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PEER LEARNING ACTIVITY ON THE COSTS AND BENEFITS OF VALIDATION OF NON-FORMAL AND INFORMAL LEARNING

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SUMMARY REPORT

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1 INTRODUCTION

The third Peer Learning Activity (PLA) on the theme of validation of non-formal and informal learning organised by the Cluster on Recognition of Learning Outcomes took place on the 12-13 February 2009 in Reykjavik. The PLA was hosted jointly by the Icelandic Ministry of Education, Science and Culture and the Norwegian Ministry of Education and Research. It brought together 35 representatives from 21 countries. Several experts from national administrations came accompanied by representatives from the economic sector or by other stakeholders. In addition to national delegates, representatives of the European Commission, Cedefop, the European Training Foundation, OECD and external experts to the Commission attended. The list of participants is attached in Annex A.

This PLA was building on the previous work of the cluster such as the two PLAs in Brussels and Paris dealing with quality assurance of validation of non-formal and informal learning (referred to as 'validation of NFIL' forthwith) and systems for validation of NFIL respectively. During the period 2007-2008, the cluster has also produced the European Guidelines for the validation of NFIL (forthcoming) which are based on national experience, peer-learning exchanges and research¹ and have the objective to support the development of validation of NFIL across Europe. These activities as well as other research and experience show that ensuring sustainability of validation approaches is a challenge at all levels: European, national, regional, local, enterprise, etc. Therefore the cluster has expressed great interest in exploring the issue of costs and benefits for validating NFIL. Given that some countries have already established systems or large-scale approaches for validation of NFIL while most others are in the process of consolidating their approaches, the PLA was timely.

1.1 PLA Objectives

This PLA is best described as exploratory regarding the costs, benefits and sustainability of the validation process. While several past and ongoing research projects² analyse the variety of approaches to validate NFIL, the role of different stakeholders in this process as well as the relationship between validation of NFIL and the formal education and training qualifications systems, the issue of costs and benefits is often only tackled at the margin. The fact is that in most cases the evidence available is small-scale, based on case studies, and very little comparable data is currently available. The objective of this PLA was to examine the different dimensions of costs and benefits to be taken into account in order to strengthen the sustainability of validation approaches or systems.

¹ Namely the updated version of the European Inventory on Validation of Non-formal and Informal Learning which can be accessed here: <http://www.ecotec.com/europeaninventory/>

² Examples include the different versions (2004, 2005 and 2007) of the above mentioned European Inventory as well as the ongoing OECD activity on this topic (see http://www.oecd.org/document/25/0,3343,en_2649_39263238_37136921_1_1_1_1,00.html)

1.2 Purpose of this report

This report summarises the discussions that took place during the PLA. It is written so as to enable wider audience of those who did not participate in the PLA to benefit from the information exchanged and to create inputs into national and European debates on costs and benefits of validating NFIL.

It is intended that this report be used to support the work of the Commission in disseminating the results of the activities of the RLO Cluster and PLA to Member States and other stakeholders.

The report is structured according to the three sub-themes of the PLA (sections 3, 4 and 5).

2 PLA STRUCTURE AND PROCESS

The PLA took place over two days. Prior to the PLA, participants were asked to respond to a short questionnaire regarding the ways in which costs and benefits are perceived and, if available, researched in their countries. The questionnaires were summarised in a synthesis report that was distributed prior to the PLA and outcomes of which were presented on day one of the PLA.

Day 1

Day one was opened by a welcome from the Icelandic hosts and the European Commission. This was followed by a summary of responses to the questionnaire made by the Norwegian hosts. The first session on day one of the PLA was dedicated to presentation of and discussion on conceptual approaches to analysing costs and benefits of validation. Two contrasting approaches were presented: the first was a model based on assessing the benefits on the basis of the level of “happiness” they procure to individuals and the second was a traditional model based on calculation of costs of validating NFIL and quantification of benefits. The assumptions on which the second model was based (e.g. what might be considered as ‘value’) were discussed. It is important to note that these models were presented from a theoretical perspective and so far none of them has been applied to validation of NFIL in practice.

During the second and third sessions of day one, the issue of costs and benefits was tackled on basis of five national presentations, three concerning practices that are largely publicly financed (France, Norway and Iceland) and two examples of cost-sharing approaches (the Netherlands and Portugal).

Day 2

The second day of the PLA was mainly dedicated to work in three parallel workshops on themes of: efficiency of validation, benefits of validation and sustainability of validation systems. The workshops were guided by series of sub-questions and resulted in reports to the plenary. Finally, the key messages from the PLA were summarised and ideas for future work in this area were collected. The outcomes of these discussions constitute the core of this report.

