



# ARE MICROCREDENTIALS BECOMING A BIG DEAL?

**Driven by changes in education and training and the labour market, microcredentials can support the provision and recognition of skills**

Microcredentials are not new. They have been in use in various countries and education and training sectors; they have played a role, among others, in the certification of IT courses or health workers' professional development. Ireland has awarded them for more than 20 years, in areas such as college education. In more recent years, microcredentials have proliferated across Europe and are now offered at various levels in public and private general and vocational education and training (VET).

However, only recently have microcredentials gained EU-wide attention in policy debates. Most countries, as yet, have no official definition. Even the term 'microcredentials' is not well-known, with certificates for short learning formats being referred to in various ways, including 'micro certifications', 'badges', 'micro/partial/supplementary qualifications' and 'module certificates'.

Despite the different terms, European countries certify many short learning activities in ways that, either fully or partly, meet the definition proposed by the European Commission.

## BOX 1. MICROCREDENTIALS: PROPOSED EU DEFINITION

'A microcredential is a proof of the learning outcomes that a learner has acquired following a short learning experience. These learning outcomes have been assessed against transparent standards. The proof is contained in a certified document that lists the name of the holder, the achieved learning outcomes, the assessment method, the awarding body and, where applicable, the qualifications framework level and the credits gained. Microcredentials are owned by the learner, can be shared, are portable and may be combined into larger credentials or qualifications. They are underpinned by quality assurance following agreed standards.'

Source: [European Commission \(2020\)](#); definition used in Cedefop's study.

This [working definition of microcredentials](#) emerged from a public consultation launched by the Commission, followed in December 2021 by a [Proposal for a Council Recommendation on a European approach to microcredentials for lifelong learning and employability](#).

These developments reflect that the character, format and purpose of microcredentials are changing. To support the Commission's consultation exercise, Cedefop carried out a comprehensive study on microcredentials <sup>(1)</sup>, which looked at their characteristics, how they are designed, delivered and recognised, why they are in demand, how they are being used, and what their advantages and limitations are. Cedefop's findings also fed into the working document that accompanied the proposed Council Recommendation. This briefing note outlines the study's interim results.

## MICROCREDENTIALS: REALITY CHECK

European countries are looking for the best ways to operationalise microcredentials as documented learning outcomes of a short, quality-controlled learning experience. Modularisation of VET programmes is one of the factors setting the scene for their wider use.

Some countries, such as Poland, Slovenia and Finland, have set up consultation groups on microcredentials. In the Netherlands and Norway, the Commission's consultation, in 2021, has inspired discussions on how to embed microcredentials into formal VET systems. In Sweden, the [National Research Institute](#), the [National Agency for Higher VET](#) and the [Digital Services Agency of the public employment service, JobTech Development](#), have taken forward discussions on the description, quality assurance, recognition, 'stacking'

<sup>(1)</sup> Forthcoming, 2022. The study comprised inter alia [stakeholder surveys](#).

and portability of microcredentials with a range of stakeholders.

A [new law](#) in Spain considers numerous microcredentials as a part of formal VET. Estonia's education ministry has launched a regulatory process amending its Adult Education Act to establish the content, provision, quality and duration of learning that leads to the award of microcredentials. Croatia's new [Adult Education Act](#), adopted in December 2021, introduced 'micro-qualifications' into formal adult education. Short training programmes, including professional development training and other VET courses, will be awarded with learning outcome units that will be included in Croatia's national qualification framework (NQF) so that they can lead to partial or full qualifications.

Ireland has included short courses and certificates in its NQF since its establishment in 2003. Many labour market actors, such as the ICT sector, consider microcredentials crucial to their national education and training landscape. Initially delivered by colleges and universities (NQF level 6), microcredentials have also spread into VET; digital badges and other microcredentials, for example, enjoy growing popularity in the food sector. Awarded for short courses that meet controlled criteria, they offer employees tangible and practical awards that can be verified online with a higher value than attendance certificates. In 2021, the [Irish Qualifications Authority](#) introduced a working definition stating that 'a microcredential is a qualification that attests to a small-volume, highly specific learning achievement'.

In France, despite the lack of an official definition, microcredentials are largely accommodated in practice and are viewed favourably. Since the [2018 law on the freedom to choose one's professional future](#), the training market has been largely liberalised, with a sharp increase in numbers of VET qualifications, including microcredentials issued by private bodies.

