicted by the LLL Triangle is a networked complex of educational offerings that afford individuals opportunities to select and combine various options to suit their personal needs. Of particular interest in this context are approaches that seek to interlink these educational

offerings along the line of the individual's occupational biography – initial training with further training, for example, or further training with continuing education and training. This section therefore outlines an especially innovative concept that was essentially developed by the social partners of the IT sector. The financial support provided by the Federal Ministry of Education and Research falls under the category of *investment* in the contextual structures of lifelong learning.

As early as the mid-1990s, the social partners of the IT sector and the Federal Government agreed that a vocational training initiative should be launched in the IT sector; as a result, four new initial training regulations were prepared and adopted in 1997. In spring 1999 the social partners in the IT sector agreed on terms of reference for reorganizing further IT training. These terms of reference provided the basis for a large-scale campaign to remedy the shortage of IT specialists, which was agreed in July 1999 within the framework of the *Alliance for Jobs, Training and Competitiveness*.

Experts from both sides – employers and employees – were involved in both stages of development of these regulations. A set of tried and tested instruments is available for this process on the basis of the German Vocational Training Act.

The outcome of these endeavours is a new *continuing education and training system in the IT sector* that is innovative in many respects; its profiles, levels, flexibility and learning concepts clearly differ from previous further training provision.

The new system is based on the four IT training occupations created in 1997, namely IT system electronics technician, information technology specialist, IT system support specialist and information technology officer, but it also expressly includes the possibility of *lateral entry* and *re-entry*.

At the first level, the “*specialist*” level, further IT training is offered for 29 specialisations in six functional groups. Training at the next level, the “*operative professionals*” level, leads to the following qualifications considered equivalent to a bachelor's degree: IT engineer, IT manager, IT consultant and IT commercial manager. The qualifications earned at the top level, the “*strategic professionals*” level, are equivalent to a master's degree: IT system engineer and IT business engineer.

The various further training profiles at the three levels have been interlinked in a way that enables employees who wish to enhance their qualifications to choose among different pathways without having to “start from scratch”. This facilitates both horizontal skill development and upward career development, including diagonal routes.

The central learning approach throughout this system is *competence development in the process of work*, a didactic principle that combines productive activity with personnel development. Learning is based on a process-oriented curriculum. The structure of the content of learning is therefore not meant to meet the requirements of a specific subject

but instead follows the logic of the work process – which can be understood on the basis of the work experience acquired.

Owing not least to this practical work-oriented learning concept, it is possible to open further IT training to lateral entrants and re-entrants. It is expressly stated that entry into the system is also possible on the basis of relevant work experience acquired either within the IT sector or externally on the labour market, from where “bridging” measures financed by the employment offices may lead to further IT training.

In a paper outlining the reasons for and the development and implementation of the new further training system, the following is stated concerning the new culture of learning:

If both sides invest in learning, i.e. if enterprises provide for quality and infrastructure and if skilled employees are willing and motivated to participate, the new continuing education and training system in the IT sector can contribute to encouraging lifelong skill development and thus to improving employability. Instead of relying on formalized learning processes involving “dry” theoretical classes not related to real IT activities, this new form of training fosters high-quality learning by tackling the problems and tasks that actually arise in modern IT workplaces, backed up by support from practitioners in the field.¹⁵

¹⁵ Ehrke, Michael, and Karzheinz Müller: Begründung, Entwicklung und Umsetzung des neuen IT-Weiterbildungssystems, in: Bundesministerium für Bildung und Forschung: Berufsbildungsbericht 2002.

5 ELEMENTS OF A FINANCING CONCEPT FOR A LIFELONG LEARNING SYSTEM

Both the central programme documents outlined in chapter 2 and the examples of good practice given in chapters 3 and 4 are intended to underscore the fact that in the light of Germany's education landscape and educational policy, the financing of lifelong learning cannot be limited to the provision of financial resources to individuals alone. The financing of lifelong learning – and thus of its “good practice” – also encompasses investment in the development of skills, education networks and support structures (as depicted in the *LLL Triangle*). Before the work of the *Expert Commission on Financing Lifelong Learning* is briefly outlined in section 5.3, several of the trends in the development of a lifelong learning system that became evident in chapters 2 and 3 will be summarised in section 5.1. Section 5.2 will then address the question as to how *transparency* – a prerequisite for refocusing and restructuring – should be created.