3 THE EFFICIENCY OF VALIDATION: WHAT ARE THE MAIN COSTS AND HOW CAN THEY BE REDUCED?

3.1 Context

The questionnaires collected prior to the PLA as well as the presentations made on day one show a variety of cost-sharing approaches across the different countries. Public funding is often complemented by individual fees as well as other sources such as employers' contributions. Analysis also shows that while there are clear direct costs of validation, hidden costs exist. This means that while countries often have a good understanding of resources invested in validation, in terms of direct costs, the hidden costs are often omitted, thus preventing appreciation of the full picture.

3.2 Key issues

The workshop on this topic discussed the different aspects of costs for validation procedures as well as the possibilities to reduce these.

The main aspects of costs discussed were:

- Advice and guidance are important costs for large-scale validation approaches. However, these costs may remain hidden as the tasks are often undertaken by the guidance infrastructure already in place. It was noted that validation requires a specific approach to guidance and training of new staff is often required.
- The costs of assessment differ substantially depending on the form in which assessment is done (assessment by peers, self-assessment, external assessors, etc.). Again some of these costs may be hidden as the existing infrastructure of education providers may be used and assessment may be done by the teaching staff (this raises questions of incentives for providers to carry out validation).
- System administration and the quality assurance of validation represent direct costs. Again the costs of administration may be hidden by using existing infrastructures (e.g. ICT). Though validation should be quality assured, efforts can be made to keep the costs of quality assurance low by for example using QA mechanisms already in place (e.g. accreditation, etc.).
- An important hidden cost is the time individuals spend in preparing for validation, collecting and presenting documentation for their portfolio, for example. Appropriate guidance, ICT tools, availability of examples can reduce this time.
- Setting up of the validation system may be costly. However, this depends on the level of "readiness" of the formal system. In some countries, infrastructure and existing standards may be used, while in other countries, the infrastructure in place may not be appropriate. In any case setting up of the system imposes training costs as well as costs on communication and dissemination. These costs reduce as the system matures.

- Another aspect of costs is the necessity to practice active outreach methods to motivate individuals to undergo validation. Depending on the target group for validation this may be more or less resource-intensive. Taking into account the fact that many countries' target individuals with low levels of formal qualifications, an active approach is often required. Costs may be high because these people often have low level of trust in the formal education and training system and may not perceive the benefits validation could provide them with.

In Iceland,³ the major target work for validation are people who have not finished upper-secondary education, be it in VET or in general education, and who are in employment. Another target group are migrants in a similar situation. This represents a significant volume of Icelandic labour force (38%). To engage individuals to enter into the validation process, guidance workers actively promote this approach in work places. This involves close cooperation with employers and sectors as well as commitment of guidance staff.

- Finally, the costs of monitoring and evaluating the validation system or practices should not be neglected.

When it comes to the possibilities to reduce costs the following were highlighted:

- The costs of assessment may be reduced by:
 - o The existence of learning outcomes based standards. Usually it is necessary to develop a separate set of standards for validation as the curricula or programmes in the formal education and training system are not suitable for the validation of NFIL (they are oriented towards the delivery of teaching). In these cases the issue arises of how to compare the outcomes of the formal systems with those of validation.
 - o The use of units may also reduce costs. People who want to undertake validation have often not achieved all the learning outcomes required for a full qualification and, hence, necessitate additional training. The existence of units within the system makes it easier to structure the validation process into smaller elements, on the one hand, and on the other hand to offer tailor-made training.
 - o Improving the quality of the formative assessment (for example by providing documentation for a portfolio) can reduce the costs of assessing the individual.
- Some of the costs, namely those related to setting up the system and training can be reduced as the system is maturing. On the other hand, it can be assumed that the costs of outreach may increase with time as the most motivated individuals or easiest to reach would apply first.

This workshop also raised some more general considerations on analysing costs of and providing funding for validation approaches:

³ Source: Icelandic presentation during the PLA.

- The costs of validation should be related to the costs of formal training. There are different ways in which this can be done. One can either relate the average costs for both processes or an approach looking at the marginal costs (for each additional individual) could be used (as suggested in one of the models presented on day one). In any case, a cost-benefit analysis should go beyond the resources directly allocated to validation through different budgetary lines but also take into account the hidden costs of providers and individuals. It was also noted that an analysis of opportunity costs of validation could provide interesting insights into the practice. The next best thing to undergoing validation would typically be participation in formal training.
- There is a point beyond which it will be more costly to undertake validation than to provide education and training. Countries are already applying screening criteria to identify individuals who are likely to succeed in validation, such as requirements on the number of years the person has spent working in the sector or practicing a voluntary activity. These screening criteria can be considered as a benchmark below which it is expected that the person is unlikely to satisfy the requirements of the process and hence it is not cost-efficient to invest in the process. However, these screening criteria differ from country to country and the extent to which they are set at the optimum level remains a question.
- It is likely that a political as well as stakeholder commitment is required in order to justify large-scale public financing.
- The decision on who funds validation is likely to depend also on the benefits it delivers. As discussed below, validation can provide a variety of benefits some of which are clearly for individuals or employers whilst others have a broader social or economic dimension. These different aspects of benefits should be taken into account when design cost-sharing models.

