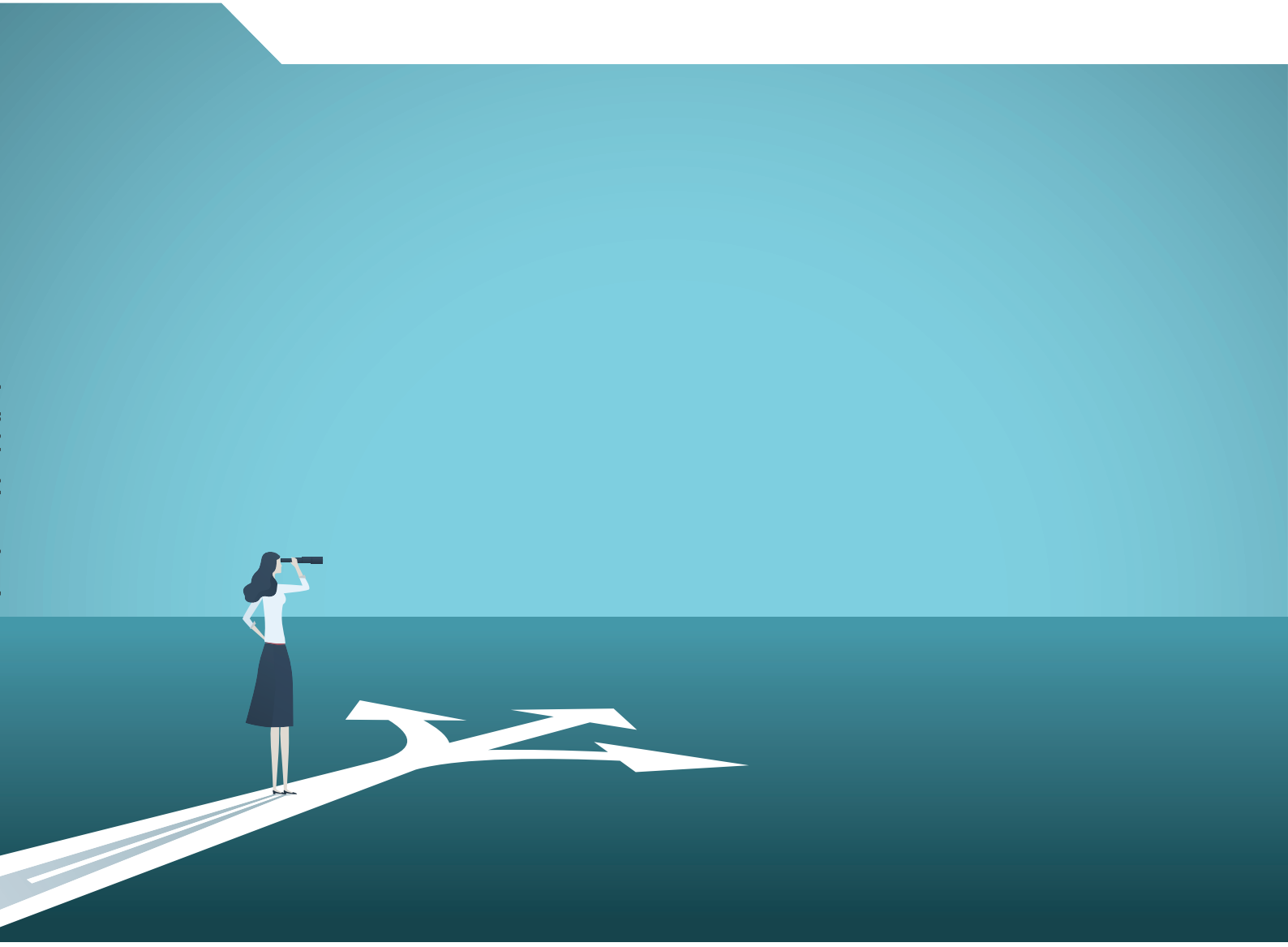
Individual Learning Accounts

PANACEA OR PANDORA'S BOX?



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OECD
BETTER POLICIES FOR BETTER LIVES

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Foreword

Many countries have seen recent growth in technology-facilitated forms of work, such as crowd work and on-demand work via apps and platforms; but there has also been growth in other new forms of work, like casual work (on-call, voucher-based and zero-hour contracts, as well as mini/flexi-jobs). Moreover, growth in subcontracting and outsourcing has prompted an increase in own-account work.

For some workers, these "new" forms of work provide income top-ups, while others appreciate the flexibility that they offer in how and where to work, resulting in a better work-life balances. However, for many other workers, these new forms of work imply lower job quality, whether it be lower job security, less social protection, wage penalties or a lack of voice). Recent evidence has suggested that job mobility in the labour market has increased and that tenure, once population ageing is controlled for, is declining (OECD, 2019[1]). These trends, which tend to affect youth and the low-skilled in particular, are worrying from the perspective of job quality and the sustainability of social protection systems.

Increased mobility in the labour market driven by a rise in non-standard work also raises concerns about training. Already, OECD research has indicated an important deficit in training as economies undergo important structural transformations with a decline in manufacturing jobs and a rise in service jobs (OECD, 2019[1]). These challenges become even greater in countries that are experiencing a rise in the number of non-standard workers who, on average, have a lower probability of participating in training. In some cases, such workers may have no employer responsible for financing their training since they are working as independent contractors. In other cases, workers either have several employers or frequently change employer, so that the latter have little incentive to invest in the skills of workers with whom they will have only very short working relationships. Many workers in these new forms of work may also struggle to gain access to good information, advice and guidance. Finally, working conditions could make training more difficult, for example when working time and place are not well defined. These are challenges that are also shared by workers in more "traditional" non-standard contracts, including temporary and self-employed workers.

In this context, the idea of giving individuals an individual account for learning/training has received a lot of interest in policy circles. Such an account would allow individuals to accumulate training rights, carry them over between jobs and employment status, and promote individual investments in lifelong learning. While there is much talk about such accounts and many countries are considering setting one up, relatively little is known about them. The purpose of this report is to develop guidance for policy makers in designing such accounts, and to provide a check list of things to consider to make such schemes successful. The approach used is to look at experiences with existing/past schemes through a detailed case study approach and literature review.

One of the challenges encountered is that, to date, only one real individual learning account exists: the *Compte Personnel de Formation* in France. The report therefore takes a broader approach by looking at "individual learning schemes" (ILS), which include: *i)* actual individual accounts where rights/savings for training – financed by the individual and supported by the state and, in some cases, the employer – are accumulated over time; as well as *ii)* training voucher schemes which support training through direct governmental payments, sometimes with a contribution from the participant. ILS are not new and they

were initially introduced in the early 1990s with the objective of creating a “market” for skills whereby individuals are empowered to choose their own training among a set of courses offered by providers competing against each another. The current, interest in ILAs is slightly different and focuses mostly on their potential to attach training rights to individuals rather than jobs, and therefore their ability to make training rights more portable between jobs and from one employment status to another. This is a main objective of the *Compte Personnel de Formation* implemented in France since 2015, as well as of the recently created Canada Training Credit.

Six new case studies were commissioned by the OECD for the purpose of this report.[1] The case studies include: the French *Compte Personnel de Formation*, the Upper Austrian *Bildungskonto*, the Scottish Individual Learning Accounts/Individual Training Accounts, the Singapore SkillsFuture Credit, the Tuscan *Carta ILA*, and the Individual Training Accounts in Michigan and Washington in the United States.[2] The case studies, based on common terms of reference, used available data and possible existing evaluations as well as qualitative material collected in interviews of various actors involved in the schemes.

The report takes stock of these experiences and of others described in the literature, with the ultimate aim of identifying the advantages and disadvantages of such schemes, as well as the key trade-offs and questions to consider in designing a successful scheme. The lessons learnt are relevant to the design of individual learning accounts, but also to individual learnings schemes (as defined above) more broadly. Section 1 starts by defining individual learning schemes and discussing their objectives. Section 2 reviews the design of these schemes. Section 3 provides evidence on outcomes, in particular on participation and the type of training undertaken. Section 4 discusses the extent to which ILS manage to increase participation among groups usually under-represented in training. Section 5 examines training quality issues associated with ILS. Finally, Section 6 provides some conclusions and discusses trade-offs emerging from the analysis.

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Executive summary

A rise in non-standard work in many countries and an increased fragmentation of worker careers have created new challenges for training policies at a time when structural transformation is raising the need for both re- and up-skilling. Policy makers are searching for new solutions to the challenges set by the future of work and, in the area of training, individual learning accounts have received renewed attention. In particular, the French *Compte Personnel de Formation* is frequently cited as an interesting new approach which could boost training participation in a new world of work.

The purpose of this report is to develop some guidance for policy makers in setting up such a scheme by reviewing the experience with existing and past programmes through a series of case studies and a literature review. To date, only one real individual learning account has been implemented – the *Compte Personnel de Formation* in France. The report therefore takes a wider approach by looking at "individual learning schemes", which include:

I. ***Individual Learning Accounts.*** These are virtual, individual accounts in which training rights are accumulated over time. They are virtual in the sense that resources are only mobilised if training is actually undertaken. The only real example of an Individual Learning Account is the French *Compte Personnel de Formation*.

II. ***Individual Savings Accounts.*** These are real, physical accounts in which individuals accumulate resources over time for the purpose of training. Unused resources remain the property of the individual and may, depending on the scheme, be used for other purposes (e.g. retirement). These schemes are extremely rare.

III. ***Vouchers.*** These provide individuals with direct subsidies to be used for training purposes, often with co-financing from the individual; they do not allow for any accumulation of rights or resources over time. This is the form of individual learning scheme most frequently implemented.

Individual learning schemes present attractive features. They were originally introduced with the objective of boosting individual choice and responsibility with regards to training and to increase competition among training providers and thus the quality and relevance of training provision. More recently, their ability to make training rights "portable" from one job or employment status to another – i.e. to link training rights to individuals rather than to a specific job or employer – attracted renewed policy interest in a world of work where careers are becoming increasingly fragmented.

But individual learning accounts are unlikely to be a panacea to the challenges set by the new world of work. Rather, like any other training measure, they become a Pandora's box once one starts looking at the details. This is not to say that they cannot be helpful in tackling some challenges, however there needs to be a clear understanding of the strengths and weaknesses of such schemes, and there are important design issues to consider. Policy makers interested in setting up an individual learning account need to consider a number of important questions and trade-offs. While in and of itself an individual learning account will not solve all problems, a well-designed programme can help countries achieve better training outcomes. Some of the key lessons emerging from this review for the design of individual learning accounts (but also for individual learning schemes more widely) are:

- **Targeting individual learning schemes helps to reduce deadweight loss and the participation bias against the low-skilled**. Individual learning schemes have a poor track record as far as participation of the low-skilled is concerned. Targeting can help overcome this challenge, however it may also increase administrative burdens (and therefore harm participation). One disadvantage of restricting schemes to certain groups is that it reduces the portability of rights. A different way of targeting, which overcomes this problem, is to allow access to everyone but to differentiate the amount of support by group.

- **Funding should be substantial if the scheme is expected to make a significant difference to training outcomes**. Most existing schemes provide relatively small amounts of support which means that, in practice, participants can only undertake short-duration training programmes which are unlikely to lead to significant up- or re-skilling. In addition, many programmes have co-financing requirements which may put off low-skilled and low-income individuals. One of the largest costs of undertaking training is often the earnings foregone while training. Allowing individuals to combine the support from individual learning schemes with other types of training support, such as paid training/educational leave, is therefore a good idea. Encouraging complementarities with employer-provided training can also be a good way of fostering a culture of learning.

- **Individual learning schemes should be kept simple in order to maximise participation**. Schemes that are complex to navigate will harm participation, particularly among the low-skilled and under-represented groups. Easy-to-use websites can help individuals find information and make decisions although, for the least-skilled, face-to-face assistance remains important. Complex and fragmented governance schemes, with responsibilities spread across too many actors, can also hamper the effectiveness of individual learning schemes as stakeholders struggle to navigate the system, especially the least-skilled.

- **Individual learning schemes need to be accompanied by other measures to boost participation among under-represented groups**. The training barriers faced by under-represented groups often go beyond a simple lack of finance. Schemes need to be simple to navigate and individuals (the low-skilled in particular) will also need effective face-to-face information, advice and guidance to enable them to convert their training rights into valuable training outcomes, tools that are sorely lacking in practice in most cases.

- **Guaranteeing training quality becomes even more important in the case of individual learning schemes**. Individuals face a strong asymmetry of information vis-à-vis suppliers with regards to training quality, and they have little or no capacity to negotiate prices (or other training aspects) with the provider. The creation of individual learning schemes has frequently resulted in accelerating the implementation of quality assurance frameworks. The main instrument used is the certification of training providers. Restrictions on the type of training that can be acquired with individual learning accounts can also help improve their effectiveness in terms of labour market outcomes of individuals.

- **The way individual learnings schemes are financed has important implications for redistribution and the predictability of funding**. The higher the individual saving or co-financing requirements are, the less redistributive individual learning schemes will be. In terms of the source of public funding, tax-financed schemes are more redistributive (to the extent that the tax system is), but it can make the scheme very sensitive to budgetary constraints and therefore funding becomes less predictable over time. Financing the scheme through a training levy has the advantage that funding will be earmarked, and it allows some mutualisation at the same time.

1 Definition and objectives of Individual Learning Schemes

1.1. What are individual learning schemes?

This report focuses on individual learning schemes (ILS), which are training schemes that are attached to individuals (rather than to a specific employer or employment status) and which are at their disposal to undertake continuous training along their working lives and at their own initiative. These schemes are generally implemented by public authorities and mobilise public resources. Three main types of such schemes can be distinguished:

- **Individual saving accounts for training (ISAT).** These are schemes where the individual can accumulate resources for further training, and public authorities provide support under different forms, including: tax incentives, direct subsidies (grants or bonuses), and/or associated subsidised loans. Employers can also sometimes deposit money on/contribute to the account, which is frequently supported by tax incentives. These saving accounts are generally managed by a financial institution. This form of scheme is rare in practice. Pilot schemes have been implemented in the past in a number of countries, such as *learn*$ave in Canada and the Lifelong Learning Accounts (LiLAs) in the United States. In the first half of the 2000s, the Swedish government also worked on a project of individual saving accounts for training and passed a draft bill, but the plan was eventually abandoned.
- **Individual learning accounts (ILA)**. These are schemes where rights for training are accumulated over a certain period of time. Publically financed, the account is virtual in the sense that the resources are only mobilised when training is actually undertaken and paid for. The only example of this type of scheme is the French *Compte Personnel de Formation* which, since January 2015, replaces an earlier training account (*Droit Individuel à la Formation*) making it broader in scope and fully transferable. The scheme is currently undergoing significant reform following the 2018 law entitled "*Loi pour la liberté de choisir son avenir professionnel".*
- **Voucher schemes**. These are schemes which support training through direct governmental payments to individuals, often with a contribution from the participant him or herself. Although many individual learning schemes are named "individual learning accounts", most of these schemes actually function as vouchers. Examples of voucher schemes include the *Opleidingscheques* in Flanders (Belgium), the *Bildungsprämie* in Germany, the *Cheque formação* in Portugal, the *Individual Training Accounts* in Scotland, the *Chèque annuel de formation* in Geneva Canton (Switzerland), and the *Individual Training Accounts* in the United States. The *Bildungskonto* in Upper Austria functions almost as a voucher scheme, although application is made only after training completion, and may actually be called a training subsidy.[3] Former schemes such the UK and Wales Individual Learning Accounts were also voucher schemes in practice. Although available for a lifetime, the *SkillsFuture Credit* in Singapore also belongs more to the voucher category as there is no formally established accumulation of rights over time.[4] Finally, *Carta ILA* in Tuscany (Italy) was a hybrid scheme in the sense that, instead of the regional government paying

training providers chosen by individuals, a given amount of money was put on a bank account to be used directly by the individual.