5.1 Diversity and network development

If lifelong learning understood to encompass not only “all formal, non-formal and informal learning throughout an individual's life” (interim report of the Expert Commission on Financing Lifelong Learning) but also the aspect of linkage of these forms of learning by the individual (self-management of one's own learning biography) and as regards provision (educational integration), educational policy in Germany faces formidable challenges. But things are moving in the education system – particularly in the areas of post-school education that have been traditionally been termed continuing/further training and adult education.

In the foregoing sections, a number of outstanding examples of such *best practice* were presented. These were selected not so much for their approach to financing lifelong learning as for the interesting and innovative approaches they are pursuing in their attempts to make lifelong learning an established part of life. In many cases, however, the issue of financing is at least implied or will be emphasised in the course of further development of the approach.

At first glance, the reorganization of the system of further training in the *IT sector* seems to be a rather conventional approach to lifelong learning, for it is state-recognized further training organized on the basis of the Vocational Training Act. However, it includes far-reaching and innovative approaches that may serve as a conceptual basis for the future design of the vocational fields of lifelong learning. Further training in Germany has always meant systematic skill development on the basis of previous qualified work which leads to the award of higher-level certificates. The new further training system in the IT sector is innovative because it builds on the specializations that have emerged in the “real world” of the IT sector: In the first stage of further training, it strengthens and certifies these specialist skills and then, in another two stages,

develops them at the “*operative professionals*” level and the “*strategic professionals*” level. The certificates awarded at these latter two levels are equivalent to academic degrees. All in all, the system comprises 35 profiles or certificates at the three levels, and has been designed to enable not only horizontal skill development but also upward career development – to the second and third level – by various, i.e. also diagonal, routes. The system thus *flexibly* offers a *large number of further training options*. Another major innovation is the fact that *access* to further training is no longer contingent on completion of initial IT training and the award of the relevant certificate but is also possible on the basis of relevant *work experience*. This opens the system up to *lateral entrants* from the labour market. The great importance attached to practical experience – and thus to non-formal and informal learning – goes hand in hand with a clear and far-reaching reorientation of the concept of *learning* to centre on the *work process*¹⁶ as the most important learning environment. No special consideration has thus far been given to the issue of *financing* under the new further training system in the IT sector; the financing of training under this system is governed by the regular further training provisions and processes and – with regard to lateral entrants from the labour market – includes assistance pursuant to Book Three of the Social Code.

The *collective agreement on training* concluded in the *Baden-Württemberg metal industry* in the year 2001 will probably prove to be of similar structural importance, though in the area of in-company training, an area little regulated in Germany to date. The key provision of this agreement is the employee’s right to *meet* at least once a year with his or her superior to jointly *identify training needs* and agree the necessary training measures on that basis. Individual needs have thus been given priority over standardization of annual training times. This, however, raises the question of whether individual employees are able and willing to express their own training interests in a clear and self-confident manner. In the event that the company and the employee are unable to reach agreement on training – which it is assumed will not frequently be the case – the *joint agency* established by the social partners resolves the matter.

As regards *financing*, a distinction is made between *workplace* continuing training, which is fully financed by the company, and *personal* continuing training, which is financed by the employee concerned. On completion of such personal continuing training, however, employees have a right to return to jobs comparable to their previous work. This arrangement essentially serves to safeguard the right to personal continuing training. It is assumed that there is a *considerable grey area* between workplace continuing training and personal continuing training that will ultimately be governed by corporate arrangements, just as it is assumed that procedural arrangements for

¹⁶ More than ten years after the first proposal for making work-process knowledge (*Arbeitsprozess-Wissen*, Kruse 1986) the focus of vocational learning, this aspect has now been introduced into reorganization efforts.

individual companies will be stipulated in works agreements concluded to implement the collective agreement.

In fact, numerous *works agreements* have already been concluded in Germany that cover different elements of workplace continuing training (see remarks later in this section). A closer look at them indicates that the *grey area* between corporate and personal interests in continuing training will become a central field for further action – and perhaps also a field of conflict. For all recent approaches to vocational training geared to both *skill development* and *employability* transcend the narrow frame of corporate use alone.

