

Abstract

This paper links data on continuous training from the EU LFS to information on skill levels and earnings from the EU KLEMS growth and productivity accounts, to examine the relative magnitudes of continuous workforce training versus human capital formation through the general education system. The results suggest that in the EU 15 intangible investments in training represent a little under 2% of GDP but less than a third as large in the new member states. Failure to account for informal training leads to a significant underestimate of the impact of human capital on output growth in the EU as a whole.