Table 1.1 provides a very synthetic description of the main features of the six schemes reviewed in the case studies commissioned by the OECD, which are described more in detail in Section 2

Table 1.1. Main features of the six individual learning schemes reviewed

Compte personnel de formation (CPF), France, 2015 - to date	Individual learning account available for all labour force participants Financed through a compulsory training levy on firms EUR 500 per year per individual, capped at EUR 5000 in the standard case Training programmes need to deliver a certificate
Bildungskonto, Upper Austria, 1994 - to date	Ex-post training subsidy available for labour force participants (with a particular focus on the medium-skilled and women returning from parental leave) Financed through general taxation Covers 30% of training fees up to a maximum of EUR 2000 in the standard case Training programmes need to be vocationally oriented
Individual learning/training accounts (ILA/ITA), Scotland, 2004 - to date	Voucher scheme available for labour force participants with an income below a certain threshold Financed through general taxation GBP 200 per individual per year to cover training fees Training programmes need to deliver a qualification or certificate linked to priority curriculum areas
Individual training accounts (ITA), Michigan and Washington, 2000 - to date	Voucher scheme available for participants in the Adult and Dislocated Workers programmes under the Workforce Innovation and Opportunity Act Financed by Federal government from general taxation No defined rules for amount of support Training programmes must be related to in-demand occupations and be on a list of eligible programmes
Carta ILA, Tuscany, 2004-2015	Scheme available for jobseekers and specific population groups Financed by the region from general taxation and the European Social Fund EUR 500-2500 per individual (one-off) Since 2008: training listed on a regional priority list
SkillsFuture Credit (SFC), Singapore, 2016 – to date	Lifetime voucher available to all citizens aged 25 and above Financed through general taxation SGD 500 per individual Training programmes need to be approved by the government agency running the scheme

1.2. Rationale and objectives of individual learning schemes

Public authorities put forward a number of reasons and objectives for creating the individual schemes reviewed in this report.

A large number of schemes aim to increase individual choice and responsibility. More freedom for individuals is expected to strengthen “ownership” of their training and result in a closer alignment with their personal projects. Promoting the individual’s autonomy in accessing and choosing training programmes is the first aim of the French *Compte Personnel de Formation* (*CPF*) created in January 2015.[5] In Singapore, SkillsFuture Credit have been introduced to depart from the traditional employer-centric approach to training and provide individuals with some autonomy in choosing their training. The Individual Training Account (ITA) in the United States represents a move to a model where the customer chooses the type of training and the provider of training services, away from the more directed approach prevalent under previous national workforce programmes. The *Bildungskonto* in Upper Austria seeks to provide as much freedom as possible for individuals to decide about training participation according to their interests and motivation. In some cases, this increased autonomy and ownership is coupled with the explicit objective to share the financial burden of training and promote individual investment in training. For example, the Scottish Individual Learning Account seeks to encourage individuals to invest in their own learning and to take ownership. The former UK Individual learning account scheme was built in order to provide the

individual with choice over what and how to learn, and to share the responsibility of investment in learning between employers, the government and individuals. In North America, the two former pilot individual saving account schemes (Lifelong Learning Accounts in the United States and learn$ave in Canada) were also implemented in that spirit.

An objective common to all schemes reviewed is to promote access of those with low access to training, generally the least-skilled, but also sometimes individuals with low-income, employees in small and medium enterprises, employees with non-standard contracts, self-employed workers, and, in some cases, more specific groups (see Section 1.2). In Upper Austria, for example, the *Bildungskonto* was created in the mid-1990s for medium-skilled workers (mostly former apprentices) to compensate for the fact that they had received significantly less public support during their initial education than those who had completed upper secondary or higher education. In France, a main driver of the *CPF* implementation is the observation that although the law provides an equal right to training to employees regardless of contract type, strong inequalities in access to training persist in practice. The US ITA scheme aims to provide access to training to individuals facing multiple employment barriers.

Individual learning schemes also aim to increase the employability of individuals, in order to enhance their capacity to progress in their career and make professional transitions. ILS provide employees with some autonomy vis-à-vis their employer in terms of their training choices, and therefore allow them to take more control over their career path and think beyond their current job and employer. This could increase their employability by allowing workers to acquire skills that the employer might have been reluctant to provide from fear of seeing them leave. The French *CPF* was set up precisely to promote access to training for individuals who are expected to change jobs and eventually status (employee, self-employed, unemployed, not in the labour force) several times during their working life. The transferability of training rights across jobs and status is thus instrumental in the scheme. Some schemes, such as the *Chèque annuel de formation* in the Geneva region, have the wider goal of improving lifelong learning. SkillsFuture Credit in Singapore also aims to change the perception of lifelong learning, moving it away from chasing paper qualifications (credentials).[6]

Finally, promoting competition among training providers to lower the costs of training and improve its quality, including a better alignment with labour market needs, was a stated objective both in the former UK scheme and in the Scottish ILA, and has probably been a secondary objective in others.

2 The design of Individual Learning Schemes

This section describes the rules and settings of the various individual learning schemes reviewed in this report. ILS differ in many respects, including in terms of coverage, and financing arrangements – the degree of cost-sharing and sources of public financing. While ILS are often initiated by a government body, responsibility for the scheme and actual management can be delegated to other public entities or contracted out to private firms/organisations. ILS generally define the type of training that can be undertaken, leaving more or less freedom to individual choice. Finally, the size of support provided also varies significantly, as does the extent to which ILS can be combined with other training schemes.

2.1. Coverage

The coverage of individual training schemes differs significantly across schemes/countries and has often evolved over time within schemes. The ILA in the United Kingdom, SkillsFuture Credit in Singapore and the *Chèque Annuel de Formation* in Geneva Canton (Switzerland) are/were almost universal as they cover(ed) all adults above a certain age.[7] This was also the case of the Scottish Individual Learning Account until October 2017, but in an attempt to better align the programme with the needs of the labour market, the new Individual Training Account now only covers individuals in work or actively looking for work. In fact, many schemes limit eligibility to individuals in work or actively looking for work, with some focusing exclusively on jobseekers or employees, while others allow for both (Table 2.1). Self-employed workers are less often covered than employees are, although they are increasingly covered too. For example, they became eligible to the Austrian *Bildungskonto* in 2010 and to the French CPF in January 2018.

Besides the activity and employment status of individuals, individual learning schemes often restrict eligibility based on income and/or education level. For example, in the United States, only jobseekers eligible for the Workforce Innovation and Opportunity Act (WIOA) Adult programme can receive the ITA and low income is one of the eligibility criteria.[8] The Geneva Canton and Scottish schemes apply income thresholds close to the average wage (i.e. anyone earning above would not be eligible for the programme). In Canada, the learn$ave pilot scheme concerned only working-age individuals belonging to a low-income household with limited liquid assets. The German *Bildungsprämie* initially also had a relatively low taxable income threshold that was increased in 2010, thus enlarging the number of eligible employees. In Flanders, since 2015, only low- and medium educated workers can access the *Opleidingscheques*. The same was true for the Scottish scheme between 2012 and 2017 and the Austrian *Bildungskonto*, although eligibility for the latter programme has been enlarged over time to workers with upper secondary education as well as to those with tertiary education meeting certain income criteria.

Table 2.1. Coverage by employment status differ across countries

	Employees	Self-employed	Jobseekers	Inactive
Lifelong Learning Accounts, United States				
Opleidingscheques, Flanders, Belgium				
Bildungsprämie Germany				
Carta ILA, Tuscany, Italy[1]				
Individual Training Accounts, United States[2]				
Cheque formação Portugal				
Compte Personnel de Formation, France[3]				
Individual Training Account, Scotland, United Kingdom				
Bildungskonto, Upper Austria Austria[4]				
learn$ave,Canada				
Individual Learning Accounts, United Kingdom				
Chèque annuel de formation, Geneva, Switzerland				
SkillsFuture Credit, Singapore				

1. Only employees with atypical contracts.
2. The United States' ITA scheme also covers displaced workers.
3. Self-employed were eligible in principle from 1st January 2018 but never accessed it and access is now closed during the transition period to the new CPF scheme.
4. Only women returning to work after parental leave are eligible.
Source: OECD Secretariat.

Some countries also directly target very specific population groups. In Germany, for example, the *Bildungsprämie* specifically targets individuals on parental or care leave. Since its inception in 1993, the Austrian scheme also explicitly targets women returning from maternity leave. The *Carta ILA* in Tuscany puts a priority on female jobseekers, but also on a number of different small groups which vary by province (e.g. employees in non-standard contracts, women returning to work, immigrants, militaries, transgender and transsexuals). The US ITA is also accessible to displaced workers eligible to the Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker Programme, and in the Adult Programme, veterans are given priority.

Other ways of targeting priority groups is through modulating the amount of support provided. In Austria, Flanders and France, active individuals with less than upper-secondary education benefit from higher support (Table 2.2), as do, in Austria, women returning from child-related breaks, low-income employees above 50 years of age, individuals with only compulsory education level and no vocational credentials, and immigrants studying German.

2.2. Financing

2.2.1. Cost-sharing

Very often, individual learning schemes include some form of cost-sharing between the government and the individual benefiting from the scheme. Schemes in Germany, Upper Austria and Flanders require financial participation by individuals ranging between 40% and 70% of the total costs of training (Table 2.2). To compensate for the potential disincentive introduced by co-financing for some under-represented/targeted groups, the Upper Austrian scheme requires a smaller financial contribution from them. Co-financing is by construction central to individual saving account schemes: in the Canadian pilot individual savings account scheme, individual participation varied from one sixth to half of the costs across the 10 communities implementing it, and in the US *LiLA* scheme, individuals contributed from one quarter to half of the deposits on the account.

Table 2.2. Financing of schemes

Schemes	Individual / employee	Employer/contractor		State/public			Private / Foundation
		Direct contribution	Indirect contribution	Direct contribution	Tax incentives	Special conditions for specific groups/training	
Bildungskonto Upper Austria AUT 1994-to date	70% of training fees up to EUR 2 000 if basic support; 40% of training fees up to EUR 2 400 if specific group			Basic support from regional government: 30% of training fees up to EUR 2 000 (EUR 1 000 for language courses)		Higher support: 60% up to EUR 2 400 for child-care returners, German language for integration, employees above 50 with low income, persons with no more than compulsory education level, low educated preparing apprenticeship, persons with at most compulsory education completed	
Opleidingcheques Flanders BEL 2003-to date	EUR 125 in standard case			EUR 125 for training fees from Flemish government in standard case		EUR 250 if initial education level less than secondary and study for i) a formal diploma, ii) training recognised for paid educational leave or iii) IT training. Additional allowance (amount not specified) also if person with less than tertiary education undertaking tertiary education training; EUR 125-250 for low-skilled foreigners, persons over 50 years of age or disabled.	
learn$ave CAN 2001-2008	minimum CAD 10 with match cap of CAD 250 monthly; yearly match cap CAD 900-1 500			Match rate between 2:1 and 5:1 for training fees and for learning support (books and computers, and specific childcare services not available from government programmes); learning support spending capped at CAD 1 500 or 50% of accumulated savings			

Schemes	Individual / employee	Employer/contractor		State/public			Private / Foundation
		Direct contribution	Indirect contribution	Direct contribution	Tax incentives	Special conditions for specific groups/training	
Chèque annuel de formation, Canton de Genève CHE, 2001-to date				CHF 750 per year paid by Canton de Genève for a maximum of 3 consecutive years		Possible to cumulate 3 chèques in a year if "formation qualifiante" or "formation de base sanctionnée par un titre reconnu".	
Bildungsprämie DEU 2008-to date	50% of training fees			50% of training fees up to EUR 500 (ESF); federal funding for guidance and assistance services			
Compte Personnel de Formation FRA Jan 2015-to date	Self-employed contribute 0.2% of turnover to a training fund		Until Dec 2018, training levy of 0.2% of gross yearly payroll; since January 2019, part of a 1% training levy[1]. Until Dec 2018 : 24h per year for 5 years and then 12h per year capped at 150 hours; since Jan 2019, EUR 500 for training fee per year capped at EUR 5 000; until Dec 2018, possible complements from Pôle Emploi or the regions for jobseekers and from training funds or employers for employees.			Those with initial education level below ISCED level 3 (i.e. level 1 and 2) benefited from 48h per year with a ceiling of 400h until December 2018; now EUR 800 per year up to EUR 8 000	
Individual Learning Accounts GBR Sep 2000-Nov 2001	GBP 25 per programme			GBP 150 per programme for first million account holders, then 20% of training fees up to GBP 100 in standard case, or 80% up to GBP 200 if basic information technology and mathematics learning. Total cap of GBP 500 initially, lowered to GBP 200			
Individual Learning/Training Account Scotland GBR ILA: 2004-oct 2017 ITA: Oct 2017-to date	Until 2008:at least GBP 10 per year			GBP 200 per year for training fees from Scottish government			

Schemes	Individual / employee	Employer/contractor		State/public			Private / Foundation
		Direct contribution	Indirect contribution	Direct contribution	Tax incentives	Special conditions for specific groups/training	
Carta ILA Tuscany ITA 2004-2015				EUR 500-2 500 for training fees, teaching material, associated travelling, food and housing (ESF); Tuscany region funding for guidance and counselling			
Cheque formaçção PRT 2001-to date		At least 10% of training fees for employees		EUR 4 per hour with a max of EUR 175 for 50h over two years for employees (max 90% of costs); EUR 500 for 150h for jobseekers			
SkillsFuture Credit, SGP Jan 2016-to date				SGD 500 + periodic top-ups			
Individual Training Account USA, 2000-to date				Up to USD 3 500-7 000 in Washington State, USD 6 000-10 000 in Michigan for training fees, books and supplies, financed from federal money			
Lifelong Learning Accounts (LiLAs), various areas, USA	From 2001-2007: up to USD 500 per year; after 2008, up to USD 2 500 per year	From 2001-2007: up to USD 500 per year; after 2008, up to USD 2 500 per year			From 2008 in Washington State, 50% tax rebate for first USD 500, 25% for following USD 2 000 for low income employees; 25% tax rebate for employers (higher for small enterprises).		Ford Foundation and others doubled individual's contribution up to USD 1 000 until 2004

Note : 1. From January 2019, firms with more than 11 employees pay a training levy of 1% of their yearly gross payroll, and those with less than 11 employees a levy of 0.55% of their yearly gross payroll. Part of the training levy is then allocated each year by decree to the CPF.
Source: OECD Secretariat, Cour des comptes (2015[2]), Euréval (2012[3]), Leckie et al. (2010[4]).