The establishment of a *joint agency* under the *collective agreement in the Baden-Württemberg metal industry*, which is financed by the two parties to the agreement, is another major structural approach. For the tasks of this joint agency include not only mediating corporate conflicts relating to training needs and measures for meeting them – it is assumed this will more likely be an exception to the rule – but also acting as an infrastructural facility that gives fresh impetus to the development of workplace training. In *this* function it is similar to an older institution in another sector of the economy, namely the *further training foundation in the chemical industry*, which was established in 1993 as a joint initiative by the federal employers' association of the chemical industry and the chemical workers' union (now IG BCE). The *foundation's* activities are mainly financed from the return on investment of its endowment, to which both sides of industry have contributed, and centre exclusively on the provision of advice and fresh impetus.

The two foundations presented in this report are examples of the efforts made through agreements of the social partners to provide a suitable *support structure* for – in this case *vocationally-oriented* – learning in adulthood, thus ensuring cooperation, transparency and innovation. Such structures could conceivably become *network nodes* in a future large-scale support system for lifelong learning. From the aspect of financing, it is interesting to note that in the two aforementioned cases the social partners consider it their responsibility to jointly maintain such support structures.

Potential network nodes are also emerging at the regional level. A case in point is the project *Osnabrück Learning Region*, a development project implemented under the “*Learning Regions*” programme launched by the *Federal Ministry of Education and Research*. Like all the other participating regions – each of which is pursuing *its own specific approach* – the Osnabrück region is endeavouring to ensure intelligent networking of the regional education sector, incorporate new elements and lastingly improve access to education for hard-to-reach populations in particular. Transparency and demand orientation of educational provision are proving as important in this connection as an accessible and useful system of educational guidance and counselling. The approach chosen in Osnabrück is based on the tradition of *adult education* but at

the same time seeks to establish close links with the world of work, particularly regarding the improvement of access to the labour market. By tradition and on the understanding that the organization of the regional education sector is a public responsibility, the central management of this project lies mainly with the city and district of Osnabrück. The *funding* for the development of this *innovative regional education infrastructure* – as a network of nodes for lifelong learning – has initially been secured largely via the “Learning Regions” programme. Due to the rapid *degression* in project funding that has been decided by the Bund-Länder Commission for Educational Planning and Research Promotion, the players are forced to consider the problem of long-term financing of both the infrastructure and the services. Over 70 different projects implemented under the “*Learning Regions*” programme are expected to provide interesting contributions to the discussion of the financing (of sub-areas and infrastructure nodes) of lifelong learning.

Precisely from the standpoint of financing, attention should once again be drawn to two examples of in-company continuing training. In both cases, training in a specific company is governed by a collective agreement. Both involve concepts of *co-investment* in training by the company and its staff. The first example is the collective agreement concluded in 1988 between Deutsche Shell AG and the petroleum workers’ union (today: IG BCE). The other – more recent – example is the training pay agreement concluded in the year 2001 between *Auto 5000 GmbH*, a wholly-owned subsidiary of Volkswagen AG, and the union IG Metall as part of a whole set of project-related agreements for the *VW 5000x5000 Project*.

In what at the time (1988) was a very far-sighted landmark decision, Deutsche Shell AG and the petroleum workers’ union agreed that the employees’ *individual commitment to continuing education and training* was to be encouraged and strengthened and that promotion of training was a joint task – even in cases where employees were more interested in acquiring skills that were not of direct relevance to their present jobs. During implementation of a collective agreement for the *reduction of working hours*, a *co-investment approach* was developed to this end that was to remain unique in Germany for quite some time. In order to participate in continuing training, which is detailed in an annual continuing training programme that includes a broad range of topics and subjects strongly reflecting individual continuing training interests, the *employees invest time* that they have saved in working time accounts. The company’s investment consists of bearing all the costs of the training measures and awarding – sometimes substantial – grants towards privately purchased learning materials.

