

**NALA Position Paper
on
Paid Learning Leave for
employees with less
than a Level 4
qualification**

For discussion, June 2010

NALA advocate that paid learning leave should be established for employees with less than level 4 qualifications. This will facilitate employees who are most in need, and who very often receive little or no training, while improving equality of access to workplace training.



National Adult Literacy Agency
Áisíneacht Náisiúnta Litearthachta do Aosaigh

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The National Adult Literacy Agency (NALA) was established in 1980 and is an independent membership organisation, concerned with developing policy, advocacy, research and offering advisory services in adult literacy work in Ireland. NALA has campaigned for the recognition of, and response to, the adult literacy issue in Ireland.

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Introduction

This policy brief outlines NALA's position on targeting paid learning leave to those most in need and is intended for key national and local policy makers. The brief aims to inform and influence the relevant parties to adopt this approach to raise the adult literacy and numeracy levels of workers with a Level 4 qualification.

Position Statement

NALA believes that people in employment with less than a level 4 qualification should have access to paid time off work to develop their basic literacy and numeracy skills if they wish to do so. This intervention would be for a maximum time specific period and funded through our social insurance (PRSI) system.

The National Skills Strategy (NSS) outlines a vision of Ireland in 2020 in which:

“a well-educated and highly skilled population contributes optimally to a competitive, innovation-driven, knowledge-based, participative and inclusive economy individuals who do not currently hold a qualification equivalent to NFQ Level 4 or 5 should be assisted to achieve such an award, through either full- or part-time study, without incurring tuition costs and with a level of subsistence, where appropriate, provided by the State.”¹

Context

Ireland is currently in a profound national and global economic crisis, not experienced for decades. The National Skills Strategy reported that “labour productivity will be the key determinant of economic growth in Ireland, and increasing productivity will depend to a large extent on education and training as a workforce that is better educated can produce higher value goods and services.” (Expert Group on Future Skills Needs, 2007) The report set a target of upskilling 70,000 employees from NQF Levels 1 & 2 to Level 3 and 260,000 up to Levels 4 and 5 by 2020. This equates to an upskilling of approximately 300,000 workers with different and varying literacy and numeracy needs.

Generic skills include basic skills such as literacy and numeracy which are fundamental to economic development and work. According to the Expert Group on Future Skills Needs “there is substantial evidence to indicate that generic (employability) skills are regarded as of at least, if not more, importance for employers as technical or job-specific skills for the 21st century workplace. It is equally clear that these skills would be important to individuals as never before, as part of their skills portfolios.” (EGFSN, 2006)

In Ireland, there are examples of paid learning/educational leave, for example in the civil service and private industry - especially in larger companies, banks and IT companies. Social partners recognise the role that paid learning leave can play in improving workplace training take-up. The Irish Business and Employers' Confederation (IBEC) and Small Firms Association (SFA) have brought out guidelines on the practice for its members. However as there is no legal framework for this, it therefore greatly depends on the goodwill of individual employers, particularly in small and medium enterprises. The Irish Congress of Trade Unions (ICTU) believes that “employers should be legally required to provide continuing training for their workers and this should be backed up by state supports.” This should include provision for “minimum training rights such as a guaranteed number of paid hours for up/re skilling and vocational training.” (ICTU, 2009)

¹ Towards a National Skills Strategy (2007), Tomorrow's Skills: Towards a National Skills Strategy, page 93

The establishment of the **Workplace Basic Education Fund** (Skills for Work) in 2004 was key to supporting the development and delivery of workplace basic education programmes. As the fund pays 100% of the training, the employer is asked to give a contribution of time; however this is not always possible particularly for small and medium enterprises. In 2008, 1,500 people participated in basic skills training and in 2009 there were 2,000. This fund creates a possible mechanism to target paid learning leave for employees attending workplace basic education courses. A significant percentage of the fund is spent on promoting this programme to employers. Some of this funding could be better used to provide more tuition opportunities if employees could apply under a Paid Learning Leave scheme to participate in available learning opportunities without their individual employer having to be convinced of its value to a specific company.

What is the problem?

Currently 18% of people in employment (337,700) have less than a level 4 qualification, of which 6.2% have only primary level or no qualifications.² The current Review of Labour Market Programmes shows the lack of adequate interventions for people with literacy and numeracy needs and/or less than Level 4 qualifications. (FORFÁS, 2010) This skills gap is having a direct impact on the workplace, effectiveness and productivity, career opportunities, personal finances, progression, family and the everyday life of a person.