Employers are more rarely involved in the financing of schemes. Direct employer involvement was at the heart of the pilot *LiLA* saving accounts scheme in the United States, and is also requested to a lesser extent for employees in the Portuguese *Cheque formação* (employers are requested to contribute at least 10% of training fees for their employees). The French *CPF* is rather exceptional in being exclusively funded through a training levy on medium-sized and large firms. A training levy collected by sectoral training funds to finance workplace-related training had been in place for a long time in France, and part of it was redirected towards the CPF when it was created in 2015, so that employers are only indirectly involved.

Other schemes such as the ITAs in Scotland and the United States, the Geneva, Portuguese and Singapore schemes are fully financed from public money, as was also the Tuscany scheme.

2.2.2. Sources and methods of funding

In general, public money for ILS comes from the level of government responsible for its implementation, i.e. the national/federal government in France, Germany, Portugal and Singapore, and the regional level in Austria, Flanders, Geneva, Scotland and Tuscany. In Austria, the regional parliament periodically decides the amount of resources allocated to the scheme. By contrast, in the US ITA, responsibility for implementation lies with the states but funding comes from the federal government under the Workforce Innovation and Opportunity Act (WIOA). In Canada, the federal government also funded the pilot scheme implemented by the communities.[9]

In most cases, public money consists of a direct subsidy in the form of a voucher or a matching contribution to the individual's saving account, but tax advantages are also sometimes used. For example, individuals (in the case of the United States LiLA) and employers (in the case of Washington State) both benefited from tax rebates[10] (Table 2.2). In the Canadian learn$ave, the programme proceeds were not considered as taxable income (Leckie et al., 2010[4]). The French CPF is the only example of a scheme funded out of a dedicated/earmarked social contribution.

Private funding of the schemes other than employers is rare. In the United States, the Ford Foundation and other private funders did contribute during the first three years of experimentation to the LiLA schemes implemented in Chicago, Northern Indiana and San Francisco, and private foundations also contributed to schemes subsequently piloted in other areas.

2.3. Governance

2.3.1. Initiative and responsibility for implementation

The decision to create an individual learning scheme most often originates from the government, predominantly at the national/federal level with the ministry in charge of employment and social affairs or the ministry of education (as is the case, for example, in the Canadian, French, German, Portuguese, United States *ITA*, Singaporean and UK schemes). Regional governments took the lead in Flanders, Geneva, Tuscany and Upper Austria. More rarely, non-governmental bodies set up such schemes. In the United States, the Council for Adult and Experiential Learning (CAEL) designed the *LiLA* schemes in the first experimentation phase and contributed to the development of subsequent *LiLA* schemes in other geographic areas. The Social and Enterprise Development Innovations (SEDI) had lead responsibility for the design of *learn*$ave in Canada (Leckie et al., 2010[4]). In Upper Austria, the Chamber of Labour, an organisation representing Upper Austrian employees[11], launched the initiative of the *Bildungskonto* in collaboration with the regional government.

Responsibility for implementation generally rests with the body who initiated the scheme, i.e. the government department in charge of training policies, or in the case of the *LiLA* and *learn*$ave schemes, the CAEL and the SEDI (Annex Table 1). In Flanders and Portugal, responsibility for the

schemes has been delegated to the public employment service. In the United States, responsibility for the ITA initiated by the Federal Department of Labor has been decentralised to the states. The Tuscany region shares that responsibility with the lower government level, i.e. the provinces.

2.3.2. Actual management

Responsible authorities can be in charge of the actual management or operation of the schemes, as in for example Geneva, Upper Austria, Scotland (since 2017[12]) and Singapore. Until 2005, the Chamber of Labour was also involved in the management of the Upper Austrian *Bildungskonto*, notably in developing the regulations, but that type of cooperation ceased with a change in regional government. However, the Chamber of Labour is still collaborating with the regional administration at the delivery level, in particular to help establish eligibility of individuals to the scheme. In Flanders and Portugal, the regional and national public employment services delegate service delivery to their local offices.

In many cases, however, the responsible authority delegates the management of the scheme either to public agencies, often under its authority, or to private organisations, with different degrees of de-concentration of services. In France for example, until the end of 2019, the system was rather complex and organised in "*silos*" (i.e. different streams for different target groups) : training funds (OPCA) were in charge of delivering the CPF to employees, while the public employment service (*Pôle Emploi*) and the *Fonds de Sécurisation des Parcours Professionnels* (FPSPP) – a social partner organisation in charge of mutualising and redistributing funds collected through a training levy – were responsible for providing these services to jobseekers. The *Caisse des Dépôts et Consignations* (CDC), a public sector financial institution, was in charge of managing the information system that credits the accounts. From 2020, the CDC will operate the whole system, i.e. manage the information system and pay the training providers. In Tuscany, the local employment offices (*Centro per l'Impiego*) were in charge of operations.

Full delegation of all management aspects to a single for-profit company occurred only in the United Kingdom. In Flanders, a company is in charge of delivering cheques to beneficiaries and paying training providers. In Canada and Germany, service provision was/is fully contracted out, but to a number of local private organisations, community based NGOs in Canada and a mix of for-profit and not-for-profit organisations in Germany. In the United States, the local Workforce Investment Boards (WIBs) are in charge of the daily administration of the ITA but they contract with private organisations, publicly funded community colleges or other public or private educational institutions to actually deliver the services, typically for a period of one to two years. Banks or micro-credit institutions were also involved in the two saving account schemes (learn$ave and LiLAs) as well as in the Tuscan *Carta ILA*.

2.4. Type of training

All schemes establish rules on the type of training that participants can choose. Training can be either formal or non-formal. Informal training is generally excluded, however there are exceptions. For example, in its early implementation phase, in order to attract individuals who may be reluctant to return to formal, classroom-based education, the Tuscan *Carta ILA* allowed informal training – i.e. non-institutionalised training which can take place almost anywhere within the family, with friends, at work or at facilities made available by education and training providers.

Training is most often required to be professionally useful. Only the UK scheme and its successor in Scotland (until 2017), as well as the Singaporean SkillsFuture Credit, did/do not explicitly require training to be relevant for the labour market. This may be partly explained by the fact that these schemes also cover individuals above the retirement age. In Singapore, SkillsFuture Credit aims to foster innovation through pursuing personal interests and developing personal potential, which may not always coincide with current labour market demand.[13]

However, the extent to which this criterion of professional relevance is translated into practice varies across schemes. In Austria, Flanders and Germany, training has to be primarily vocationally oriented (Table 2.3), and participants can sometimes get counselling services to make their choices, but there is no other tool/measure to steer individual choices. By contrast, in the US ITA, training must be related to in-demand occupations, which are determined by the local Workforce Investment Boards. In Michigan, for example, the WIB uses lists established by various public institutions, such as a "Hot 50" occupation list, three lists of high-growth/high wage industries, as well as existing and emerging in-demand industries. The WIB also uses results from consultations with employers, as well as information from companies scraping job-postings on the internet to determine in-demand occupations. However, in practice, the extent of steering depends on the local workforce investment areas, as they can choose among three types of approach to implement the ITA: *i)* in the "structured choice" approach, participants are required to receive counselling and counsellors can overrule the training choices of participants; *ii)* in the "guided choice" approach, counselling is mandatory but less intensive and counsellors cannot reject the participant's choice; and *iii)* in the "maximum choice" approach, counselling is voluntary and counsellors cannot reject the participant's choice. The majority of local workforce investment areas appear to have chosen the medium stance (guided choice). Steering is also present, although to a lesser extent, in the Scottish and Portuguese schemes, where training programmes need to link with the labour market training priorities established by the government and the public employment service.[14]

A number of schemes also require training programmes to be chosen from a list of eligible programmes, as for example in France until December 2018, Geneva, Tuscany after 2007, Singapore and the US ITA. While these lists aim to ensure training quality (see Section 5.1), they can also improve the labour market relevance of training. In France until December 2018, for example, training programmes were eligible if they fulfilled one of the following four conditions:

- They deliver a certificate registered in the *Répertoire national des certifications professionnelles* (RNCP)
- They deliver a certificate registered in the "*inventaire*" which completes the RNCP with certificates and clearances/accreditation corresponding to transversal skills used at work
- They deliver a *Certificat de Qualification Professionnelle* (CQP) delivered by the branch level collective organisation and conceived to answer specific needs of their enterprises
- They are part of the training programmes for jobseekers financed by public institutions (regions, *Pôle Emploi* or Agefiph for the disabled).

The system was very complex, with three levels of lists, at the national level, at the sectoral ("*branche*") level, and at the regional level, reflecting for the two latter the skill needs in each sector/region. However, since January 2019, the system of lists has been eliminated and all certificates registered at the RNCP and at the "*Répertoire spécifique*" (former "*inventaire*") are now eligible to the *CPF*.

Table 2.3. Specific training requirements

Bildungskonto, Upper Austria AUT	Vocationally oriented, mainly at medium-skill level; leisure courses and basic driving licence courses excluded; participants must have attended at least 75% of the programme
Opleidingcheques, Flanders BEL	Vocational training, career counselling; driving license excluded unless for professional use; training should not be undertaken during working-time or with employer's finance
Chèque annuel de formation, Canton de Genève CHE	40h min (or 20h if basic skills or part of training leading to diploma). Training programme must be professionally useful
Bildungsprämie DEU	Vocationally oriented or basic education, language or ICT for general employability. Should not replace training for which employer is responsible; basic driving license excluded
Compte Personnel de Formation FRA	Registered Certifications (RNCP or *inventaire*); skill assessments, actions for skill recognition, driving licenses, training for business creation
Individual Learning Accounts GBR	Courses that were a requirement of the person's employment and driving lessons for a private car were excluded
Individual Training Account, Scotland GBR	Training programmes must deliver a qualification or certification and link to one of the 13 curriculum areas approved through the Scottish Labour Market Strategy
Carta ILA, Tuscany ITA	All types of training including informal training over 2004-2007; on a regional list of approved programmes since 2008
Cheque formação PRT	In line with the training priorities set annually by the IEFP
SkillsFuture Credit SGP	Programmes approved by SkillsFuture Singapore
Individual Training Account USA	Must help to become employed or re-employed; training must be related to in-demand occupations

Source: OECD Secretariat; Euréval (2012[3]), Cour des comptes (2015[2]), Owens (2001[5]),OECD (2017[6]),CEDEFOP (2009[7]).

In the Canadian *learn*$ave scheme, the only restriction placed on participants in choosing a training programme, was that the training provider had to be an institution recognised by the national Canada Student Loans Programme.

The focus on the labour market relevance of training also raises the issue of whether training financed through the individual learning scheme could substitute training that used to be financed by employers or for which the employer should be responsible. To avoid such a substitution, the German and the UK schemes expressly mention(ed) that such training could not be covered by the scheme. Some countries also put restrictions on whether training can take place during working time or not. Arguably, employers are more likely to allow training to occur during working time (and finance it themselves) if it is directly related to the job (as opposed to training that benefits employability more broadly and could result in the worker leaving). In Flanders, for example, the scheme explicitly excludes individuals undertaking training during working time or training that is financed by employers.[15] The French scheme had an opposite stance until 2018, as it explicitly favoured co-financing by the employer or by the sectoral training fund (see Section 2.5 below) and training can take place (fully or partly) during working time if the employer agrees. In Portugal, the funds can be taken up either by firms (for their employees) or by individuals.

2.5. Level of support and combination with other possible funding

Most schemes will only cover tuition fees. In Flanders and France, the schemes also finance skills assessment services[16]. The US ITA allows funds to be used to pay for books and supplies, but none of the funds may be used to compensate the individual for earnings losses resulting from taking time off work, child care expenses while attending classes, or transportation costs. *Learn*$ave in Canada and *Carta ILA* in Tuscany were the only schemes that also financed other types of expenses associated with training such as travel, subsistence, housing, and even childcare costs (Table 2.2).

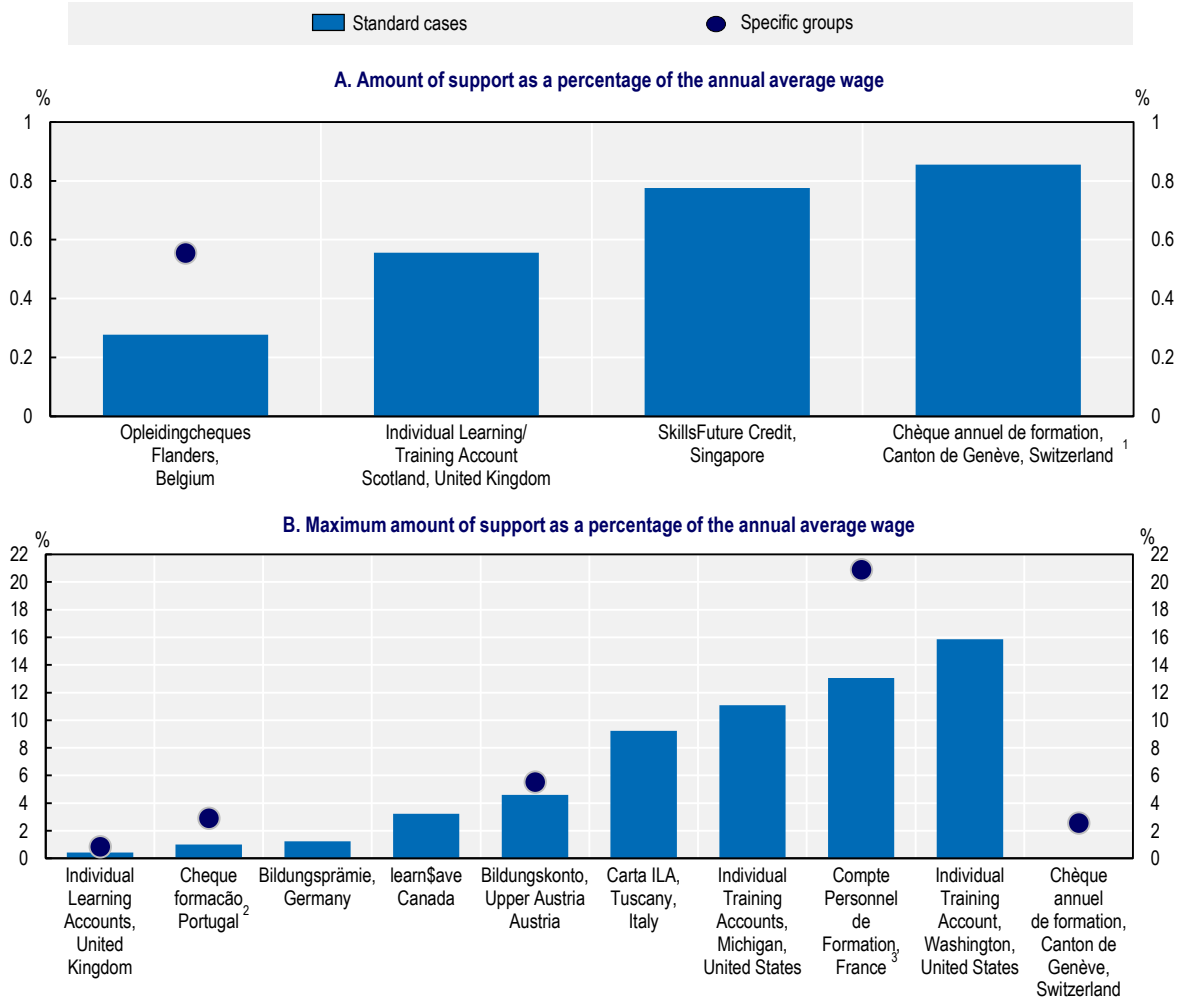
The amount of support provided to beneficiaries varies considerably across schemes, but remains relatively limited in a majority of them. Amounts are/were lowest in Flanders, Scotland, the United Kingdom and Portugal. They were higher but still relatively low in Germany, Portugal (for jobseekers) and Singapore (Table 2.2). Austria and Geneva offered higher amounts of support. In the US *ITA*, the amount of support

depends on the type of training undertaken, with a maximum value fixed by the local Workforce Investment Boards (WIBs). In Michigan, for example, up to USD 10 000 is available. In the Canadian learn$ave programme, the maximum support was relatively high, as it was estimated to cover the tuition fees for about 1.5 years of a full-time undergraduate university programme, or 3-4 years of a college programme (Leckie et al., 2010[4]).

