

Low levels of competence and their consequences in the labour market

August Gächter (ZSI), Manfred Krenn (forba)

This contribution focuses on those adults with the lowest competences as measured in PIAAC and questions the widespread focus on individual competence deficits as the main explanation of social exclusion. For this purpose three dimensions of employment are investigated: to which degree does employment depend on individual competence, to what extent are individual competences actually employed at work, and how much of the placement in the hierarchy of occupations can be attributed to individual competence.

Competences emerge as an important but not a dominant influence on employment success. The degree to which they are varies substantially between countries and dimensions. Formal education certificates and in some cases the mere fact of migration emerge as important additional factors. The majority of those with low reading and mathematics competence turn out to be employed and in that sense to be participating in society. On average, across 22 of the 24 countries that participated in PIAAC, competence accounts for 43 per cent of the difference in employment rate of the population sections with intermediate and with low levels of competence, but in Austria it accounts for a mere 9 per cent. Competence also accounts for about half the difference in the extent to which reading and mathematics are used at work, and for about 65 per cent in Austria. Formal education is seen to account for much of the rest. Austria is among those countries with relatively little use of reading and mathematics at work, especially among those with low levels of measured competence. This may suggest that work has partly been adapted to accommodate the less competent. Finally, regarding placement in the hierarchy of occupations, competence, across countries accounts for 41 per cent of the difference between employees with intermediate and with low levels of competence, and 47 per cent in Austria. The remainder in most countries is due largely to formal education. Austria is an exception in that only 55 per cent of the remainder are due to formal education, but 41 per cent migration. This is exceeded only by Sweden with 46 per cent and 56 per cent, respectively.

In total, PIAAC's key competences prove to address vital resources for both everyday life and success in the employment system. The analysis shows however that individual resources and competences are not alone in determining chances of social participation. Ascriptive traits such as age, gender, or foreign origin evidently also influence opportunities of employment and advancement.

Keywords: low competence, employment, use of competence at work, placement in the hierarchy of occupations