With around 70% of the 2020 workforce already in the labour market, the country has to invest in the skills of people already in employment. The latest report on the implementation of the National Skills Strategy shows that the least progress made so far has been with upskilling those at the lower levels of 1 -3 up to Levels 4 and 5. This group has been identified therefore as the most significant challenge for the period to 2020 and a key factor to deliver on the targets is ensuring the acquisition of literacy and numeracy skills (Department of Education and Science, 2010).

It is acknowledged “better educated employees are much more likely to partake in education/training” (FÁS, 2009). 15% of third-level qualified employees received education/training compared to fewer than half of that rate (7%) for Leaving Certificate employees and one quarter of that rate (4%) for Junior Certificate employees. (FÁS, 2008) The current situation is unequal and compounds the Matthew effect whereby people who need the most assistance are the least likely to be assisted while those who need the least assistance are the most likely to be assisted. (Kerckhoff, A. and Glennie, E., 1999)

Policy Options

The Government can choose to leave the situation as it is, therefore relying on the goodwill of employers to release their employees for training. However this approach has not worked effectively for employees with basic skills needs, as most in-employment training has been for those with qualifications already.

NALA advocate that the Government should legislate to give employees with basic skills needs and less than a level 4 qualification a right to paid learning leave. This approach would enable people with literacy and numeracy difficulties who missed out first time around to get a second chance and access training to improve their basic skills during work hours.

² CSO website: http://www.cso.ie/qnhs/calendar_quarters_qnhs.htm Table 23, Quarter 4 2009

Policy Recommendation(s)

NALA recommends the introduction of paid learning leave for employees with basic skills needs and less than a level 4 qualification, funded through our social insurance (PRSI) system. This will cost between €1,730 and €3,132 per person per annum for 200 hours of basic education training. The intervention would have a time specific period named, for example, 3 years.

It would also target a particular sector and/or companies, for example, small and medium enterprises. This would allow small and medium size companies to up skill their staff without losing out financially, thus helping to engage with employers who may not otherwise have invested in basic education and training for their staff. Irish Small and Medium Enterprises (ISME) has called for paid learning leave for small businesses as they face substantial obstacles in training their employees.³

Appropriate monitoring and evaluation of any interventions should take place at specified periods.

What are the benefits?

NALA recently commissioned research in Ireland on a cost benefit analysis of adult literacy training. The research found gains for the individuals, the companies they worked for, the Exchequer, as well as the economy, for example, increased GDP and society at large.⁴ The report found that “expenditure on adult literacy training generates high economic returns” with the annual income gain per person per level increase on the National Qualifications Framework being €3,810 and the gain to the Exchequer, in terms of reduced social welfare transfers and increased tax payments, being €1,531 per annum. Therefore paid learning leave costs would be paid back to the exchequer in approximately 1 year for those on the minimum wage and 2 years for those on the average industrial wage.

NALA’s experience of paid learning leave has been very positive. The Return to Learning initiative in the Local Authorities has been running since 2000 where workers are released from work for 4 hours a week over 20 weeks (80 hours in total). According to the independent evaluator, a “key success factor for this initiative has been the facilitation by management of their staff being involved in training during normal working hours.” (Polaris Human Resources, 2005)

How much will this cost?

We have estimated the costings using an hourly rate based on the minimum wage⁵, the average industrial wage⁶ and the mid-point. The costings for 200 hours⁷ of paid learning leave per person based on:

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|--|---|---------------|
| • the minimum wage at €8.65 | = | €1,730 |
| • the average industrial wage at €15.66 | = | €3,132 |
| • the mean of the minimum and average industrial wage ⁸ | = | €2,430 |

³ Irish Small and Medium Enterprises http://www.isme.ie/stg/public/download.php?site=site685&file=06347training_mark.pdf

⁴ Dorgan, J (2009), A cost benefit analysis of adult literacy training Research Report, Dublin: NALA

⁵ €8.65 per hour

⁶ €15.66 an hour – source: Central Statistics Office, Industrial Earnings and House Worked <http://www.cso.ie/releasespublications/documents/earnings/current/indearn.pdf>

⁷ It is estimated from US and UK research that it takes 200 hours of literacy tuition to move up a level of literacy, roughly equivalent to one step up on the Irish National Qualifications Framework.

⁸ €12.15 per hour

We have not taken account of tuition fees as we have assumed that participants will be fully funded under other government initiatives specifically addressing low basic skills, for example programmes funded through the Workplace Basic Education Fund / Skills for Work, Back to Education Initiative (BTEI), Skillnets and so on.

How can we fund and administer this?