The French scheme is the only one which provided credits in hours (rather than money) (Table 2.2), to account for the fact that training costs can vary significantly by training programme (e.g. more technical programmes tend to cost more); it also allowed the training funds to provide higher support to training leading to skills though most in need in their sector. In practice, ceilings were often set on the cost of an hour of training by the training funds. These ranged from EUR 15 to EUR 100, depending on the sector concerned, and the rate for job seekers was set at EUR 9 (IGAS, 2017). These different rates implied strong inequalities between groups (IGAS, 2017[8]). This was one of the reasons why the government decided that, in the new CPF, the accounts will be credited in money rather than in hours, with a conversion rate for accumulated hours of EUR 15 per hour, and a build-up of rights of EUR 500 per year up to a maximum of EUR 5 000. Those with a level of education less than upper secondary can accrue higher rights, up to a maximum of EUR 8 000. Switching to actual money rather than hours is also meant to facilitate the use of the CPF by individuals by making it more “readable”. It eliminates the intermediaries (i.e. the training funds) who were converting hours into Euros. This should place individuals at the centre of the scheme, and hopefully increase competition among training providers.

Comparing the size of support as a percentage of the average wage is not straightforward because, as described in Table 2.2, each scheme has its own rules. Some provide a fixed amount and others a percentage of the training cost (up to a ceiling), and with amounts sometimes differing between the standard case and specific groups. The French scheme is also different as it provides a given amount each year, capped at a maximum. Despite these difficulties, Figure 2.1 shows that the average support varies between a minimum of 0.3% of the average wage in Flanders to a maximum of about 21% of the average wage in the reformed French scheme for individuals with a low education level. The Flemish, Singapore, UK, Scottish and Swiss schemes all provide support in the standard case amounting to less than 1% of the average wage, and the German scheme is not far from there. The Upper Austrian and Canadian schemes provide a maximum support of less than 5% of the average wage, and the Tuscan scheme of about 9% of the average wage. Maximum support is above 10% of the average wage in the French and US ITA scheme. Support could even be higher in the previous CPF scheme when credits were expressed in hours and funded at different rates by the various training funds as mentioned above.

Figure 2.1. Support provided by individual learning schemes as a percentage of the average wage



Note: Average annual wages are the national data corresponding to the year (or average of the years) the scheme was in place. For currently existing schemes, 2018 data are used.
1. The benefit can paid for a maximum of three consecutive years and specific groups can obtain three checks in a given year.
2. The benefit for the standard case is paid over two years.
3. Corresponds to the maximum accumulated amount.
Source: OECD Secretariat, Cour des comptes (2015[2]), Euréval (2012[3]), Leckie et al. (2010[4]), *OECD Dataset on Annual Average Wages* (http://stats.oecd.org//Index.aspx?QueryId=25148) and Trading Economics (https://tradingeconomics.com/singapore/wages) for Singapore.

Besides the support directly provided through the individual learning schemes, what matters for the individual is also whether it can be combined with other possible funding for training. This in turn depends on how the scheme relates to the overall system of training financing, as well as on the generosity of other existing training schemes. Here, also, the situation differs across countries:

- In Scotland, the use of ITA explicitly forbids access to other Scottish government funding, so support for ITA participants is overall very limited.
- In Austria, the *Bildungskonto* can be combined with other existing training schemes, in particular those run by the Chamber of Labour, such as: *i)* the *AK Leistungskarte* which provides a discount on training programmes delivered by the training providers related to the Chamber of Labour; and *ii)* the *AK Bildungsbonus* which provides additional support. Combined, these schemes can reduce

individual training expenses by up to 90% for courses with low training fees (around EUR 300), but only by about 40% for courses charging fees at the maximum level (EUR 2 000).

- In the United States, individuals eligible to the two WIOA programmes can in principle combine the ITA with other sources of funding, such as State-funded training funds or Federal Pell Grants if they can demonstrate that funding from such programme is insufficient to meet their training needs.
- In France, until 2018, if the number of hours accumulated on the account was lower than the duration of the training envisaged, the *CPF* allowed employees and jobseekers to ask for complementary funding ("*abondements*"), from either employers and/or training funds and the regions, or from *Pôle Emploi*. In practice, this occurred very often. Additional funding from the training fund is no longer available for employees in the revised CPF scheme. The CPF could also be articulated with the *Congé Individuel de Formation* (CIF), a right to financed training leave meant to be used for up-skilling or re-skilling.[17] Indeed the readiness of the individual to mobilise his/her CPF for his/her training project was one of the eligibility criteria for some of the organisms financing the CIF. From 2019, the new law provides for a "*CPF de transition*" which will be similar to the CIF, but only for professional retraining.
- In Singapore, SkillsFuture Credit can be used in principle in combination with other, generous, training schemes and, in particular, the Workforce Skills Qualifications scheme which is accessible to all workers and subsidises 50% to 90% of course fees and provides an absentee payroll compensation to the employer.

3 Participation in Individual Learning Schemes and outcomes

This section provides some evidence on levels and trends in participation in the individual learning schemes reviewed in this report. It also describes the type of training undertaken by participants, which tends to be mostly non-formal and of short duration. Finally, the section reviews the limited evaluation evidence on ILS: to what extent is training undertaken aligned with labour market needs, and what impact do they have on participation and training?

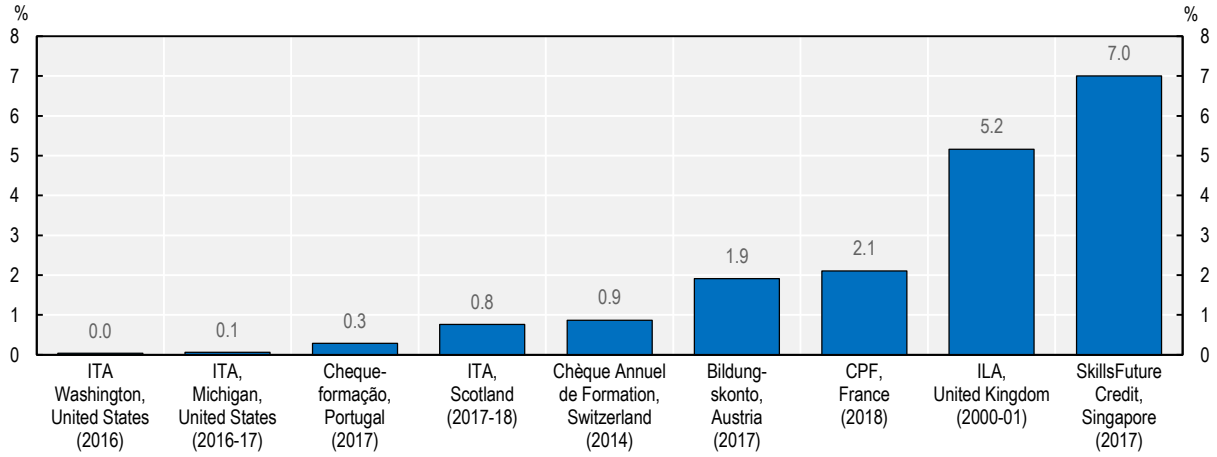
3.1. Participation

3.1.1. Participation levels

Actual participation in ILS varies across schemes, but is generally modest. Due to complex and sometimes changing rules for eligibility, it is most often not possible to provide accurate coverage rates, i.e. number of participants as a proportion of the eligible population.

In relation to a common denominator, the labour force, participation in the Singapore scheme is by far the highest (Figure 3.1).[18]Participation in the UK ILA scheme was also relatively high, but in part due to widespread mis-selling and fraud which actually led to close the scheme after only 15 months of activity (National Audit Office, 2002[9]). The French and Upper Austrian schemes are in a middle position as they benefit about 2% of the labour force. The Geneva and Scottish schemes cover slightly less than 1% of the labour force and less than 0.5% of the labour force participated in the Portuguese scheme. *Carta ILA* in Tuscany concerned only a limited number of individuals, representing about 0.2% of the labour force and 3% of the unemployed per year over the 2009-2014 period (for the two cities for which data is available - Arezzo and Pistoia). The US ITA scheme appears very minor in relation to the total labour force, and covered only a very limited share of the unemployed (1.2% in Michigan and 0.6% in Washington state in 2016), owing to strict eligibility criteria. Finally, participation in the pilot Canadian and US savings schemes was very low even in absolute numbers.[19]

Figure 3.1. Participants in individual learning schemes as a share of the labour force (15-64)



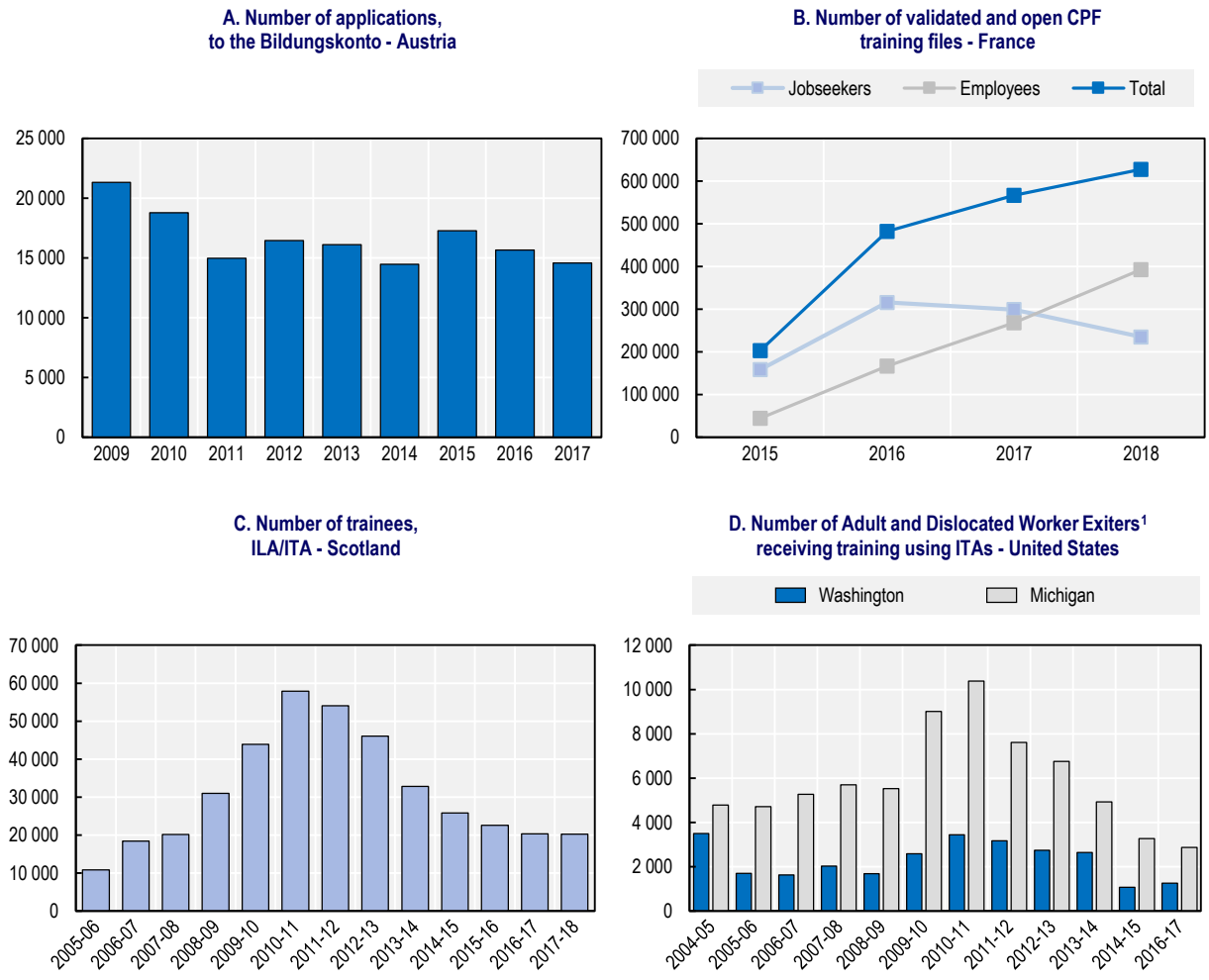
Note: The labour force covers individuals aged 15 and over for Singapore and the United States, and concerns only resident individuals in Singapore.
Source: Cour des comptes (2015[2]), National Audit Office, Centro de Relações Laborais (2017[10]), Skills Development Scotland, Land OOE Bildungskonto, Caisse des Dépôts et Consignations, Workforce Investment Standard Record Data and WIOA Participant Individual Record Layout, SkillsFuture Singapore, OECD LFS and OECD Regional Labour Indicators.

3.1.2. Trends in participation

The evolution of participation over time varies across the countries for which data is available.

Participation in the French CPF scheme has progressively increased over the four years of its existence (Figure 3.2). The CPF being the only "real" account scheme, its use could initially have been limited by the need for individuals to accumulate credit before they could draw down their rights. In practice, however, employees had their account credited at the start of the CPF scheme with the hours accumulated under the *Droit Individuel à la Formation* (*DIF*) scheme created in 2004. Besides, social partners and the state agreed for 2015-2017 to credit jobseekers' accounts with a minimum of 100 hours each.[20] Hence, slow take-up is unlikely to be explained by the fact that individuals needed to accumulate rights first. Participation in the CPF was initially low and largely dominated by jobseekers, with only 0.5% of employees mobilising their account in the first two years, compared to 8% of jobseekers. Strong CPF take-up by jobseekers was largely driven by the "Plan 500,000", a large-scale training plan for jobseekers launched in the same period. But employees have increasingly used their CPF and in 2018 there were more employees than jobseekers participating in the scheme (Figure 3.2, Panel B).

