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DAEA response to the Consultation: Review of existing VAT legislation on public bodies and tax exemption in the public interest

The Danish Association of Adult Education (DAEA) is worried about the planned review of Articles 132-134 of the VAT Directive and would like to bring to the Commission's attention a number of concerns about the likely negative impact that the removal of the VAT exemption would have on adult learning and education activities.

DAEA is also sorry that the Commission only concentrates on the alleged obstacles that are the result of the exemptions of public bodies (Art. 13 of the VAT Directive) without referring to the positive aspects of these exemptions, for example the fact they enable public bodies to respond to the needs of all, namely the most vulnerable members of the population.

This exemption is also in keeping with Protocol 26 on services of general interest, including the guarantee of high levels of quality, safety and affordability. In the context of these discussions, DAEA sees an urgent need for special consideration to be given to the activities carried out by educational, cultural, sports for all and youth non-for-profit organisations which play an essential role at the local level in promoting and ensuring social inclusion among society's potentially more vulnerable groups.

We believe that a change in the exemption from VAT in adult education in the public interest might have a long-term negative impact on the economic performance of Europe. Europe needs, and will need in the future, highly competent citizens that can work and innovate in a technology rich environment as well as navigate their personal and civic development in increasingly complex societies. This demands access to learning. This also means that those who are less and least likely to participate in learning need to be encouraged to learn and have free and/or very cheap possibilities to join (adult) education.

An introduction of VAT would undermine this. We believe that it is essential that people in Europe have access to learning opportunities – barriers to adult education are already very high, and financial reasons are a key barrier to learning.

We would like to refer to two sources that will illustrate that point:

The European Education and Training 2020 strategy has set a target of 15% of adults participating in lifelong learning. Currently, the participation rate has been decreasing and stagnating around 9%. Several Member States will need to make an enormous effort to reach this target.

The recent PIAAC results published by the OECD also underline that 20% of Europeans do not have the basic skills to live full and productive lives. This is alarming and needs to be tackled through adult education.



Increasing the costs of adult education will hurt governments (who, in most cases, will provide support at least for basic skills training), adult education providers but also the European citizens who will not be able to find affordable adult education provision.

A basic provision of adult education is necessary for Europe in economic, social and civic terms and we plead to keep the tax exemption for the (adult) education sector.

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