The Government could fund paid learning leave for people with basic skills needs and less than a level 4 qualification through our social insurance (PRSI) system. Social insurance is a contract between the employee and employer who pays into the system and the Government who delivers services for these monies. For the employee social insurance contributions (PRSI) buy a number of benefits such as Jobseekers' Benefit, Contributory Old Age Pensions, Maternity Benefit and so on. The social insurance system has the scope to be innovative and could be reformed to offer paid learning leave and educational sabbaticals.

If 2,000 individuals with less than a level 4 qualification received 200 hours of paid learning leave, this would cost:

- €3,460,000 per annum if everyone was on the minimum wage
- €6,264,000 per annum if everyone was on the average industrial wage
- € 4,860,000 per annum taking the mean of the minimum and average industrial wage⁹

Taking into account the likelihood that only a certain percentage of the 70,000 employees who don't have a level 4 qualification will want to or need to improve their basic skills, we suggest that Government establish an initial 2,000 places at a cost of €5 million approximately. From this they can estimate need and demand from there.

The Government could administer this through the training programmes funded through the Workplace Basic Education Fund / Skills for Work. In 2009, there were 2,000 participants attending training funded through the WBEF.

Conclusion

In order to reach Ireland's National Skills Strategy (NSS) targets to increase skills at Levels 1 to 3 upwards to Levels 4 and 5 then the Government must consider incentives such as paid learning leave for employees with basic skills needs and less than a level 4 qualification. Raising literacy and numeracy skills of Irish adults is an urgent priority for Ireland now in order to work towards a true knowledge society and maintain competitiveness and social cohesion.

NALA believes that paid learning leave for employees with basic skills needs and less than a level 4 qualification would greatly facilitate access to basic skills training and support a lifelong learning culture within this hard to reach group. This approach is necessary so that within the current climate of limited resources, we prioritise those most in need and who very often receive little or no training at all. By doing this we address the inequality of access in our education and training system.

⁹ €12.15 per hour

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Appendix 1 European Policy on Paid Learning Leave

Article 15 of the EU Community Charter of the Fundamental Social Rights of Workers states that:

'Public authorities...(or) the two sides of industry... should set up continuing and permanent training systems enabling every person to undergo retraining more especially through leave for training purposes, to improve his skills or to acquire new skills.'¹⁰

In 1974, the International Labour Organisation (ILO) adopted a convention and a recommendation on Paid Educational Leave that says:

The term "paid educational leave" means leave granted to a worker for educational purposes for a specified period during working hours, with adequate financial entitlements. Each member of the ILO is encouraged to formulate policies designed to promote the granting of paid educational leave for the purpose of a) training at any level; b) general, social and civic education; c) trade union education.¹¹

34 countries have ratified this ILO convention (Number C140). In the European Union, only eight of the Member States have ratified the convention including Belgium, Finland, France, Germany, Netherlands, Spain, Sweden and the United Kingdom. Ireland has not ratified this convention.

More recently the European Commission agreed guidelines which state that Member States should "introduce effective lifelong learning" and should "promote the acquisition of transversal competences and creativity, and focus their efforts particularly on supporting those with low skills."¹²

New right to request time to train in Britain

In Britain no comprehensive legal framework for educational leave exists yet. In 2008 the UK Government's New Skills Strategy announced new proposals to "create a statutory right that would enable employees to request from their employer time away from their core duties to undertake relevant training" (Department of Innovation, Universities and Skills, 2009).

In 2010 the Government introduced the right to request time to train. From April this year 11 million employees in Britain will have a new right to request time to train. The introduction of the right will be phased and made available to employees in organisations with 250 or more employees from April 2010 before being extended to all employees from April 2011. This will give smaller organisations and businesses more time to prepare for the introduction of the new right. This new right gives employees a legal right to ask the employer for time away from their normal duties to undertake training. There are certain terms and conditions around this new right.