The training pay agreement concluded in 2001 between *Auto 5000 GmbH* and the union *IG Metall* is based on a similar *co-investment model*: *Half of the training time* is invested by the *employees*, and the other half is remunerated by the company (which also covers the training costs). However, more rigorous standards are applied in this

case. Firstly, what employees invest is not free time saved in working time accounts but leisure time. And secondly, co-investment in training is made not within a broad catalogue of open and individualized continuing training opportunities but within the framework of the agreed work-related training in which all employees are to participate. The parties to the agreement, however, contend that the underlying training concept enables employees to acquire skills that can be directly used at the workplace and at the same time secures their employability. In their view, it is precisely this overlapping of interests that justifies co-investment.

This example underscores the – provisional – conclusion that consideration must be given not only to models for (partial) financing of lifelong learning but also to relevant content, methods and institutional arrangements.

5.2 Transparency and quality

If financing concepts are to be tailored in such a way that they support individuals in the shaping of their continuous learning biographies and thereby not only focus on individualised resources but also permanently further the development of an adequate infrastructure of networked, user-oriented educational opportunities as well as advice and support, then the very first step must be to establish *transparency* as to which sources and flows of funding in the existing education landscape are already – how – effective. For innovative financing models that are specifically geared towards making lifelong learning possible logically build on existing financing systems, give them new accents and reform them. Where infrastructural framework conditions are included in the overall system of lifelong learning to be financed, this invariably leads to systems of mixed financing. In the complex and highly *decentralised* education sector that has emerged in Germany over the course of its history, it is not easy to establish transparency regarding educational financing. This is especially true in the case of continuing education and training, for this area has thus far been less regulated in Germany than in other European countries. The prominent role of companies in the German system of vocational initial, further and continuing training, where working and learning are closely intertwined, likewise complicates an estimate of the scale of financing.

The establishment of *transparency in financing* is thus one of the indispensable prerequisites for the development of a workable coherent model for financing lifelong learning. The Expert Commission on Financing Lifelong Learning (see chapter 5.3) consequently commissioned expertises on this subject at the very beginning of its work.¹⁷

¹⁷ See *inter alia* Bellmann, Lutz: Datenlage und Interpretationen der Weiterbildung in Deutschland, published by the Expertenkommission Finanzierung Lebenslangen Lernens, Bielefeld 2003.

Endeavours to promote transparency are by no means new, however. For quite some time the *Federal Institute for Vocational Training (BiBB)*¹⁸ has been examining the issue of “*benefits and net cost of vocational training for companies*”. One of the aims of the project currently in progress is to quantify the medium- and long-term benefits for companies of employing skilled workers they have trained themselves. On the other hand, due account must be taken of the fact that in-company vocational training in Germany is publicly subsidized to a considerable extent in order to make a sufficient number and range of training places available to young people. This is the object of another BiBB research project that is examining the issue of “*public-sector funding for in-company vocational training within the dual system*”.

And, finally, within the framework of a *Leonardo da Vinci II* programme, the Federal Institute for Vocational Training is participating in a comparative analysis of continuing vocational education and training data from 25 countries collected in the year 2000 in the context of the so-called CTVS II Survey. This study will also ultimately serve to enhance transparency in a field of importance for the realisation of lifelong learning, namely the field of continuing vocational education and training.

Another research project pursued by the Federal Institute for Vocational Training that is very closely related to the subject of financing lifelong learning is entitled “*Cost and Benefits of Continuing Vocational Education and Training for Individuals*”. The object of this project is to determine the extent to which individuals finance their own further training and their later “*return*” on this investment.

To implement the resolutions of the *Alliance for Work, Training and Competitiveness* the Federal Ministry of Education and Research has also launched a comprehensive quality assurance initiative in the field of continuing education and training. The object is to strengthen the position of persons seeking services on the continuing education and training market and to support initiatives to improve the quality of continuing education and training provision.

The position of persons seeking services on the continuing education and training market is strengthened above all by projects and measures to improve information options and enhance quality awareness, such as databases and checklists. The quality of continuing education and training provision is furthered by initiatives and projects to develop and enlarge quality circles, i.e. working groups of providers at regional and sectoral level, but also by support for Total Quality Management concepts and counselling and guidance approaches.