Figure 3.2. Participation in selected individual learning schemes over time



1. The total number of WIOA participants who received training services in this program of study through the adult or dislocated worker programs and who completed, withdrew or transferred from this program of study in the reporting period.
Source: OECD Secretariat estimates based on Land OOE Bildungskonto for Austria and the Workforce Investment Standard Record Data and WIOA Participant Individual Record Layout for the United States; Caisse des Dépôts et Consignations SI-CPF for France; and Skills Development Scotland.

In part, the rather slow increase in CPF participation results from the complexity of the scheme. The actors involved (funders, firms and training providers) needed some time to understand and learn to navigate it (IGAS, 2017[8]). It was also complicated for individuals to access their training rights because: *i)* the *Droits Individuels de Formation* credits were not simple to recuperate and *ii)* the CPF information system (SI CPF) was not easy to navigate (IGAS, 2017[8]):

- Many employees failed to provide the *code d'activité principale (APE*) and the *code de nomenclature d'activité française* (*NAF*) describing the activity of their employer, and even when they could provide it, this code did not always correspond with the branch code that was required to determine eligible training lists. Resulting errors in the lists of training displayed sometimes led to refusals by the training funds (OPCAs).
- The language used in the SI CPF was not always accessible ("éditeur de listes", "OPCA", "autorité certificatrice"), and not always reflecting the diversity of situations of applicants.

For example, people interested in using their CPF were advised to contact the head of human resources or the employee representative body – but this is not relevant for employees in SME's.

- The steps to be followed were not always clear. For example, the proposed alternative to use the CPF "alone" or "without one's employer" could be confusing for a non-informed user, as well as the requirement to provide information on the dates of training when those are often defined afterwards by the training provider.
- The search engine for eligible training programmes was not easy to use and only provided eligible programmes on the different lists, but not the associated training providers or training sessions, which the individual needed to search for independently and with no guidance[21].

The modified CPF scheme, which will be fully in place in January 2020, aims to simplify the process, notably by eliminating the lists of eligible training programmes and improving the web application.

In the three other schemes presented in Figure 3.2, trends in participation mostly reflect financial/budget constraints as well as the impact of the 2008 global financial crisis, although the complexity of the system and a heavy administrative burden also played a role in the Upper Austrian and Scottish schemes.

While participation in the *Bildungskonto* had increased since it was launched in 1994, it has tended to decline again since 2009 from 21 315 to 14 558 participants in 2017 (Figure 3.2, Panel A), which represents about one percentage point of the labour force. As highlighted by the regional audit court, the rise in participation before 2009 was often accompanied by overspending of budgets (Oberösterreichischer Landesrechnungshof, 2009[11]). This happened despite rather complex regulations which implied high administration costs in terms of counselling, problems with applications and managing complaints – all of which could have led to underspending. However, after levelling off in 2009-2012, regional budgets for the scheme have been cut significantly (by almost 40% in nominal terms) between 2012 and 2018. This led to a progressive reduction in the support provided to individuals – from 50% of the training fee to 30% for the basic support package; and from 80% of the training fee to 60% for the higher one[22] – which likely reduced the number of applications.

Continuous tightening of public spending since 2011-2012 also largely explains the reduction in participation in the Scottish ILA scheme, which had almost tripled over the period 2007-2010.[23] While the scheme had no fixed annual budget and was in principle demand-led, the level of demand was managed through reviewing the eligibility criteria. Course eligibility was tightened in 2011 and holders of a degree lost eligibility in 2012. Another way of reducing participation was to reduce the marketing effort. Recently, budgeted amounts appear to have become binding, as access to the new ITA scheme was restricted for the first time in January 2019 with a message on the Skills Development Scotland website announcing that applications were no longer accepted because all places had been filled.[24] In addition to the very low amount of support offered (which provides limited incentives for individuals to apply), the rather cumbersome process in the previous ILA programme may also have limited participation. Applicants had to request a paper form to be sent out to them, and return it after completion. Only 50% of application packs sent out ever resulted in an application for an account and only 20% of application packs resulted in an account being opened.[25]

In the United States, the number of individuals who can train with ITA support depends on the funding provided by the federal government for the WIOA programmes. Funds are allotted to the states through a formula that accounts for the state's population and labour force and –in the case of the dislocated workers programme – the state's share of total US unemployment. Not all WIOA funds are used for training, and not all training funds go to ITA.[26] In Michigan and Washington, the number of individuals who received training financed by an ITA increased noticeably during the global financial crisis, thanks to an injection of federal funds through the American Re-investment and Recovery Act (ARRA) enacted in February 2009. Funding for the programme then decreased progressively from 2011/12 to 2016/17 to levels below those reached before the recession.

Recruitment into the pilot individual saving account for training in Canada (*learn*$ave) initially relied on outreach through local NGOs but achieved very low results, as the method was fairly time-consuming and ineffective (Leckie et al., 2010[4]). The second wave effort focused on targeting clients directly through advertising on local media and turned out to be more effective. As the scheme was set up as a randomised controlled trial, the possibility for participants to be assigned to the control group discouraged some from participating, as did the burden associated with completing the paper application.

In Portugal, the *Cheque formação* appears to have been taken up mostly by employers rather than by individuals directly, which suggests that the cheque assists with employers' short-term needs and that the low amount of support involved is not attractive to adults (Araújo, 2017[12])

3.2. Type of training

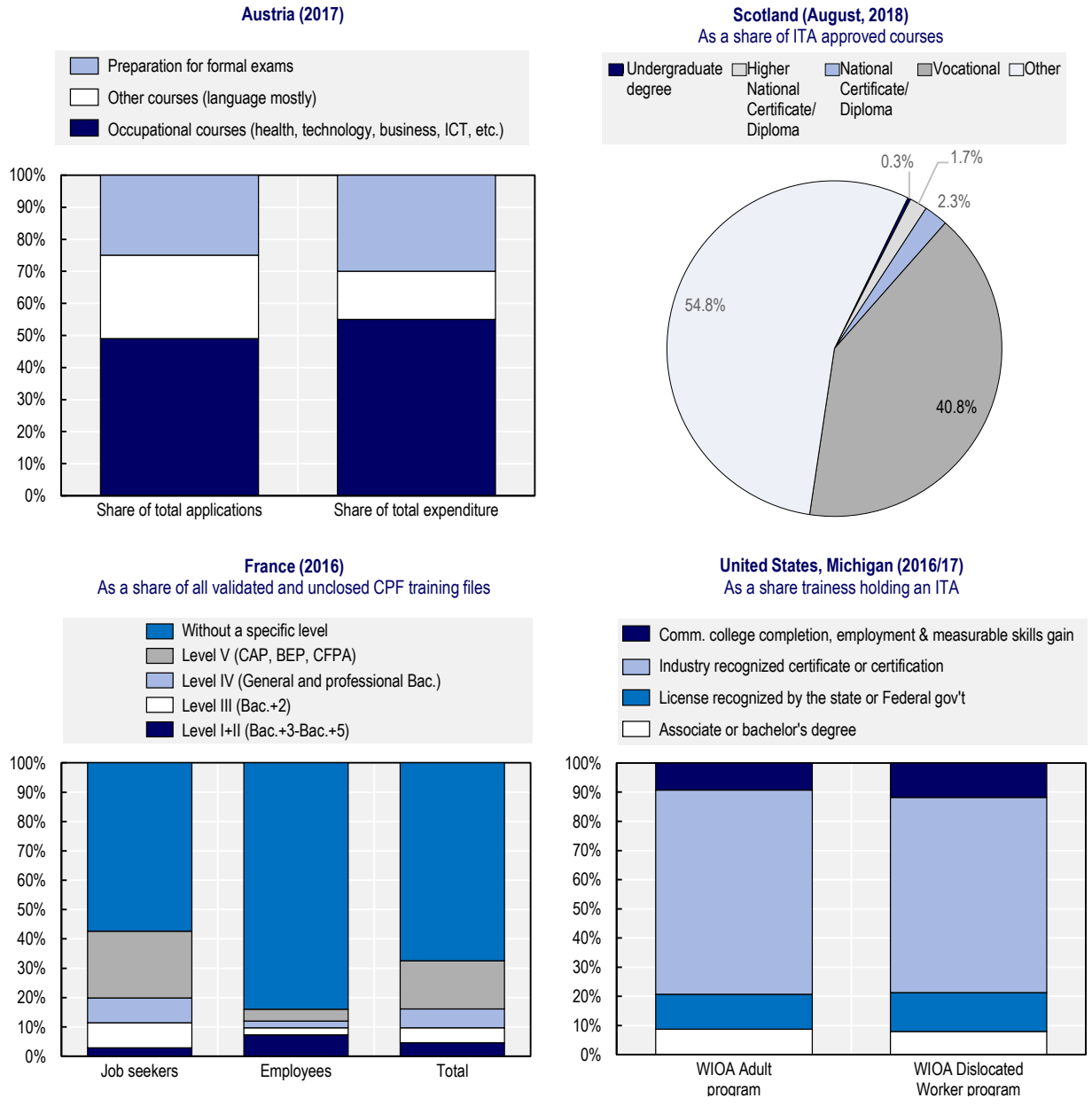
The type of training that individuals can undertake relates strongly to the amount of support and the associated duration of training that the ILS allows. As indicated in Section 2.2, most schemes provide rather limited support thus by design limiting the possibility for individuals to undertake long-duration training.

3.2.1. Type of qualification

Available data suggest that a minority of ILS participants undertake training programmes to prepare a formal examination or a professional certificate with a qualification level recognised by the state (Figure 3.3). Reflecting the small amount of support, fewer than 5% of the courses undertaken through the Scottish ITA prepared to a national degree or certificate in 2018. In Michigan, about a fifth of the WIOA participants undertaking training with an ITA in 2016/17 were preparing a degree or a license recognised by the state or the federal government. In Upper Austria, one fourth of those getting the *Bildungskonto* in 2017 were preparing a formal examination, in particular apprenticeships and the Matura to access higher education. In France, this share was slightly higher, with about one third of all CPF users preparing a formal degree or a professional certificate in 2016 slightly more than 40% of jobseekers using their CPF and 17% of employees. Indeed, jobseekers undertook or intended to undertake longer training than employees (451 hours on average compared to 102 hours for employees over the period 2015-2018). This partly reflects the fact that jobseekers received much higher co-financing than employees did: hours accumulated on the CPF accounted for 4% of the total training duration for jobseekers, against almost half of the training duration for employees; in both cases, the remainder was financed by the additional funding included in the 2014 law creating the CPF.[27]

In Upper Austria and Michigan, individuals mostly undertook occupational training programmes. Slightly more than half of the applications to the *Bildungskonto* relate to medium-level, non-formal courses (i.e. courses that lead to qualifications not recognised as formal by the national authorities and which cannot be classified within the International Standard Classification of Education) to improve occupational competences, mainly in the health, technology and business sectors. In Michigan, ITA participants most often chose training programmes leading to an industry-recognised certificate (Figure 3.3); nursing assistant and truck driver programmes were particularly popular.

Figure 3.3. Training programmes by type of qualification for selected individual learning schemes



Source: OECD Secretariat estimates based on Land OOE Bildungskonto for Austria and the Workforce Investment Standard Record Data and WIOA Participant Individual Record Layout for the United States; DARES based on SI-CPF for France; and Skills Development Scotland.

3.2.2. Nature and duration of training

In a number of schemes, training programmes are strongly concentrated on a small number of short certificates often providing transversal skills (rather than occupational ones) or accreditation to work in some sectors/activities:

- Language courses are very popular in France and Geneva. English language certificates (BULATS and TOEIC) represented 40% of the CPF training files validated for employees in 2016 ((IGAS, 2017[8]), and almost two thirds of the training programmes applied for in the Geneva region through the *Chèque annuel de formation* over 2010-14 concerned languages.[28]

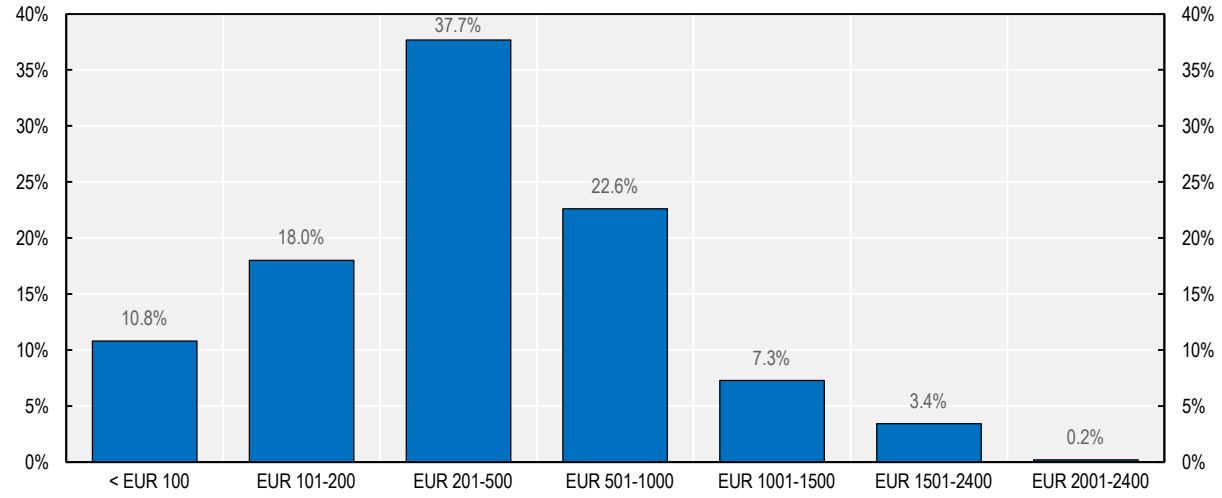
- IT accreditations come second for French employees (TOSA and PCIE made up 8% of the validated training files in 2016), and were also often chosen in Scotland (although less so over time), reflecting the increasing share of youth among ILA/ITA users.[29] Basic IT literacy courses are also frequently taken by the SFC users aged 40-59 in Singapore, and even more so by those aged 60 and over.[30]
- Basic entry-level certificates providing proof that individuals have the required training and qualifications to work in sectors such as construction, transport and logistics, security and the licensed (alcohol) trade (i.e. bars and restaurants) are the most commonly accessed forms of qualification in the Scottish ILA/ITA. For example, the Construction Skills Certification Scheme (CSCS), managed by the Construction Industry Training Board and normally required as a condition of contract for those working on building sites, made up between 18% and 23% of the ILA/ITA training courses over the 2015-2018 period. CSCS cards are available at different levels, from Trainee and Labourer through to Skilled Craftsperson and Supervisor, but the high volume courses funded through ILA/ITA are mostly at lower levels.31 Some employers and contractors pay for their staff to get a CSCS card but it is not a statutory/legal requirement. The high share of self-employed sub-contractors in the sector may partly explain the frequent use of the ILA to finance a CSCS card, as responsibility for such training is passed from the shoulders of employers to those of workers. The Security Industry Authority (SIA) license is also a requirement to get a job as a front-line security guard or door person, and accounted for 5-6% of ILA training places between 2011 and 2018. Jobseekers in France also often use their CPF to get a Certificat d'aptitude à la conduite en sécurité (CACES) a security clearance training which is required to drive forklifts and work in handling and storage and used to be financed by employers before the CPF was created.32 These certificates are of limited validity in time.
- In France, jobseekers most often undertake a programme called Cléa, which was developed by the social partners in 2016 to allow individuals who do not have formal qualifications to assess their basic skills in seven areas.[33] If the candidate lacks the necessary skills in one or more of these domains, he/she can get training through short-term and practical programmes to obtain the certificate (OECD, 2017[13]). In second position comes a training programme compulsory for those who want to become self-employed and create or take over a craft business, the "*stage de préparation à l'installation*".