The introduction of a legal right to training is scheduled to be introduced in 2014. More details are available at:

<http://nds.coi.gov.uk/content/detail.aspx?NewsAreald=2&ReleaseID=410295&SubjectId=15&DepartmentMode=true>

¹⁰ http://www.ilo.org/public/english/region/ampro/cinterfor/temas/dialogo/dsoc_fp/integr/rights.htm

¹¹ Source: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C140>

¹² European Commission guidelines for the employment policies of the Member States, part II of the Europe 2020 Integrated Guidelines

Appendix 2

Country comparisons

Country		Eligibility, duration	Form of remuneration during leave
A	Austria	After at least three years of continuous service with the same employer. For between three months and one year.	EUR 407 per month. Continuing training allowance, funded from unemployment insurance funds, 50% employees' contributions, 50% employers' contributions.
B	Belgium	Employees in full-time employment under one or more contract. For minimum of 32 hours, with annual limit of 80, 120 or 180 hours, depending on programme.	EUR 1 785 ceiling per month, 9/2000. Government grant maintained by the Ministry for Employment and Labour or employer contribution funded through special payment to social security funds.
DK	Denmark	Any employee, 18 years or older to pursue preparatory or basic adult education. For 3-3½ years alternating with work. Employees over 25 with at least 2 years work experience to pursue advanced-level education and training, for up to one year full time.	Leave for courses equal to compulsory youth education programmes (general or vocational), is financed 100% by the State. Otherwise wages come from 8% tax on incomes paid by employers & employees.
D	Germany	After six months of service. For five days a year or 10 days in two years.	Employer continues to pay normal salary.
E	Spain	After at least one year in the same company. Right to training for up to one academic year, right to payment for 200 hours.	Wages reimbursed to employer with the agreement of the Joint Regional Committee. Funded from 0.35% contribution by employers and employers for continuing vocational training.
EL	Greece	In the private sector individual employers decide. Up to 20 days a year are allowed for examinations. In the public sector, after a minimum of three years, for up to five years during working life.	Wages funded by the European Social Fund and the Manpower Employment Organization – OAED (60%) and by the enterprise (40%). Public servants' leave funded by the State budget.
F	France	After 24 months of service (36 in SMEs), of which 12 must have been in the present company. For up to one year or 1 200 hours for part-time courses, repeatable at intervals of six months to six years depending on time-out taken.	Wage (with ceiling for those earning twice the min. wage) reimbursed by OPACIF - Joint Body for Personal Training Leave – which administers the 0.20% of gross wages from all companies with 10 or more employees earmarked to fund personal training leave.
FIN	Finland	After a minimum of three months with the main employer, entitlement for a total of not more than five days. Employed with the same employer for at least one year, for a total of not more than two years. Repeatable after five years.	Between EUR 259 and EUR 470 per month, plus housing allowance or state loan guarantee (EUR 303) in some cases. State-funded study grant for mature students, perhaps voluntary contribution from

			employer.
I	Italy	At least five years service, for a maximum of 11 months during working life. '150 Hours': any employee as long as not more than 2%-3% of employees are on leave at one time.	Interprofessional Fund for Continuing Training. Normal wage - under '150 Hours' scheme.
IS	Iceland	Terms spelled out in the agreements for each sector.	Employer pays normal wage during short-term leave, otherwise it is subject to negotiation with employer. Unemployed continue to receive State benefit.
IRL	Ireland	No rules – at discretion of employers. Unpaid leave for up to three years is prevalent in the public service, particularly among teachers.	-
L	Luxembourg	After a minimum of six months in employment, for 20 days per two year period and a maximum of 60 days during working life.	Allowance equal to salary, reimbursed to the employer by the State.
N	Norway	After three years of service, two of which with the same employer, for a maximum of three years full or part-time.	State guarantees subsistence wage for low-skilled workers completing primary or secondary education, others apply for educational funding administered by the State Educational Loan Fund.
NL	Netherlands	Conditions vary from sector to sector. Leave is for an average of five days per annum. A minimum of 12 months service is necessary to qualify for unpaid leave.	Depending on the sector, wages are paid from the <i>Onderwijs & Ontwikkeling (O&O)</i> funds, to which enterprises contribute on average 0.5% of wage costs.
P	Portugal	No minimum service required except for teachers. For three to six hours per week, or in one block.	Wages are paid as usual by the employer.
S	Sweden	Employed for at least six months or at least 12 over the last two years. From one hour per day, to two days per week and so on to a total of six years full-time.	Study support equal to EUR 173.5 per week is available to anyone who does not have an (earned or unearned) income of more than EUR 9 887 annually, during leave. An additional loan is available for those forfeiting a high salary during leave.
UK	United Kingdom	Voluntary system at discretion of employers. Legislation stipulates that 17 to 18 year olds without a qualification are entitled to leave to prepare for a Level 2 qualification (one day a week recommended).	National Traineeships or work-based training courses leading to NVQ 2 are funded by government. Employers can also apply for a contribution when other options are involved. Average cost is around EUR 1 270 per employee per year.

Source: Compiled by Cedefop on the basis of data in the country descriptions
<http://www2.trainingvillage.gr/etv/library/educationalleave/countries.asp>