Experimentation with independent continuing education and training tests is of particular importance. The consumer products testing foundation “*Stiftung Warentest*”

¹⁸ With a budget of no less than EUR 43.5 million for the year 2002, the Federal Institute for Vocational Training itself represents one of the *main investments* of the Federation in the development of vocational training.

has conducted independent random tests on behalf of the Federal Ministry of Education and Research.

Germany's Länder have also taken action in the area of quality assurance within the scope of their direct competence for education, *inter alia* by enacting pertinent Land legislation¹⁹.

5.3 Expert Commission on Financing Lifelong Learning

The Expert Commission on Financing Lifelong Learning was instituted by the Federal Government and took up its work in October 2001. Its task is to develop feasible proposals for new strategies leading to a sound overall financing concept that better accommodates the wide variety of individual life plans and the requirements of structural change. The Commission is to focus on phases of lifelong learning after initial vocational training, including self-directed learning, and not confine itself to continuing vocational training. At the same time, attention is to be given to strengthening the right to participation in education.

The priority aims to be achieved through the overall concept are:

- an increase in participation in education,
- the creation of incentives for lifelong learning, and
- the promotion of all talents.

Increasing the willingness to pursue education in the comprehensive sense serves not only the aim of maintaining and enhancing the employability of individuals but also the furtherance of their personal development. It is the basis for shaping civil society and mastering the process of societal and economic structural change. Lifelong learning is increasingly becoming the crucial factor in sustainable economic and societal development.

Attention should above all focus on the following aspects:

- development and demands of the labour market,
- lifelong learning and employment status,
- lifelong learning and learning/working time structures,
- acquisition of entitlements, and
- financing alternatives.

Relevant developments in selected states, especially EU Member States, should be compared and utilised as reference material for possible action (analysis of “best practice and good practice” models).

¹⁹ See in this context Bundesministerium für Bildung und Forschung: *Berufsbildungsbericht 2002*, Teil 2, Kapitel 5.2.6

The work of the independent Expert Commission on Financing Lifelong Learning is also embedded in the overall context of the results of the deliberations within the Alliance for Jobs, Training and Competitiveness and with the Education Forum, the debate concerning the EU Memorandum on Lifelong Learning, the deliberations within the Bund-Länder Commission for Educational Planning and Research Promotion concerning the realisation of lifelong learning, and the work of the OECD, which resumed its activities on the financing of lifelong learning after the meeting of education ministers in May 2001.

On the basis of the coalition agreement of 15 October 2002, the Federal Government intends to use the Commission's proposals to systematically develop continuing education and training programmes and increase enrolment in such programmes.

The Commission's deliberations to date are summarized briefly in the following²⁰.

In its interim report, the Commission describes relevant developments in society as a basis for discussion (chapter 3). It thereby emphasizes economic and work-related factors. Although changes in private life are outlined only briefly – due in no small part to hardly quantifiable trends – they are equally important. This is true, for example, of the aspect of gender mainstreaming, which the Commission has addressed. Another case in point is the outstanding importance of lifelong learning for social cohesion in civil society.

Conclusions of the Expert Commission on Financing Lifelong Learning:

- Germany is on its way to becoming a knowledge-based society.
- As an export-oriented high-wage country, Germany can meet international competition only with quality products.
- Good initial training and continuous learning are the major prerequisites for autonomy and responsibility as principles guiding change in the organisation of work.
- Training for older workers is becoming increasingly important in view of demographic trends.
- Provision of training for migrants can reduce the shortage of skilled workers, though it cannot eliminate it.
- The changed requirements of civil society and the technization of everyday life also make lifelong learning a must.
- Structural change can develop in different directions; we will be able to manage change only if we engage in lifelong learning.
- New forms of learning may increase people's interest and pleasure in learning.

²⁰ See in detail *Expertenkommission Finanzierung Lebenslangen Lernens: Auf dem Weg zur Finanzierung Lebenslangen Lernens – Zwischenbericht.*

In its interim report, the Commission has made it clear that initial and continuing education and training are becoming even more important for managing change. The traditional principles of equivalence and transfer opportunities are taking on increasing strategic importance, particularly with a view to opening up greater opportunities for disadvantaged groups and avoiding their isolation. This means that provision structures must be guaranteed, also by public authorities. People will see change as something positive only if they engage in lifelong learning and if the state cooperates in shaping relevant programmes. Both elements – greater individual responsibility and cooperation by public authorities – must be combined in a convincing financing concept.