Other training programmes undertaken through ILS schemes also appear to be of (sometimes very) short duration. This is the case notably in Geneva, where the Court of Audit notes that the amounts of support provided cannot finance programmes that lead to a formal qualification[34], and in Scotland where support is even lower. It also seems to be the case in Singapore, where popular programmes such as effective communication, food and beverage safety and hygiene procedures, as well as private hire car driver licenses last less than 20 hours. In Singapore also, while SkillsFuture Credit does not aim in principle to promote the short-term labour market relevance of training courses, in practice, the courses approved appear to be mostly related to immediate occupational demand.

Part of the participants in the Upper Austrian and French schemes access more expensive/longer duration training. Data on training duration is not available for the Austrian scheme, but Figure 3.4 shows that about a quarter of the 2017 participants received between EUR 500 and EUR 1 000 support, and 10% received between EUR 1 000 and EUR 2 400. Participants combining the *Bildungskonto* with the educational leave programme (3% of all participants in 2017) received the highest average support and are able to participate in longer educational programmes. In France, almost half of the training files validated in 2016 were for programmes of less than 100 hours, but almost a quarter of them were for programmes of more than 500 hours (Balmat, 2018[14]). Most of these long-duration training programmes concerned jobseekers and were permitted by regions and/or *Pôle Emploi* adding additional funding to the individual's CPF hours. As mentioned above, such additional funding covered more than 95% of the hours in the training files of jobseekers validated or closed over 2015-2018[35]. Although the average training hours were much lower

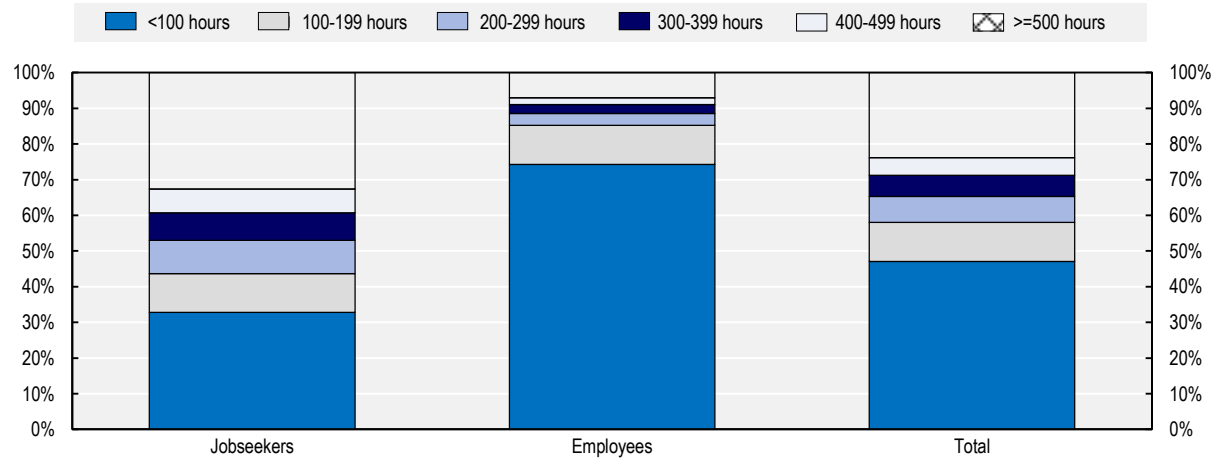
for employees using their CPF, 7% of them also accessed such long-duration training programmes – allowing real reskilling – thanks to "abondements" (i.e. complementary funding) from the sectoral training funds or because they undertook an individual training leave (CIF, see 2.5)[36].

Figure 3.4. Distribution of participants in the *Bildungskonto* by support levels - Austria, 2017



Source: OECD Secretariat based on Land OOE (2017[15]).

Figure 3.5. Distribution of validated and unclosed CPF files by training duration - France, 2016



Source: DARES based on SI-CPF.

No data is available on the amount actually spent by participants in the US ITA in Michigan and Washington,[37] but some elements are available on the duration of training. The two popular programmes mentioned above, nursing assistant and truck driver, are rather short-duration training (between 2 to 10 weeks), but some longer programmes also appear on the list of eligible training on the Michigan Talent Connect website[38]. In fact, the average duration of training undertaken through the ITA scheme over the budget year 2016-17 was not short, reaching about 21 weeks for participants in the WIOA Adult Programme in Michigan and Washington, and 29 and 22 weeks for participants in the Dislocated Workers Programme in Michigan and Washington respectively.

3.3. Impact of individual learning schemes

Evaluations of the impact of ILS are relatively rare, and counterfactual impact evaluations establishing causal links even more so. Non-alignment with the labour market objectives has led to reforms in a number of schemes. ILS are often found to increase enrolment in training but deadweight costs can be important.

3.3.1. Alignment with labour market objectives

In a number of cases, ILS impact is found to deviate from its stated objectives. In Flanders, for example, an internal VDAB evaluation in 2008 showed that 60% of the *Opleidingscheques* were used for training where the employee did not acquire any skills relevant for the labour market, but instead for leisure training (such as cooking classes, language courses, etc.) (Euréval, 2012[3]). In Scotland, training was often taken by inactive individuals to pursue hobby courses, which resulted in significant diversion of the funding away from the groups originally targeted[39]. This lead to the reform of the scheme in October 2017. In the United States, the main use of the LiLA scheme appeared not to be to obtain a promotion in the current job, since about half of the training programmes undertaken were outside the sector of activity of the participant. One might have expected to observe this pattern in sectors with low wages and poor working conditions sector (such as hotels/restaurants), but perhaps less so in other sectors, like the industrial sector for example (Euréval, 2012[3]).

3.3.2. Impact on training participation and employment

Another goal of ILS is to stimulate investment by individuals in their own education and training and improve their employment prospects. Some evaluations suggest that ILS have increased investment in education, but also that deadweight costs may be present. Employment effects are very rarely evaluated.

In Geneva, a survey done in the Winter 2005-2006 showed that 86% of the participants intended to train even before they learnt about the *Chèque annuel de formation*; while around 68% of those who had no training project said they had been motivated to undertake some course after hearing about the scheme. Overall, 9% of the surveyed participants were estimated to have been directly motivated by the scheme.

In Canada, the *learn*$ave scheme – the only scheme covered in this report for which a randomised controlled trial was implemented in 3 out of the 10 delivery sites – was found to have a positive impact on education, as enrolment rates over the period of implementation were 6.6 percentage points higher for participants in the basic learn$ave and 8.2 percentage points higher for those in learn$ave +, i.e. those benefiting from intensive counselling (mostly financial but also employment-related) (Leckie et al., 2010[4]). This effect was mainly driven by increased enrolment in higher education, which was most likely to lead to returns in the form of higher earnings. By contrast, enrolment in individual shorter-term courses did not increase. The programme also increased the completion rate of higher education programmes by 5 percentage points for the basic *learn*$ave programme, and by 6 percentage points for *learn$*ave +.

In Austria, an audit of labour market policies in Vienna and Upper Austria over the period 2005-2008 concluded that deadweight was relatively high in the *Bildungskonto* given that 63% of the participants would have undertaken training even in the absence of the scheme (Rechnungshof Österreich, 2011[16]). These relatively high figures are not surprising given that participants in the *Bildungskonto* can only apply to the *programme* once their training has been completed.

A randomised controlled trial evaluation was also carried out in the early 2000s for the US ITA. The evaluation does not allow to establish the net impact of the scheme (compared to non-participation) but rather compares the relative efficiency of the three approaches described in Section 2.4 (i.e. the structured choice approach, the guided choice approach, and the maximum choice approach). The experimental design tried to assess whether providing the customer/participant with more autonomy in his/her training choice made a difference to labour market outcomes. The evaluation found no significant difference

between the approaches in terms of their impact on employment (employment rate, hours worked, occupation) or earnings (McConnel et al., 2006[17]). Very few of the participants voluntarily requested counselling (if they were not required to receive it). Mandatory counselling discouraged the use of ITA-funded training for participants in the Workforce Investment Act programmes. Receiving counselling delayed the start of training but broadened the set of training options considered by participants. Participants in the first approach (i.e. the structured customer choice approach) had to contribute fewer of their own resources to the training, which resulted in longer training duration.

4 Do individual learning schemes manage to reach the most disadvantaged groups?

Promoting better access for groups under-represented in training is often a goal of individual learning schemes (Section 1). These groups consist mainly of persons with low education, workers in low-skill occupations, workers in non-standard contracts (self-employed, temporary workers, etc.), workers in small firms, but also more specific groups, such as women returning to work after parental leave, freelancers in the cultural sector, etc. Results of ILS achieving this objective are mixed. One common outcome is that highly skilled individuals, when they are eligible for the scheme, tend to be over-represented among participants. As such, individual learning schemes do not appear to be a panacea to increase access of under-represented groups.

4.1. Participation of the more disadvantaged groups

Participation in ILS by the most disadvantaged groups is likely to depend on the extent to which the schemes target these groups. The Upper Austrian and French schemes are the only ILS for which detailed information is available to assess participation by initial education level, socio-economics status, income level, firm size, and employment status. The *learn*$ave evaluation study (Leckie et al., 2010[4]) also provides information for the pilot Canadian scheme, and some information is available for the Scottish and US ITA schemes.

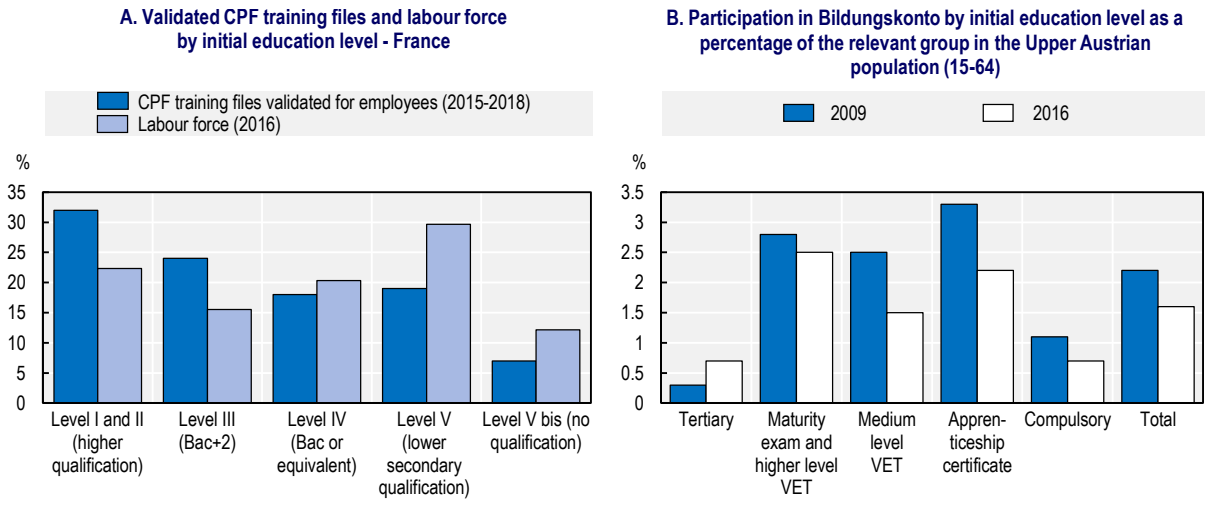
4.1.1. Low-skilled and low-income groups

In France, where all individuals in work or looking for work are eligible for the CPF, the least skilled are less likely to participate:

- Employees with tertiary education (university or advanced vocational) accounted for 56% of the validated CPF training files over the period 2015-2018, while only 38% of the 2016 labour force had completed tertiary education (Figure 4.1, Panel A). By contrast, and despite higher support rates, individuals with less than upper-secondary education tended to be under-represented among the employees using their CPF: they accounted for only 26% of the validated files over 2015-2018, despite representing 42% of the 2016 labour force.
- In 2016, employees in managerial/professional occupations (*cadres*) had a participation rate in CPF training three times as high as that of blue collar workers (*ouvriers*) and twice as high as low-qualified white collar workers (*employés*) (Balmat, 2018[14]). The gap was much higher for the CPF than for all types of professional training: participation rates of managers and professionals were 3.4 times higher than that of blue collars for the CPF in 2016, while that ratio was 1.7 for all professional training in 2012.

- Data from some training funds also show strong inequalities in access to training. In one training fund, managers and professionals (*cadres*) represented 13% of the 500 000 employees covered, but 17% of those using their *CPF*; in another one, blue collar workers represented 37% of the 1.5 million employees covered by that training fund, but only 16% of those using their *CPF* (IGAS, 2017[8]).