In Germany, the Jobstarter programmes, implemented by the [Federal Ministry for Education and Research](#), have helped initiate short VET programmes, first designed for low-qualified young people. In recent years, the market for modular training, partial qualifications and qualification supplements has grown rapidly.

The recent revision of Dutch VET policy (2017-21) prioritised making educational programmes for adults more flexible to encourage lifelong learning. Since 2017, it has been possible in the Netherlands to issue online microcredentials called [edubadges](#). Organisations can issue, create and edit microcredentials, and learners can store and share them with employers or education providers. External parties can verify and authenticate badges. The platform currently contains nearly 800 different badge classes covering all education levels and

many labour market sectors. Today, microcredentials are valued as a tool to address the shortage of skilled workers, to integrate refugees and to meet new digital skills demand.

## GROWING IN IMPORTANCE

The Cedefop study identifies several drivers contributing to the growing demand for, and use of, different types of microcredentials. The [fourth industrial revolution](#), characterised by advanced technologies such as artificial intelligence, nanotechnology and the internet of things, has increased the need for continuous reskilling and upskilling. People need to learn how to use new technologies not only in existing jobs, but also in new sectors and in new jobs and specialisations created by technological advance. Microcredentials can certify learning in areas where formal qualifications are limited or do not yet exist. This is why they play an important role in adult education.

Microcredentials are issued by public and private providers, such as large companies and [online learning platforms](#). Many sectors providing generic programmes and qualifications also offer microcredentials, be it in manufacturing (engineering and ICT, for example) or services (health and law, among others).

Also, teaching and learning have become less con-strained by time and space. Demand for digital and individualised learning, which has been on the rise for several years, was accelerated by the pandemic. Interim study results suggest that microcredentials allow adults to make career progress or changes, by enabling them to combine learning with other commitments flexibly. They can be delivered quickly, in various ways, including online, through blended learning, in classrooms, or through apprenticeships. This flexibility can potentially make it easier and cheaper for adults to have informally acquired skills validated and recognised. Microcredentials can improve employability and be a way to address skill needs and gaps rapidly and encourage lifelong learning. Companies using them in learning-conducive environments are well placed to hire and retain valuable human capital.

Many questions remain, however. How will the modular microcredentials approach play out in relation to a more holistic understanding of education and training? Is there a risk of overregulating the continuing education market? What could be the common denominator between microcredentials delivered in general, vocational, higher and continuing education? How will funding, accreditation, certification and recognition standards evolve? What is the role of social partners? Cedefop's work shows that microcredentials are awarded by a diversity of stakeholders operating

in different institutional contexts. In many cases, they are offered by local or regional providers. They are also increasingly viewed as independent building blocks in national and international skills strategies, responding to up- and reskilling needs in the face of fast-changing labour market demands, digitalisation and ageing of populations. Since much of the learning leading to microcredentials is in the private sector and financed by employers and individuals, disadvantaged and marginal learners may not always be able to afford it.

## STACKING MICROCREDENTIALS

Microcredentials open the possibility for people to accumulate, or ‘stack’, different competences which can be documented and recognised by learning providers, employers, sectors, and across countries.

In Spain, microcredentials can be stacked and lead to a formal VET certificate under its new [Organic Law for the Ordination and Integration of VET](#). Latvia’s [new law](#) also allows microcredentials to be accumulated towards a full qualification or to be used as stand-alone qualifications. In Denmark, [labour market training courses](#) offer various upskilling and reskilling courses. They are well-developed and recognised and could potentially form the basis for initiatives using microcredentials.

For the time being, there is no common European approach to microcredentials and the modularisation of VET programmes. Nonetheless, microcredentials have the potential to supplement formal education and training systems, which are sometimes regarded as too slow to respond to rapid changes in the labour market. The potential advantages of microcredentials, including their ‘stackability’, could be especially valuable for the EU’s transition to a green and digital economy and the new skill needs it is creating across traditional qualifications and sectors.

However, concerns remain. Demand for microcredentials has led to a proliferation of unregulated certificates whose value is unclear. Lack of transparency makes it difficult for people to make informed decisions about short learning programmes, especially where it is uncertain who guarantees the quality and recognition of the learning outcomes.

Private organisations may rely on their own practices to recognise knowledge, skills and competences, or use labour market standards different from those used in formal learning programmes. Not all microcredentials are compatible with NQFs and not all NQFs are open to non-formal and private sector qualifications. Without the same quality criteria and accreditation by formal education and training authorities, recognition of microcredentials and their accumulation towards a full formal qualification re-

mains problematic.