5.3.1 Basic underlying conception of lifelong learning

In accordance with its mandate, the Expert Commission on Financing Lifelong Learning has defined lifelong learning rather broadly in its interim report (chapter 2). Pursuant to this definition, lifelong learning encompasses *“all formal, non-formal and informal learning over the entire life cycle of a human being”*.

A feasible financing concept should integrate all education sectors into a coherent overall system that includes transfer opportunities. The Commission understands lifelong learning to be:

- learning on interlinked educational pathways allowing transfer,
- learning on one’s own responsibility,
- learning in a variety of programmes offered in a transparent manner,
- learning made possible by the provision of sufficient resources, and
- learning in a transparent and high-quality environment.

With its comments on the scope of lifelong learning, the Commission has succeeded in establishing a link between financing options and structural/qualitative elements both on the demand side and on the supply side. Given the broad definition of lifelong learning and the reciprocal influence of factors and content, this is a sensible and practical approach.

The Commission’s remarks on participation in continuing education and training and the institutional descriptions in chapter 4 mainly refer to the results of the survey conducted in 2000 within the framework of the BMBF’s reporting system on continuing education (Berichtssystem Weiterbildung VIII). As in the 1980s, the survey in 2000 revealed that the overall participation rate was on the decline. The causes need to be explored in detail. The main conclusions of the Commission are as follows:

- Participation in general and vocational continuing education and training increases in accordance with people’s level of school education and initial vocational training, their professional status and career level, and their level of income.

- There are increasingly fewer differences between male and female participation rates. However, women with caregiver duties are clearly underrepresented.
- The opportunities for participation in continuing education and training are distributed unevenly among regions. If a distinction is made between general and vocational continuing education and training, participation in eastern Germany is above average for continuing vocational training and below average for continuing general education.
- Older people have a clearly lower rate of participation in continuing vocational training than younger people.
- Participation by non-EU foreigners is stagnating. Turkish nationals, particularly Turkish women, have the lowest rates of participation among all non-EU nationals.

The most recent results of the reporting system on continuing education and the results of the Commission's work on participation in education underscore the necessity of efforts to encourage greater participation by hard-to-reach and disadvantaged groups.

In the opinion of the Commission, it is desirable that continuing education statistics be improved and empirical research be increased.

The development and improvement of national continuing education statistics was the subject of the reply to a minor interpellation (Bundestagsdrucksache 14/2511). Pragmatic improvements are necessary and possible. Germany has begun implementing the joint results of the OECD and the EU concerning statistics improvement. It will not be possible to conduct a comprehensive survey of requirements, supply and demand. Teaching and learning research activities should be increased. This interim result supports the recommendations issued by the Education Forum in the context of the PISA study (Programme for International Student Assessment).

In its presentation of the essential features of a financing system for continuing education (chapter 5), the Commission emphasizes the following in particular:

- Continuing education and training activities always require resources, notably time and money.
- Refinancing processes lack transparency. No empirical studies have yet been conducted to show who eventually bears the financial burden after all the shifting.
- Company expenditure on continuing vocational training appears to have been stagnating at a high level since the mid-1990s.
- Financing proportions would shift considerably in favour of individuals and the government if the value of the working and leisure time people spend on learning and the tax losses at federal and Land level related to continuing education and training were included in the calculations.
- A significant share of company and individual expenditure on continuing education and training is refunded by the government.

The Commission emphasizes that those who pay for continuing education and training measures are not necessarily those who actually ultimately cover the cost. At the same time, the Commission rightly regrets that the educational policy debate on the cost and financing of continuing education and training in Germany focuses solely on liquidity. The real issues of efficiency and equitableness arise during and at the end of the refunding process, not at the time of initial payment.

5.3.2 Financing and financing alternatives

When considering financing alternatives and possible incentives (chapter 6 of the interim report), the Expert Commission on Financing Lifelong Learning uses a broad definition of resources and financing. It presents a number of basic models (self-financing by individuals, financing by individual companies, educational funds/levies, government financing), including mixed types, but it does not yet give any recommendations. The types of mixed financing presented by the Commission include an “education account” plus vouchers as well as voucher/fund combinations.

