



EUROPEAN ASSOCIATION FOR  
THE EDUCATION OF ADULTS

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# Decreasing funding levels - and yet expecting miracles?

## EAEA's statement on funding pressures on non-formal adult learning and education by European governments

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Despite the European Union's emphasis on prioritising Adult Learning and Education (ALE) through various initiatives and strategies, recent reports from EAEA's members reveal that a majority of countries and regions are witnessing stagnant or reduced funding for ALE. Notably, Sweden and Finland which are known for their traditionally strong support of non-formal ALE, are now facing severe cuts. This trend results in job losses for educators, has a negative impact on quality learning provision, and limits the access of adults to learning.

Adult learning and education (ALE) is facing considerable financial cuts in many European countries. The argument put forward by political decision-makers is the economic situation of the respective countries: This is not the first time that education and culture, and especially ALE, have had to accept financial cuts to rescue public finances. We believe that this is an extremely short-sighted, and potentially dangerous, approach.

ALE offers a multitude of benefits for individuals, communities, the economy, and society in general: ALE promotes social inclusion, sustainability, active citizenship, democracy, peace, and much more. ALE has also historically played a significant role in empowering adults through basic education, community development, and the improvement of well-being.

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## Incentives for the funding of ALE from the EU, but financial cuts at the national and regional levels

The **European Union prioritises ALE and skills development through several policy initiatives and strategies**, such as the Skills Agenda and its Upskilling Pathways, as well as the New European Agenda for Adult Learning, within the framework of the European Education Area. Other instruments such as the National Recovery and Resilience Plans are also intended to provide direct financial support for ALE. Moreover, European countries have agreed in the **UNESCO Marrakech Framework for Action** not to reduce current funding levels for ALE but, on the contrary, to increase them[1].

**Financial cuts at the ALE will mean job losses for adult educators, declining quality of learning provision, and decreasing participation levels of adult learners.**

However, the results of EAEA's 2023 country reports survey show a different picture: **a majority of EAEA members report stagnating or even decreasing funding for ALE in their countries and regions**. EAEA notes that Sweden and Finland are among the countries reporting a sharp decline in funding levels. Both countries have traditionally provided strong public support for non-formal ALE and have also – and as a consequence – been at the forefront of innovation in ALE. Nordic 'folkbildning' has had a strong influence on other European approaches to ALE and has also led to the growth of culture and prosperity in the Nordic countries[2].

In Sweden, the government is considering cuts to non-formal ALE. Hundreds of educators at folk high schools have already lost their jobs and the proposed state budget cuts a third of the state funding for non-formal study organisations. Several Swedish municipalities have already reduced or cancelled their subsidies to the study associations. On 19 September, the folk high schools took part in a nationwide demonstration organised by the teachers' union. In more than 20 villages and towns across Sweden, educators and learners from folk high schools took to the streets with self-made signs reading: "Folk high schools - a second chance", "Folk high school has made me what I am" and "Save my folk high school". In Stockholm, the manifestation lasted two hours with music, poetry and speeches.



A similar situation can be seen in Finland, where the new government has already announced major “austerity measures” to reduce public spending on non-formal ALE by up to 20 percent of the current financing levels in 2024, and more cuts in the following years. This not only means that a large number of educators and other ALE professionals will lose their jobs but also that many learners will no longer be able to participate in ALE courses.

**“The folk high school is hugely important for us who need a second chance. I have discovered for the first time that I can learn and that I am smart.”**

**– A LEARNER DURING A DEMONSTRATION AGAINST FINANCIAL CUTS OF THE ALE SECTOR IN SWEDEN**

The financial cuts particularly affect key target groups in regional and national, but also European initiatives and strategies, and will likely lead to declining quality of learning provision and falling participation rates in ALE.

## **Shifting the responsibility for funding from the national and regional levels to the EU level?**

Some countries, such as Slovakia, are looking to the future with optimism: an improvement in the funding situation is expected from next year. However, EAEA's Slovakian member recognises that this is only possible thanks to European funding, primarily ESF+. The National Recovery and Resilience Plan (NRRP) does not provide any funding for non-formal ALE. Other European countries do make use of the Recovery and Resilience Facility; however, where this happens, the NRRPs are mainly used to fund formal employment-related education and training, or training focusing only on digital skills.

The systematic exclusion of non-formal ALE negates other key educational objectives and learning content, such as education for active citizenship, democracy, sustainability, and personal, social, and learning-to-learn competence. This has an impact on the quality of ALE, but also on the diversity of the educational content, methods, and forms of learning on offer.



Some members report that they are observing a trend towards a deliberate shift in funding from the national level to the European level:

**Funding of ALE in many countries increasingly depends to a high degree on EU funding instruments.** Programmes such as Erasmus+ and ESF+, and short-term structural support through NRRPs, are already now key funding instruments for ALE; in some countries even surpassing national and regional funding substantially.

This dependence on EU funding can, in some circumstances, also lead to national funding for ALE being reduced or stopped altogether. This has an immense impact on the sustainability of ALE programmes, as they are only funded over project periods and no follow-up funding is planned and available at the national or regional level.

## Regional and national interpretation of EU VAT directives adds another layer of financial and administrative burden

Many EAEA members report that the fiscal categorisation of ALE also leads to financial uncertainties and problems. EAEA conducted an initial survey of its members in 2019/2020 and revisited the topic with the respondents in 2023 to see if there were any new developments.

