



Funding Basic Skills Learning

Basics, instruments and recommendations

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Agenda

1. Introduction
2. Financing Basic Skills Learning
 - Supply and Demand
 - Funding instruments
 - How to efficiently influence supply and demand to increase participation?
3. Summary and findings



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Why should the state pay for Adult Learning?

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1. Lack of money of participants
2. The state benefits from adult learning
 - There is not only an individual but also a **societal benefit of adult learning**
 - Societal benefit of adult learning is declining with the level of qualification

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Societal benefits of Basic Skills Learning

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- overall improvement of health through better well-being
- less crime
- more social inclusion
- but also economical benefits such as
 - improvement of labour market flexibility and productivity
 - reduction of risks for unemployment etc.

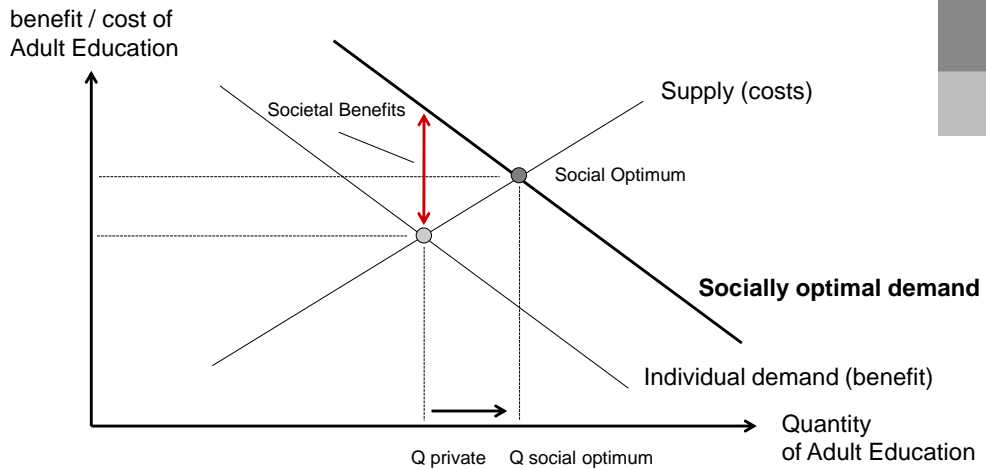
→ Taking the „benefits perspective“, state investment in Adult Education and especially in Basic Skills learning can be thoroughly justified

→ If we can demonstrate clear evidence, that there's even a small societal benefit to adult learning, we have a very strong argument for funding

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A simple model of demand and supply

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Basic idea of funding

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Based on this model of positive effects of learning for the society, the basic idea of the state funding of adult learning is to make supply and/or demand change, so that more adult learning is demanded and the social optimum is reached.

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Key questions

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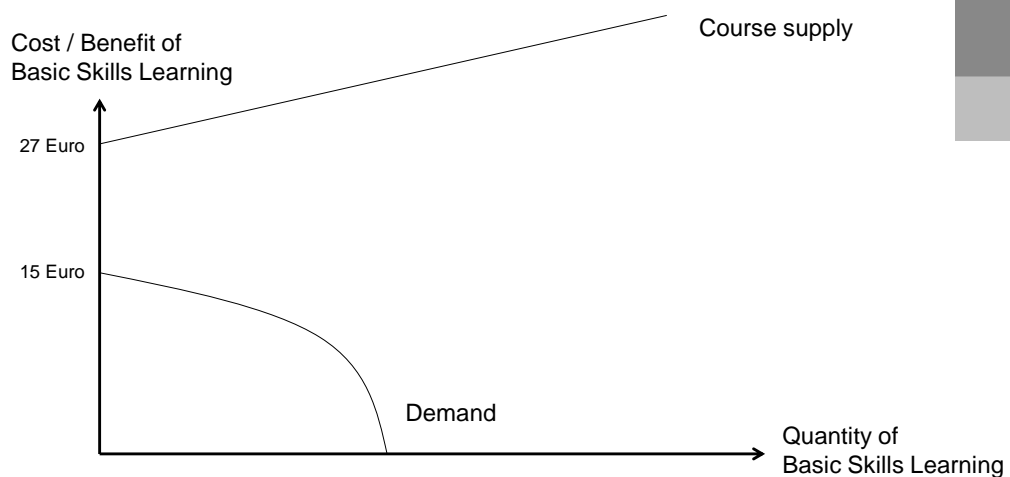
1. Does the “Basic Skills reality” really look like this model?
2. Which **funding instruments** efficiently move supply and demand in the right direction?

How should the money for BS learning be spent best, so that it has the highest effect on increasing participation?