Figure 4.1. Use of ILS by initial education level

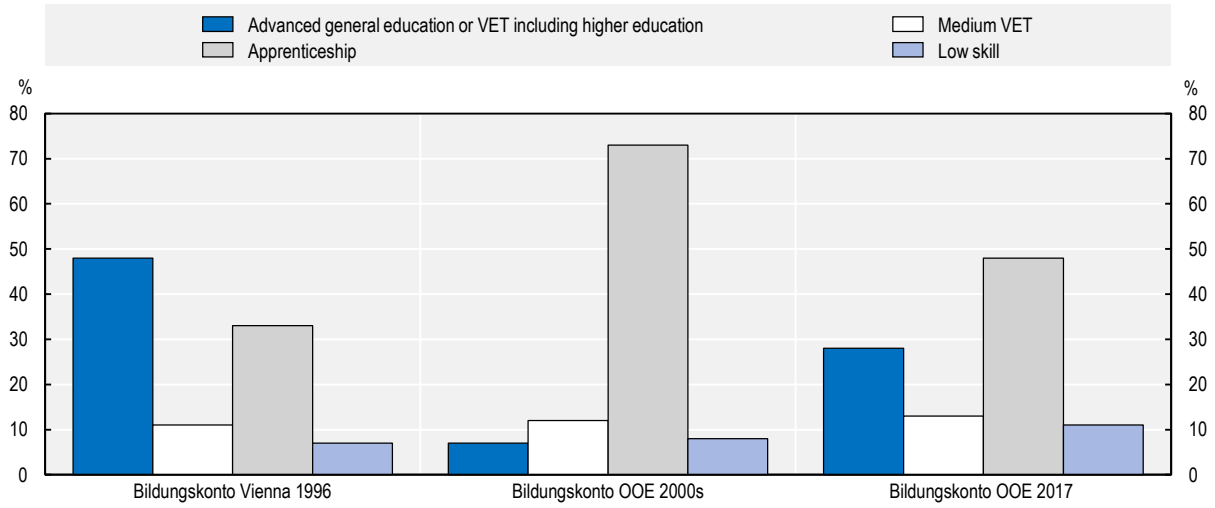


Note: Level I and II: Graduate level baccalaureate+3 or 4, bachelor's degree, master's degree or higher. Level III: Diploma level baccalaureate plus 2 years, DUT, BTS, schools health or welfare. Level IV: General, Technological or Professional baccalaureate plus 3 years, BP, BT or equivalent. Level V: Left high school before the final year. Level V bis: Left school during the 1st cycle of general secondary education and abandonment of courses in CAP or BEP before the final year.
Source: Panel A: CDC SI-CPF and 2016 Employment Survey and Land OOE 2009-2017 for Panel B.

Before 2015, almost half of the participants in the Flemish *Opleidingscheques* were highly educated employees (OECD, 2017[6]). Subsequently, access was restricted to employees with low- and medium-education level only.

In Upper Austria, thanks to targeting, inequalities in access to training according to education level are less marked than in France. As the *Bildungskonto* was created to improve the qualification level of workers with medium level VET education (including apprenticeship), only employees with medium level education could initially participate. Eligibility was progressively extended to employees with a *Matura* (completed upper secondary level, general or vocational) in 2004 and to employees with tertiary education level and low income in 2010. As a result, the participation rate of individuals with tertiary education level is far below the average participation rate in the scheme (0.7% v. 1.6%). Participation of those with medium vocational education level used to be rather high but decreased significantly with the inclusion of individuals with *Matura* (and, to a lesser extent, those with tertiary education). Participation rates of individuals with apprenticeship certificates or medium level VET were still higher than average in 2009, but the participation of the latter group decreased significantly and reached a level slightly below average in 2016 (Figure 4.1, Panel B). Compared with a *Bildungskonto* scheme in Vienna in 1996, where the education level was no eligibility criteria, medium-skilled workers are much more represented in the Upper Austrian *Bildungskonto*, although less now than in the 2000s (Figure 4.2). However, the scheme was not successful at raising participation among the least educated workers who, despite higher subsidy rates, have had low participation rates since the creation of the scheme (0.7% in 2016).

Figure 4.2. Education attainment of participants in the Austrian ILS

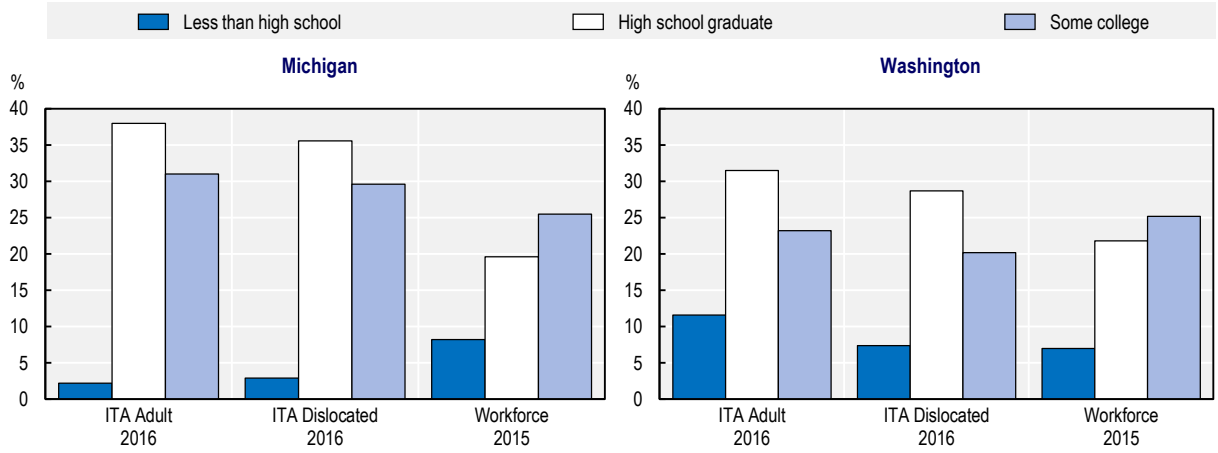


Source: Leitner and Lassnig (1998[18]) Affenzeller et al. (2004[19]) , Land OOE (2017[15]).

The Canadian *learn*$ave pilot scheme was targeting low-income individuals but was attractive only to a small proportion of that target population, with an estimated take-up rate of around 3% among the eligible population (Leckie et al., 2010[4]). Compared with the eligible population, those who participated tended to be more highly education and were more likely to be employed. Many low-income people did not see education as a viable option for them personally, even when they valued it. Many participants (around 55% in the three experimental sites) were recent immigrants with a relatively high level of education, probably using the scheme to accredit prior education obtained abroad. However, among those low-income and low-educated persons who decided to participate, those who participated in the basic *learn*$ave or the more service intensive *learn*$ave+ had higher enrolment rates in training than those in the control group.

In both Michigan and Washington states, high-school graduates (i.e. workers with medium-level education) tended to be over-represented in the US ITA in 2016 (Figure 4.3).[40] In Michigan, the share of individuals with some college education participating in ITA training was also higher than in the total workforce, while the participation rate of the lowest educated individuals (those with less than high school) was much lower. By contrast, in Washington state, the share of the lowest educated in the Adult programme receiving training through the ITA was higher than in the total workforce.

Figure 4.3. Participants in ITA training and overall labour force by selected education levels, Michigan and Washington state



Source: WIOA Participant Individual Record Layout and US Census Bureau.

Information on the level of education of participants in the Scottish scheme is not routinely collected within the ILA/ITA application process, and has only been gathered through the Learner Survey carried out in 2007. At that time, both working-age individuals with completed upper secondary education or above (NVQ4) and individuals with no or very low qualification levels (NVQ1) were over-represented among ILA participants, while individuals with medium-level education tended to be under-represented (Gallacher et al., 2007[20]).[41] In Portugal, individuals with tertiary education levels were also over-represented in 2017, as they made up 32% of the 14 900 users of the *Cheque formação*, while they represented only 23% of the labour force.[42]

In Geneva, where eligibility to the scheme is based on a means-test (see Section 2.1) more than 25% of the beneficiaries of the *Chèque annuel de formation* had not completed compulsory schooling, which is also linked to the very high share of foreign residents in the region (24% in 2014) (Cour des Comptes, 2015[2]).

4.1.2. Non-standard workers

Information on access to ILS according to employment status and/or type of employment contract is scarce.

In France, self-employed workers, while eligible since January 2018, have so far made little use of their CPF. Depending on their type of activity, self-employed workers pay a training levy to one of the seven existing training funds for the self-employed.[43] Apart from the fact that they have not yet accumulated many rights on their account, the non-participation of self-employed may also be explained by the fact that self-employed training funds are not able to identify precisely the individuals who contributed to the scheme, which limits any attempt to advertise the scheme.[44]

Comprehensive data on the type of contract of employees using the CPF is not available. However, information gathered from the FAF-TT – the training fund for temporary agency workers - indicates a relatively high use of the CPF by temporary agency workers compared with employees in general.[45] To some extent, training of temporary agency workers (financed by the CPF or other programmes) is facilitated by the fact that it takes place outside work assignments, under a "*contrat de mission formation*" established by the temporary work agency, which provides income support during the training period. However, many of the training courses undertaken were mandatory/regulatory training programmes, such as the electrical accreditation, chemical/nuclear risks accreditations and CACES, which were previously financed by the temporary work agencies out of their own training budget.

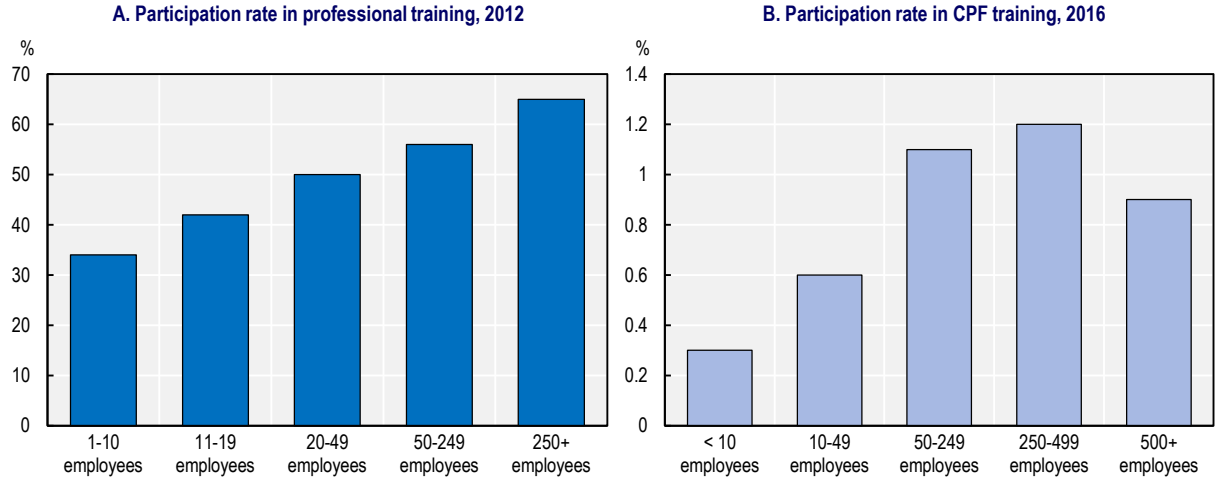
In Upper Austria, the participation of self-employed workers in the *Bildungskonto* appeared to have been above average since 2009, with a participation rate ranging from 2.2% to 2.6% until 2014, which even increased to 3.3% in 2015 due to increased participation of own-account workers. No information is available on the type of training that they undertook.

By contrast, in Scotland, the proportion of ILA/ITA applications by self-employed workers remained between 4% and 5% over the period spanning 2011-12 and 2017-18, when the self-employed represented about 11% of the total labour force in 2016.[46]

4.1.3. Other groups

Another group with generally lower access to training is workers in small and medium-sized enterprises. Data for 2016 show that participation rates in the CPF differed significantly depending on firm size. For example, participation was four times lower in firms with fewer than 10 employees than in firms with 250-499 employees (Figure 4.4). While the firm size ranges are not directly comparable, comparisons with participation rates in professional training in general in 2012 suggest higher inequality in access for the *CPF* (Figure 4.4). This is consistent with French employees resorting to the *CPF* in 92% of the cases *via* their employer in 2016, as large firms with developed human resource departments are more likely to advertise the *CPF* scheme to their employees. A recent qualitative evaluation finds that enterprises with fewer than 11 employees form the majority of the member companies in the four training funds studied, but are largely under-represented in terms of share of CPF files (Pluricité-Itineré, 2018[21]). For example, in *Constructys,* the construction sector training fund, 91% of member enterprises have fewer than 11 employees, but they account for only 11% of the CPF training files dealt with by the fund (Pluricité-Itinére, 2018).

Figure 4.4. Participation rates of French employees in the CPF and overall training by firm size



Source: Balmat (2018[14]), Gossiaux and Pommier (2013[22])

In Upper Austria, in the 2000s, the *Bildungskonto* also included "special programmes" targeted at specific groups. The first of these groups concerned women returning to work after maternity leave and provided education and training measures for groups of about ten persons, before they ended their maternity leave. Training providers could apply to design and implement such programmes and, if approved by the regional government, would receive direct financing of 75% of the costs of the training at the beginning of the project – unlike in the standard *Bildungskonto* where fees are reimbursed to the individual after the training programme is completed. However, difficulties in filling up the courses resulted in rather long waiting times

for the participants as well as high per capita costs as programmes ended up running with a smaller number of participants (Oberösterreichischer Landesrechnungshof, 2009[11]). The regional government also developed another type of programme called "Innovative projects" that called on providers to develop training measures for groups that were particularly hard to reach, such as non-standard employees in the cultural sector, temporary agency workers, youth having completed education but wanting to change career course, etc. No real evaluation of these programmes is available, but the Upper Austrian Court of Audit criticised their complexity and their implementation which was too demanding (Oberösterreichischer Landesrechnungshof, 2009[11]).

4.2. Obstacles to participation and policies to alleviate them

While participation in training varies widely across OECD countries, what is common to all countries is that those who would need training the most tend to train the least (OECD, 2019[23]). People with the highest educational attainment are more able to adopt a "career management approach"; they tend to be more eager and able to train. Under-represented groups face more and greater obstacles to participation in training, such as: lack of time, financial constraints, lack of prerequisites, lack of expected professional or wage gains from training, negative feelings about training often associated with difficulties experienced in initial education, etc. These obstacles arise for all kinds of training, and thus training schemes, but this section will discuss whether and to what extent individual learning schemes could make a difference.

4.2.1. Co-financing and income support

Co-financing by the individual, which is required in a number of ILS, may be a barrier for the more disadvantaged groups. In the Canadian pilot *learn*$ave targeted at low-income individuals, recruitment difficulties reflected sceptical attitudes and low confidence of the eligible population in their ability to save (Leckie et al., 2010[4]). In the Scottish ILA, although relatively low, the initial co-financing of GBP 10 was removed in 2008 precisely as it was thought to be a barrier for the most disadvantaged. French employees wanting to use their CPF autonomously – i.e. without informing their employers – mentioned the difficulty to bring complementary funding out of their own pockets when the support provided by the training fund did not cover the full training costs (Pluricité-Itineré, 2018[21])[47]. Co-financing is also likely to have discouraged those with low incomes to undertake training. This difficulty might even be higher in Austria, where participants have to pay all training costs up front and can only ask for support/reimbursement once training is completed. In addition, although more disadvantaged groups are reimbursed 60% of the training fees instead of 30% in the standard case, the remaining 40% can represent a significant personal contribution for low-income individuals (up to EUR 1 600 when getting the maximum support).