4 THE BENEFITS OF VALIDATION: HOW CAN THEY BE MADE VISIBLE AND QUANTIFIED?

4.1 Context

Validation systems are expected to provide a number of benefits to different parties concerned (individuals, employers, state, education and training community as well as local communities). Though countries monitor the results of validation, such as numbers of applicants as well as the numbers of qualifications awarded, these reflect only partially the benefits validation delivers. The actual benefits, such as improvement of employability, impact on career prospects, etc. remain under-researched and evidence is currently rather small-scale and ad-hoc, often based on case studies.

4.2 Key issues

The following key issues were identified during the workshop dedicated to the topic of benefits:

- Different parties are interested in identifying and documenting the learning achievements of individuals:

- The individuals themselves – to be able to make claims on the labour market but also for social recognition and to enhance their self-awareness;
 - The employers – to have a better understanding of their employees' capacity as well as to be able to demonstrate company capacity;
 - The state – to enhance competitiveness of the country by raising qualification levels of the population and to consequently improve employment rates;
- Though potential benefits exist also for education and training providers (e.g. engaging more students), the extent to which these outweigh the costs for individualised training remains a question. On the other hand, in countries where individualised approaches are mainstreamed into formal education already this may be less problematic.
- In many countries summative validation approaches are focused on specific target groups. The most common target group are people with low levels of formal qualifications with employment or voluntary experience. This is in line with the assumption that the return on investment for these qualifications is the highest as they are a condition sine qua non for employability. This trend is confirmed by figures from France showing that most qualifications achieved through validation are at the lowest level of the French qualifications framework⁴.
- Beyond the economic benefits of validation there are social benefits. These also exist at different levels:
- Individual – improved self-awareness and motivation;
 - Company – better social climate within a company that values individuals' achievements (this can also be reflected in economic benefits such as retention capacity) and potentially greater commitment and creativity (can also be translated into economic benefits such as competitiveness);
 - Society – greater value is attached to learning independent of where it takes place and validation of learning is used as a means of social inclusion.
- While validation is about making visible the achievement of individuals it is also an enabling tool. It may not produce new skills (or at least not new skills that are being certified) but it does create motivation and willingness for individual improvement. Validation may also be seen as a means to indicate individuals' potential in terms of future learning.

⁴ Source: ETF Presentation during the PLA.

5 LONG-TERM SUSTAINABILITY OF VALIDATION: WHAT ARE THE POLITICAL AND ECONOMIC PRECONDITIONS?

5.1 Context

Development of sustainable practices for validating NFIL is an issue faced by many countries. The critical aspect is: How to move from project initiatives and rather small-scale targeted measures to an approach available to large numbers of individuals, accepted by the stakeholders concerned, that justifies investment required for infrastructure, methods and staff (see also the section on costs)?

5.2 Key issues

The discussions during the workshop dedicated to this topic highlighted these aspects that can support sustainability:

- In order to justify large-scale funding validation has to produce value for all stakeholders involved. This means that all: individuals, public authorities, employers, education and training community and stakeholders in the broader sense of the term need to accept and appreciate the outcome of validation. The benefits for individuals should, therefore, be clear and reflected in their opportunities for career pathways or personal decisions. For public authorities, validation should constitute a credible alternative for achieving qualifications or otherwise recognising individuals' knowledge, skills and competence that results in a better use of human capital. Validation should not be perceived as a parallel, competitive process to formal education and training and needs to be accepted by stakeholders from the education and training community. Finally, employers should be able to see how validation responds to their needs of human resources management as well as how it benefits their corporate prospects. In other words, in a sustainable system validation produces different benefits for different types of parties while they all share a common approach to the process of validation.

In Netherlands,⁵ validation was first stimulated through financial measures without a specific regulatory framework. This led to a multiplicity of approaches which was confusing for all users and raised concerns about the quality of processes and, in consequence, the value of outcomes produced. In reaction, the government together with a variety of stakeholders agreed to a quality code and accreditation of providers who deliver validation in line with the quality code. This raised trust in validation and its use even though validation remains rare in the higher education sector.