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The Basic Skills Reality

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Funding instruments

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Funding can be either

- a. Be targeted at the provider of adult learning (supply)
- b. influence the demand for adult learning

It can be further differentiated between funding, that is intended to

- a. reduce the cost of participation
- b. increase demand through non-financial measures

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Supply-side instruments

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..... such as **programme funding**

Pros

- Can be used to create an offer
- Provides some sustainability

Cons

- no direct effect on demand
- does not promote competition among providers. As a consequence, providers tend to be less innovative

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Demand-side funding

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..... such as **vouchers systems**

Pros

- can be targeted a specific target groups
- can be linked to guidance and other services

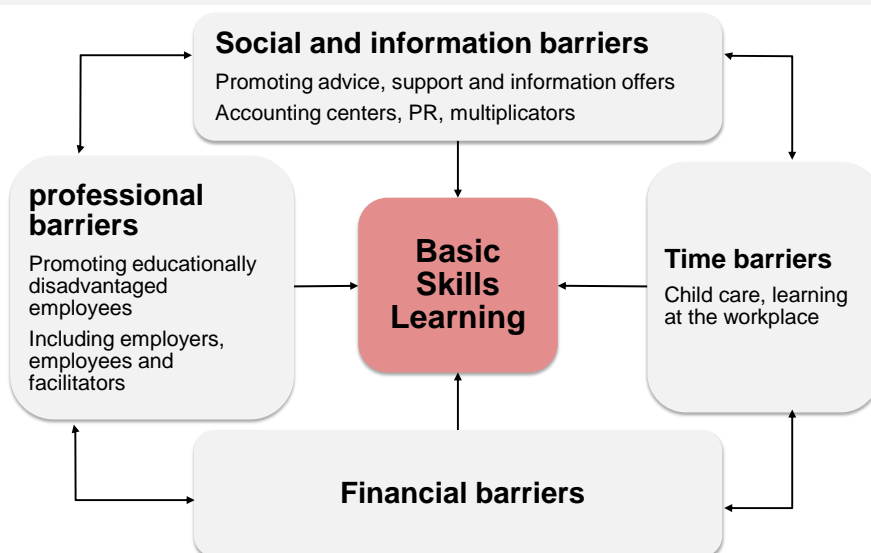
Cons

- vouchers need to be of significant value to motivate
- Rather limited effect on additional demand, especially among the target group of low skilled
- Administrative costs

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Reducing barriers to learning

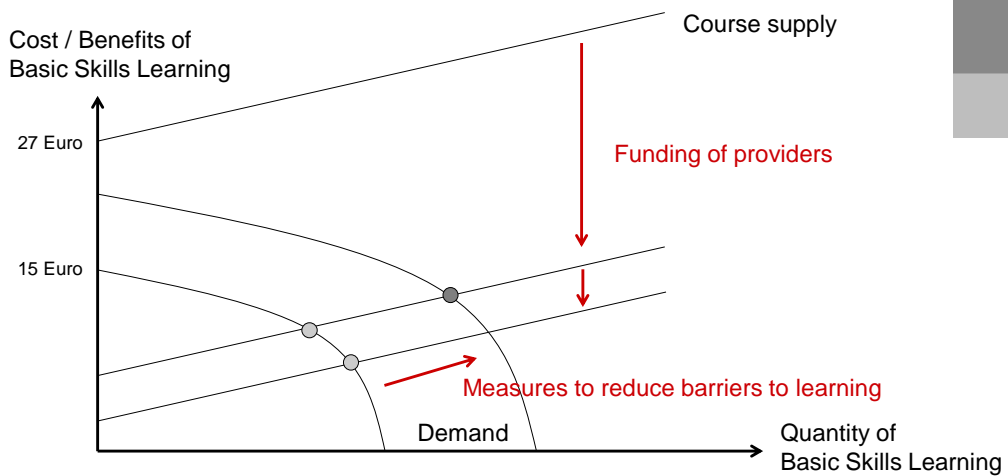
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The Basic Skills Reality

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Funding Basic Skills

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Once the basic skills learning offer exists (at a reasonable price), money should not be invested to further reduce the cost of participation **but to reduce non-financial barriers to learning.**

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Key „tweets“

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- 🐦 Societal benefits of basic skills learning always justifies state funding
- 🐦 Evidence that demonstrate societal benefits is much needed for lobby work
- 🐦 Financing basic skills learning needs long term investments in the learning offer in the first place. If a course offer does not exist, it cannot be created through funding of demand.

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Key „tweets“

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- 🐦 Below a certain price level, funding measures to further reduce the price have only a very limited effect on demand
- 🐦 Money should then be invested to reduce non-financial barriers to learning
- 🐦 A cohesive funding strategy selects different instruments to ensure a maximum effect on participation. A dogmatic approach is not advisable

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