The Commission comes to the following conclusions:

- The purpose of incentives and funding is to encourage the economically efficient use of scarce resources by those who offer and those who demand opportunities for lifelong learning. In this connection, care must be taken to ensure a fairer distribution of participation opportunities.
- Effective incentives and adequate financing instruments for greater participation in education must focus especially on those groups within the population who underinvest in education.
- Other countries have developed new instruments for promoting lifelong learning that include incentives for greater collective responsibility or aim at increasing demand and user orientation (empowerment). These should be examined more closely in the light of their potential to suggest new courses of action.

The government is already strongly involved in the provision of lifelong learning by the most diverse private, semi-public and public organizations. What the public/private ratio in provision should be, however, is still a matter of dispute.

With the recommendations it will be preparing, the Commission will be able to contribute to a better balancing of interests.

The Expert Commission on Financing Lifelong Learning intends to discuss suitable financing models in greater detail. This will be the focus of its work in the second part of its deliberations. It will thereby concentrate on scenarios and their evaluation in accordance with education policy goals and criteria. The methods to be applied are still under discussion. The Commission has charged the Fraunhofer Institute for Applied Information Technology (FIT) with developing a simulation model to identify the

transfers related to continuing education and training for typical model households and to examine the impact of different forms of financing.

It is planned that relevant groups in society, including the social partners, participate in the further work of the Commission. The Commission's final report, including recommendations for the Federal Government, is expected to be available in late 2003.

6 OUTLOOK

The fact that individuals expend financial resources of their own for education is nothing new at all: this has always been part of their investment in the future – their children’s or their own – or also part of a strategy to broaden their options, pursue special interests or meet special needs. In the past few decades, which have been marked by profound structural changes and attendant uncertainty as to how to manage them, the percentage of personal income invested in education has risen. *Individual investment in education and training* has thus become a trend, but as a voluntary and additional expenditure – albeit one that people have often considered necessary and unavoidable. More recent developments are now moving in the direction of making *personal financial investment* in education and training more and more obligatory – also in respect of those types and areas of education and training that have historically been provided largely free of charge in Germany. This is also true of *in-company continuing education and training*, where – as the examples in chapter 4 have shown – forms of *co-investment* are becoming more and more prevalent. The *criterion* for deciding between financing and co-financing is the *expected benefit or usefulness* associated with a given educational or training measure.

It is thereby generally presumed that now – far more than in the past – it is the individuals themselves who integrate the educational activities they pursue in the course of their lifetime into a *consciously structured education biography* that dovetails with their employment biography to a greater or lesser degree. It is thus expected that in the “knowledge society” individuals will be able to derive far greater personal *benefit* from education – above all in terms of broadening the options for their personal lives, improving the quality of their lives and averting labour market risks – if they are responsible for and co-finance this process themselves. Of crucial importance in this context is the opportunity to pursue learning activities *time and again* in the course of their personal biographies and to never drop the *thread of continuity of education*. This is the essence of the idea of lifelong learning.

This immediately raises the question of social justice, namely of endowing individuals with resources *and* participatory rights of a scope and nature that will enable them to avail themselves of the opportunities afforded them. These resources and participatory rights must be designed in such a way that they can be activated at the personal discretion of individuals at any given time in the course of their biographies.

From the standpoint of competitiveness this also means comprehensive support for the cultivation and development of the potential lying “in reserve” in the learning capacity of individuals. Resources and participatory rights must be tailored to this as well. *Social inclusiveness* thus has high priority as a structural feature of any system for financing lifelong learning.

The *Expert Commission on Financing Lifelong Learning* is presently addressing an important subsidiary task in this context: It is attempting to develop a feasible model for endowing individuals with financial resources for education that meet the aforementioned structural criteria. The safeguarding of educational opportunities for all through such availability in principle of financial resources for investment in education does not in itself already ensure *social inclusion*, however. The collective agreements and works agreements that provide for co-investment in education on the part of employees under certain conditions demonstrate the need for binding arrangements concerning access and conflict resolution as well as agreements on objectives and safeguards on both sides. Thus a new type of education and training agreement is evolving at company level, one that proceeds from the assumption of shared responsibility. This approach should be adopted at societal level as well.