- Such valorisation of validation outcomes requires an important change in how learning is understood and used in the society. To mainstream the practice, a political decision, maybe a legislative framework and a responsive funding mechanism may be required. At the same time, there should be a demand for validation among parties concerned (mainly individuals and employers). This demand can be stimulated by measures such as guidance and identification of

⁵ For more information see the Dutch country description in the European inventory:

<http://www.ecotec.com/europeaninventory/publications/inventory/chapters/2007/netherlands.pdf>

benefits for employers. A political decision may also stimulate demand by enabling a broad discussion. At the same time, it is important that the top-down and bottom-up approaches meet as a merely top-down approach may not guarantee the acceptance of validation outcomes by a wide range of stakeholders.

For example, in France,⁶ there was a clear demand from the society to open-up access to universities. This resulted in 1985 in the creation of VAP 85. This procedure enabled individuals without qualifications normally required to enter higher education to have their working or volunteering experience or informally acquired knowledge and skills to be recognised to enrol in a university programme.

- It appeared during the discussion that the issue of sustainability was closely related to that of quality. Like in formal education and training, the reliability and validity of validation should be ensured if the process was to deliver valuable outcomes. Quality was considered in two perspectives:
 - o Quality of the validation process itself;

This raises issues of staff qualifications (guidance staff and assessors), the approaches used for formative validation as well as the assessment methods used for summative purposes. There may also be a tendency to design an assessment process which tries to assess every single learning outcome in the standard used – this may, however, be counter-productive and even in the formal process not all learning outcomes are assessed one by one.
 - o Quality of the standards against which validation is undertaken.

It was clear from the debate that standards based on learning outcomes were most appropriate for validation. These may be the same standards as those used for formal qualifications or a specific set of standards designed specifically for validation, if this was oriented towards the labour market for example (qualifications standards may sometimes be too broad or may simply not exist for a specific occupation or position).
- As noted above, the sustainability of validation requires acceptance of education and training providers - this group often undertakes validation. However, countries observe that in many cases the greatest resistance to the validation of non-formal and informal learning comes from education and training providers. This may be due to the teaching culture that does not trust learning that takes place outside a structured teaching context. Financing mechanisms can also hinder the acceptance of validation (e.g. if providers are financed per student enrolled or if the provision of individualised pathways that validation requires occurs as too resource-intensive). In conclusion, if validation is to become a sustainable practice, education and training providers should not bear the indirect costs of it.

⁶ For more information see the French country description in the European inventory:
<http://www.ecotec.com/europeaninventory/publications/inventory/chapters/2007/france.pdf>

- Finally, it was noted that for validation approaches to be sustainable a critical mass of individuals who undergo validation should be reached. If too few people benefit from validation the public investment required is unlikely to be sustainable.

6 CONCLUSIONS

This PLA on costs and benefits was designed as an exploratory activity. Discussions reflected on different dimensions of costs and benefits for validation and outlined possible directions for future research as described above. It was not the intention of the PLA to produce advice or guidance regarding what costs should be minimised, what benefits have to be delivered and how to make systems of validation sustainable. The PLA rather attempted to stimulate exchanges and discussions on the topic of costs and benefits in view of stimulating reflection on sustainability of validation approaches. While the costs of validation may seem important (especially when setting up a system) these should be considered in a broader perspective of other alternatives (no action or provision of training). Equally the benefits of validation need to be considered more broadly than just the award of a qualification or identification of individual's knowledge, skills and competence.

Clarification of costs and benefits should be a tool to support design and implementation of sustainable approaches. Putting in place a validation approach or a system implies choices regarding funding and these require understanding of the benefits provided. For example, employers are unlikely to fund validation if its benefits are not clear to them. Equally individuals may not be willing to pay for validation if they do not perceive recognition (in the labour market or the society) of its outcomes. Furthermore, validation should be seen as an alternative to getting this recognition, the other alternative being training, and depending on the individual or the target group one may be more cost-efficient than the other. Therefore, a better understanding of costs and benefits should clarify strategic choices for cases where public investment in validation is best utilised.

The main message arising in the PLA was that there are clear gaps in evidence concerning costs and benefits of validation, both qualitative and quantitative evidence that might be gained from monitoring, surveys and researching through projects. While there are high expectations of what validation should produce, as well as important assumptions about what it delivers, the extent to which this is realised and at what cost therefore remains a question. Most countries represented in the PLA collect monitoring information concerning outputs. As noted above, qualitative information based on case studies also exists in certain countries. However, even in countries where validation is well developed, the benefits and costs have not yet been systematically analysed.

6.1