The general trends are unchanged: The exemption of ALE from VAT remains controversial at the national and regional policy-making levels. Where it is argued that ALE is a "leisure-time activity" and, therefore, not an activity in the public interest, national and regional legislation may require providers to pay value-added tax (VAT) on their revenues. Non-commercial educational activities are exempt from VAT in most European countries, and ALE provided by public providers was exempt from VAT in all countries included in the first consultation. However, there appear to be changes in some countries, including Germany, to tax providers of predominantly non-formal education, or to separate non-formal courses from formal programmes in terms of taxation. Learning programmes that are understood to be labour market activation remain exempt from VAT.

The **taxation of learning programmes has a strong financial impact on ALE providers.** Depending on national tax legislation, providers have to pay between 16 and 27 per cent VAT. This means a lower level of cost recovery, especially where costs are not covered by structural funding. Taxation should also have no impact on any course costs for learners in order to ensure inclusion and accessibility. Providers are, therefore, forced to consider which costs they can cut in order to continue offering courses. In addition, this also leads to a higher administrative burden, and especially where VAT has to be charged depending on the course content or even individual participants and their learning intentions (personal versus professional), which requires higher personnel costs for providers.



## ALE providers and educators go above and beyond to ensure quality learning opportunities for all adults in a precarious financial situation

Despite funding cuts and major issues concerning the sustainability of funding instruments, **ALE is expected to help solve key European challenges** such as the 'skills shortages' in many European countries, the inclusion of migrants, the awareness-raising of citizens for climate change, and the promotion of peace and reconciliation.

This is becoming increasingly difficult under these circumstances, and it is particularly problematic for ALE providers whose funding depends on the evaluation of their performance ('measurable output') and who have to provide more learning programmes and activities or reach higher numbers of learners year after year for the same or even less funding. The **lack of structural funding for ALE in many countries** is squeezing out providers and creating uncertainty throughout the sector. ALE organisations and educators see their crucial work with adult learners, many of whom are among the furthest removed from learning, devalued.

Those who stand to lose the most are the learners. Swedish demonstration participant Rayhaneh Ehsani said: "I am here because I believe that the folk high school is hugely important for us who need a second chance. I have discovered for the first time that I can learn and that I am smart."

ALE organisations all over Europe are, despite everything, delivering great results, often under very precarious and uncertain legal and fiscal conditions[3]. Every day, all across Europe, adult educators go above and beyond to innovate, create new methods and materials of teaching, include new groups of learners, and guide adults from all groups in learning adapted to their particular needs.

**Learner-centred ALE is at the heart of creating motivation for and increasing participation in learning. A European target for this already exists: 60% of all adults should participate in learning by 2030[4]. This requires adequate funding.**

It should also be noted that amidst the negative trends, there are also positive examples of funding for ALE: in Austria, the government has announced its intention to increase funding for basic education in 2024. EAEA hopes that other countries will soon be able to report similar developments and will continue to monitor funding trends in Europe closely.



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[1] “We commit to increasing public funding and resource mobilization for ALE and to preventing regression in existing budget allocations.” Article 29 of the UNESCO Marrakech Framework for Action, <https://unesdoc.unesco.org/ark:/48223/pf0000382306>

[2] See, for instance, Lene Andersen’s book “The Nordic Secret”, published in 2017

[3] For example, the national and regional legal frameworks in many European countries do not contain clear provisions on the tax status of providers of non-formal ALE, which means that some providers have to keep double or triple accounts, and a distinction is made between courses on which VAT is charged (mostly "leisure courses"), other courses that are exempt from VAT (mostly vocational training), other courses where a distinction is made depending on the learner's individual learning motives (leisure versus employment-related training), and other courses that are profitable and subsidise the provider's other courses.

[4] European Commission (2023): Adult Learning Initiatives. Online: <https://education.ec.europa.eu/education-levels/adult-learning/adult-learning-initiatives>

## We urge the European, national and regional policy-makers to

- **Reaffirm their commitment to ALE** by aligning national and regional budgets with the goals and strategies outlined in EU initiatives like the Skills Agenda, Upskilling Pathways, and the New European Agenda for Adult Learning. This also includes honouring agreements such as the UNESCO Marrakech Framework for Action, which calls for the maintenance or increase of funding levels for ALE;
- **Leverage the National Recovery and Resilience Plans** which are specifically meant to provide financial support for sectors like ALE. Allocate a proportionate share of these funds to ALE initiatives, ensuring that they play a significant role in economic recovery and resilience, but also the promotion of civic participation, democracy, sustainability, and a just green transition that leaves no one behind;
- **Ensure sustainability of funding** by allocating national and regional funding for ALE, including for the follow-up financing of previously EU-funded projects and initiatives through Erasmus+, ESF+, and the National Recovery and Resilience Plans;
- **Create legal provisions for the exemption of non-formal ALE from VAT:** This is the responsibility of national legislators and does not conflict with EU directives. In future revisions of the Council Directive of 28 November 2006 on the common system of value added tax, non-formal ALE should be included in the chapter on tax exemption;
- **Conduct comprehensive impact assessments** to understand the repercussions of financial cuts on the ALE sector, including also educators and learners. This should encompass the potential loss of jobs, reduced access to and participation in ALE programmes, and the impact on key target groups of ALE.

## About us

***The European Association for the Education of Adults (EAEA) is the voice of non-formal adult education in Europe. EAEA is a European NGO with 121 member organisations in 42 countries and represents more than 60 million learners Europe-wide.***



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