The premise is still, however, that individuals shape their own education biographies themselves. This means that they must not only be afforded the necessary resources and access rights but also – and above all – have the *skills to shape their education biographies on their own responsibility* as well as opportunities and rights to access the *support services* they need to accomplish this.

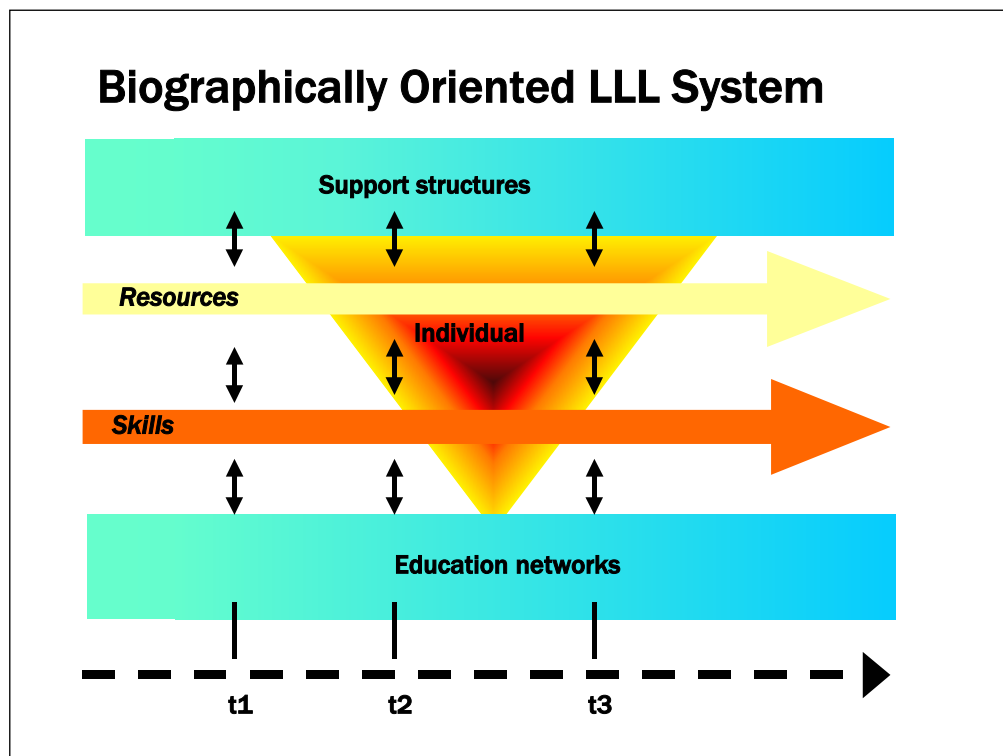
This Report therefore does not limit itself to examples for the construction of individualised models for financing lifelong learning but instead presents a detailed portrayal of exemplary projects – above all ones funded under government programmes – that focus on the creation of stable and sustainable prerequisites for and framework conditions conducive to lifelong learning.

The financing of lifelong learning necessarily encompasses all the basic elements comprising the future lifelong learning system. This was – provisionally – illustrated by the LLL Triangle appearing in the Introduction.

This diagramme is still too stationary, however: It does not adequately reflect the fact that the *biographical dimension* of lifelong learning is not just the responsibility of the individual but must also be the key aspect governing the framework conditions, i.e. for skill development as well as for *education networks* and *support systems*. As was shown in chapter 3, network building is a central theme – above all at regional level – when the prerequisites and framework conditions for lifelong learning are at issue.

A distinction must thereby be made, however, between networks that are available to an individual at a specific time in his or her education biography and *networking along the line of education biographies*.

A biographically oriented diagramme of the *LLL Triangle* would thus take the following form:



Opportunities for access, target group orientation, reliability and provision of assistance in both *education networks* and *support systems* will essentially hinge on whether or not a biography-oriented networking of the corresponding institutions and services will enable these to gear all their activities to the premise of support for the shaping of education biographies by the individuals concerned on their own responsibility. Here lie additional major challenges for the future – challenges that can only be mastered with financial support.

7 BIBLIOGRAPHY

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