Some 88% of VET providers who responded to Cedefop’s study confirm that at least some of the microcredentials they offer can be accumulated and combined with other credentials and qualifications. However, stacking microcredentials awarded outside formal education and training is often limited to one provider. Nevertheless, in some countries, such as Ireland, microcredentials known as ‘vendor certifications’ have a high market value for entering or progressing in occupations in the ICT sector. Cedefop’s study shows, however, that for users to be able to accumulate or combine them towards a full qualification, microcredentials need to be accredited by authorities responsible for formal education and training and to meet verified quality criteria.

### STRENGTHS

Microcredentials respond to the changing needs of the labour market

promote lifelong learning,

assist in upskilling and reskilling,

enable learners to build and validate professional skills (non-formal and informal learning),

offer opportunities for better understanding and cooperation between education providers and employers,

have the potential to provide access to education to a greater variety of learners.

provide flexible learning pathways

### WEAKNESSES

Microcredentials cause uncertainty among stakeholders as to their benefits,

proliferate in unregulated ways,

confuse users owing to their complexity and variety,

lack transparency as to who ensures their quality,

present challenges concerning their recognition,

are often unable to reach the most vulnerable or disadvantaged learner groups.

## A NEW FORM OF SKILLS RECOGNITION?

The challenge now is to improve and scale up microcredentials. Public provision comprises mainly qualifications that provide access to the labour

market, are included in NQFs and offer upskilling and reskilling opportunities. Private VET, on the other hand, comprises numerous credentials, many outside NQFs, obtained in education institutions or elsewhere, through participation in short learning activities with varying standards, assessment and recognition in industries and occupations. Both are coming closer together, as Cedefop's study shows. Traditional VET programmes that lead to specific recognised qualifications have become increasingly modular, consisting of smaller units of learning that are based on learning outcomes and use sector standards. For some, modularisation of formal VET programmes reflects the very aims of microcredentials, including closer alignment between VET and the labour market. Some argue, however, that, rather than being deconstructed partial qualifications that help to improve existing public VET provision, learning activities leading to microcredentials should be independently designed and stand-alone. In their view, microcredentials should supplement qualifications systems, not be subsumed by them.

Examples are the French digital service provider [Groupe Orange](#), which offers online courses on themes related to social responsibility and technology, such as support for a sustainable economy, digital equality, artificial intelligence and cybersecurity. The German social start-up [Kiron Open Higher Education](#) provides online courses for refugees worldwide using MOOCs and [open educational resources](#), with the aim of bringing them to a point where they can enter the labour market, a university or the VET system.

Private sector qualifications and credentials are also being integrated into public provision. For example, vendor certifications, some of which have set industry-specific competence standards, for example in ICT, are being integrated into vocational and university qualifications. But questions remain about which standards and certificates should be part of formal education and training programmes.

Recognising industry or professional certifications as part of education and training programmes provides for closer cooperation between academia and the labour market, for example in keeping programme content up to date and making it more responsive to individual and employer needs. This may create new relationships between designers and providers of learning activities, awarding bodies and qualifications authorities. Finland exemplifies such a new relationship: the [hygiene passport](#), a microcredential already in use in the country's education system, is designed to promote food safety by mandating food industry workers to prove their knowledge of basic

food safety rules. It is regulated by the [Finnish Food Authority](#) which authorises different organisations to provide training and examinations and to issue the passport.

Discussions continue, opinions differ, but, overall, microcredentials are not seen as a threat in terms of replacing or substituting for formal qualifications. The latter most often target young people before or at the start of their careers, while the first focus on adults who are either qualified or have work experience or both. Microcredentials are largely seen as complementary to traditional education and training systems, reinforcing their ability to respond to the rapid changes in European labour markets. At this point in time, finding the best way for formal systems and microcredentials to work together is still a work in progress.

The portability and transferability of microcredentials, their currency and exchange value, largely depend on their visibility and perceived value. A common European language clarifying their exchange value for learners, education institutions and employers would help promote their use and acceptance. At the same time, it is important not to jeopardise their flexibility and responsiveness to labour market needs through rigid standardisation. Responding to Cedefop's survey, representatives of employer organisations in Germany put the issue clearly in saying that 'microcredentials are evidence of practical, flexible, on-demand, and short learning experiences. This is what makes them so attractive. Common European standards must preserve this attractiveness and not limit it through over-regulation and -formalisation. It is thus central to find an appropriate balance between fostering trust and transparency as part of a common approach without compromising the flexibility of microcredentials'. The forthcoming Council Recommendation can be an important step in this direction.



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