Apart from covering the direct training costs (such as fees), another financial barrier to training comes from the absence of income support during the training period in most schemes. This can represent a barrier for individuals wishing to undertake long-term training, and may even reduce training options for those with low income/wealth to short duration training only. In the United States, for example, to be eligible for ITA training, WIOA participants must demonstrate that they possess not only the requisite skills but also the financial resources to complete the programme. A financed training leave exists in Upper Austria, but although its use by *Bildungskonto* participants has increased over the years, it concerned only 3% of all participants in 2017.[48] In Flanders, the *Opleidingscheque* can be combined with a paid educational leave, a right negotiated by the social partners for employees to take up to 125 hours of training per year for programmes linked to occupations with labour shortages. During that period, the employee will continue to receive his/her wage up to a ceiling, while the employer will get compensation from the regional government. Employers cannot refuse an employee's request, but there must be mutual agreement on when the training will take place.[49] This right is not available to jobseekers, however, and employees in small and medium enterprises appear to have difficulties in translating it into practice, as SMEs are

probably less inclined to grant permission for paid educational leave due to the greater relative difficulty they face to plan and cover absences (OECD, 2019[24]). Besides, the lists of eligible training programmes are quite limited. In France, it used to be possible to combine the CPF with the *Congé Individuel de Formation* (CIF) which allows employees and jobseekers with past social contribution records to undertake training while receiving replacement income for up to one year. Despite this, take-up remained very low.[50] The new *Congé de transition* that will replace the CIF in 2020 will be restricted to retraining paths only, but it remains to be seen whether it will cover more workers than the CIF once it is implemented.

4.2.2. Administrative burdens

Another obstacle often mentioned in the case studies is the administrative burden (e.g. application process, course choice, etc.), which is likely to affect the more disadvantaged groups disproportionately, since they tend to be less able to navigate complex systems. In France, the application process and, in particular sorting out the financial arrangements (*ingénierie financière*), were complex. While jobseekers and employees of large firms received help from *Pôle Emploi* or the human resource department of their employer, other workers often remained without assistance (IGAS, 2017[8]). The reformed CPF scheme will simplify the process and is likely to improve the situation in this respect. Potential users will be faced with a single application/website, the *Caisse des Dépôts et Consignations* will be in charge for everything (instead of responsibilities being scattered across many individual training funds), and the accounts will be expressed in monetary terms rather than time, which will make them easier to understand. As mentioned in 3.1.2, the previous ILA programme process was also cumbersome in Scotland, and especially for the self-employed, who had to provide tax forms for their annual earnings.[51] Paperwork and administrative hurdles were also important in the Canadian *learn*$ave and participation – both recruitment and enrolment in training – would have been lower if local community organisations had not assisted participants (Leckie et al., 2010[4]).[52]

4.2.3. Information and counselling

Even when finance is available and processes are kept relatively simple, more disadvantaged groups may be less able to navigate an individual learning scheme for a number of reasons:

- They might be less aware of the existence of the scheme;
- They might have poorer digital skills which will make it more difficult for them to navigate the website;
- They are more likely to lack information to make a proper training choice, notably information about labour market prospects for particular occupations and about the quality of the training provider and their programmes;
- They may also misperceive their own capabilities for various occupations and training programmes.

Providing information, advice and guidance to facilitate access to ILS, along the lines of capability approach, is thus central to promote participation among the most disadvantaged groups.

In Singapore, there are support facilities available other than the ones offered online. If the user is not internet savvy, he/she can call a hotline to obtain assistance. SkillsFuture Singapore also organises the *SkillsFuture Advice Workshop*, a community-based workshop[53], to explain the SkillsFuture initiative and how citizens can use SkillsFuture Credit to plan their skills and career development. Between October 2017 and December 2018, over 50 000 individuals attended 3 000 workshops, but it is not yet known whether these workshops were effective in increasing participation. The slow increase in SFC take-up suggests relatively low conversion rates.

Very few individual learning schemes include specific counselling services, i.e. counselling services directly related to the scheme. Counselling is also rarely mandatory. In the US ITA, counselling is mandatory if the

local Workforce Investment Board (WIB) has chosen the "structured customer choice" approach or the "guided customer choice" approach (see Section 2.4) – and most WIBs actually chose the latter. An evaluation from the early 2000s could not find any statistically significant difference in employment outcomes between the different approaches, but individuals under the third approach (i.e. the "maximum customer choice" approach where counselling was optional and rarely taken up), were found to consider fewer training opportunities than those under the other approaches, which involved mandatory counselling (McConnel et al., 2006[17]). In the Tuscan *Carta ILA*, individuals could participate only if they were supported by a PES counsellor (and sometimes a psychologist) to develop a training project and an employment plan.

In France, a new counselling service, the *Conseil en Évolution Professionnelle* (CEP), was created by the same 2013 social partners agreement that introduced the CEP. The CEP is not meant to be attached to the CPF, since it can be used also for career/professional counselling that would not involve training and CEP use is not compulsory to mobilise the CPF. The *CEP* includes a range of individualised services to: *i)* inform and define the scope of training opportunities; *ii)* provide help and advice in building a professional project, and *iii)* to follow up in the project implementation, including the financial engineering.[54] No information is available on the number of CPF users who actually resorted to the CEP, but it appears to have remained little used up to now. No specific budget was allocated to the CEP until 2018, but in the reformed training system, a share of *France Compétence* budget is now dedicated to the CEP for employees. There are also plans to advertise it better on the new CPF website.

Information on the use of counselling is also scarce for the other schemes. In Upper Austria, a number of participants were informed about the *Bildungskonto* by the Chamber of Labour counselling services, who appear to have made a real difference in allowing these individuals not already convinced of the interest of education and training to use the scheme. In Scotland, a number of participants in the ILA/ITA are directed to the scheme through jobcentres (managed by the UK Department for Work and Pensions) or through Skills Development Scotland Careers Advisers. The new My World of Work website provides a more accessible route for many to identify a suitable course, but perhaps not for those with language or literacy problems or poor IT skills, and there appears to be no clear indication on the website on how to access a Career Adviser. In Germany, participants in the *Bildungsprämie* are requested to attend an information session, and also have to meet a counsellor, but they can do so only once (Euréval, 2012[3]).

5 Training quality in Individual Learning Schemes

To ensure the effective use of public and private funding, adult training systems need to ensure training quality. The structure of the training market varies across countries, being more or less concentrated and/or segmented. However, most adult learning systems are characterised by a large number of training programmes, delivered by a significant number of training providers. In France, the training market is shared between a few large public or quasi-public training providers getting a relatively high share of the total number of training participants, some large for-profit private training firms and a large number of small private training providers (including one-person companies). Competition can be harsh on some segments of the market, and much less so on others.[55] In Upper Austria, the market appears to be very concentrated, with the two largest providers – owned by social partners'organisations – providing about 85% of the training courses supported by the *Bildungskonto* at the end of the 2000s (LRH OOE, 2010[25]). In the United States, the market counts with many providers of all sorts, public and (for-profit and not-for-profit) private. But the larger and the more scattered the market is, the more important it is to develop a monitoring and evaluation framework to ensure the quality of training provided.

This becomes even more essential in the context of individual learning schemes, as individuals are buying training services, and they have a much less strong bargaining position and less capacity to control and enforce quality than public funders or employers when they buy training. The training market is characterised by a double asymmetry between ILS participants and training providers: an asymmetry of information on the quality of an often fragmented supply of training, on the one hand, and an asymmetry in the capacity to negotiate prices, on the other (IGAS, 2017[8]).

5.1. Certifying training providers and programmes

To guarantee that training providers comply with minimum quality requirements, many countries have put in place quality procedures involving accreditation and certification mechanisms (Box 5.1). In some countries, publicly funded training programmes can only be delivered by certified providers (OECD, 2019[23]). This certification process ensures that the provider meets certain "obligations of means" (i.e. a duty of care in performing a contractual obligation as opposed to an "obligation of results/outcomes", which is aimed at guaranteeing the attainment of a specific result). This can be achieved through norms testifying quality management oriented towards customer satisfaction (ISO or norms more specifically related to training, such as AFNOR in France), or by checking the organisation and processes put in place by training providers (staff, equipment, learning materials, assessment environment), the preparation of trainees and customer relations. Another way is through labels developed by public bodies or the organisation representing the training providers. In some cases, regulators have also put requirements on the training programmes themselves (Section 2.4), but outcome-based criteria are rarely used. The development of individual learning schemes has often accelerated this move towards quality assurance for training, as for example in Upper Austria, France and Tuscany.

Box 5.1. Accreditation and certification: what difference?

The terms accreditation and certification are often used interchangeably and occasionally together. In reality, they are two distinct but complementary quality management processes.

Certification represents a written assurance by a third party of the conformity of a product (e.g. organic farming, Pan European Forest Certification, etc.), process and services (e.g. ISO 9001, ISO 14001, ISO/IEC 27001, etc.) or persons (e.g. auditors, property diagnosticians, etc.). It indicates that the necessary steps to achieve a certain level of compliance have been completed.

Accreditation is the formal recognition of conformity assessments bodies by an authoritative third party. The accreditation process ensures that their certification practices are acceptable, that is that the certification bodies behave ethically and employ suitable quality assurance when assessing conformity.

Accreditation and certification therefore do not intervene at the same level. Certification is delivered by control bodies, usually called certification bodies, while accreditation lies within accreditation bodies in charge to assess these control/certification bodies. Most countries have a single official accreditation body, such as COFRAC in France or UKAS in the United Kingdom. In the training area, the term "accredited institution" is often (wrongly) used in place of "certified institution".

Source: https://apmg-international.com/fr/article/difference-between-accreditation-and-certification, https://www.cofrac.fr/quest-ce-que-laccreditation/certification-et-accreditation-quelles-differences/, https://www.iaf.nu//articles/About/2

In the case of individual learning schemes, verifying training providers' qualifications is also important to avoid direct fraud of the system. In the UK ILA, for example, the Department for Education and Skills had decided against implementing quality assurance systems, assuming that market forces would ensure that inefficient or ineffective providers would be driven out of business – it was believed that a stringent validation process for training providers might discourage new training providers from entering the marketplace. But fraud developed at a large scale under different forms, often following aggressive marketing practices by recently set-up providers. Some providers falsely pretended that their training programme led to recognised qualifications and provided poor standard materials. Others claimed ILAs for individuals and enrolled them without their consent. Others still accessed ILA funds but provided no training, etc. (National Audit Office, 2002[9]). In part, this was due to pressure to implement the scheme rapidly, combined with a lack of resources for managing and implementing the scheme. The government was also bearing too much of the financial risk compared with the private contractor delivering the service (National Audit Office, 2002[9])... The extent of fraud led the government to close the scheme in November 2001. One lesson was that ICT systems used to register both providers and beneficiaries need to be sufficiently rigorous to minimise abuse or fraud, particularly in terms of accreditation and quality vetting of providers. Remuneration for credits should be paid with robust evidence that the funded course or activity is legitimate and has actually been undertaken (Johnson et al., 2010[26]).

In Singapore, training providers are required to undertake a certification process, which involves meeting a number of criteria for the provider as well as for the courses on offer. The stringency of criteria depends on whether the courses are delivered under the *Workforce Skills Qualification* scheme – which provides training support to employers – or not.[56] A significant case of fraud was detected by Skills Singapore in October 2017 when it was checking claims for training grants, and all payments were immediately suspended. The case involved three recently established training providers claiming fees for courses provided to 25 000 employees for an amount of about SGD 40 million.[57] Processes have been tightened since, with the creation of a fraud and enforcement division, the use of data analytics for fraud detection at the fund claiming stage, and new enforcement strategies including on-site controls.[58] Less important cases of fraud have also been reported, notably of individuals trying to have Singaporeans sign up for courses

using their SkillsFuture Credit by telling them that their credits will expire. This prompted Skills Singapore to issue a public communication on the subject.[59]

Following the bad UK experience, the Scottish ILA scheme introduced more stringent vetting of providers and quality assurance of eligible courses. Training providers had to be approved by the Scottish Qualification Authority (SQA) or be a registered national training provider, and course details had to be provided through an online tool which, according to an evaluation commissioned by the Scottish government, raised some issues around transparency and time taken to obtain approval (Gallacher et al., 2007[20]). In the current ITA system, training providers can be approved through one of four possible routes: *i)* be a SQA approved centre; *ii)* be certified by Quality Scotland, a quality management certification[60]; *iii)* have an active contract with Skills Development Scotland to deliver national training programmes; or *iv)* be a college or university with proven quality assurance.[61] To ensure that they are financially stable, training providers must also have been trading for at least two years. Courses have to meet eligibility requirements (mostly they need to be vocational, and concern the approved sectors for ITA funding in line with the Labour Market Strategy; see Section 2.4; and not be of postgraduate level) but, once the provider is ITA-recognised, there are no additional quality requirements on programmes.

The Tuscan *Carta ILA* involved no quality assurance framework in the first period (2006-2008), and even informal training was eligible. However, this implied a significant risk of fraud, which did materialise with users using their card for other purposes than training and the regional government had to reclaim the funds. Combined with the global financial crisis and the austerity that followed, eligibility was restricted to certified training institutions and programmes being part of a regional training list.

In Upper Austria, quality procedures in the training sector were not very developed when the *Bildungskonto* was established in the early 1990s, but the training market was rather concentrated[62] and the big providers were ISO certified. But quality issues gained prominence in Austrian education policy in general, and a regional quality framework (*Qualitätsgütesiegel*) was implemented in 1998. By making certification mandatory to be eligible for support, the *Bildungskonto* contributed to spreading this quality framework. Since 2012, a national quality framework (*Ö-Cert*) has also been in place, and training providers have to be certified by one of these two quality frameworks.

In France, quality controls for providers used to be relatively weak and an effective certification process was lacking (France Stratégie, 2015[27]). In 2014, the new law on training made public training financing bodies responsible for monitoring and controlling the quality of training providers they work with. As a result, the various training financing bodies – including the OPCA, regions, and the Public Employment Service (*Pôle Emploi*) – have collaborated to harmonise quality criteria applied to training providers. This was formalised in the *Décret Qualité* which was introduced in 2015 and came into force in January 2017. The law establishes a set of six quality criteria which training providers need to comply with in order to access financing (the objectives of training; the existence of procedural control mechanisms; the adequacy of the pedagogical tools used; the quality of teachers; the accessibility of information on training offer to the general public; and the evaluation of training programmes). Following this decree, training providers have to provide proof of quality either through a label or quality certificate managed by the *Conseil national de l'emploi, de la formation et de l'orientation professionnelles* (CNEFOP) or by adhering to the internal evaluation framework of the training financing bodies. A dedicated online platform – the Data Dock (https://www.data-dock.fr/) – has been developed to that purpose to allow training providers to register in the system and self-assess against the six quality dimensions (OECD, 2019[28]). However, as underlined in the impact study accompanying the 2018 *Loi pour la liberté de choisir son avenir professionnel* reforming the training financing system, the proliferation of labels and quality certificates makes it difficult for individuals and firms to find their way in the training market, and does not allow a complete harmonisation of practices. From January 2021 onwards, a new law will impose the certification of training providers based on a unique national repository.[63]

In addition, as a counterpart to the autonomy left to the individual in mobilising his/her account and with a view to promote the transferability of skills, the French CPF also imposes constraints on training programmes. Until December 2018, training programmes had to be chosen from a list of eligible programmes established at three levels (inter-professional, branch and region) as described in Section 2.4. In the reformed CPF, all (formal and non-formal) training programmes resulting in a professional certification registered at the national level either in the *Répertoire National des Certifications Professionnelles* (RNCP) or in the *Répertoire spécifique*[64] have become eligible for the CPF. Requiring that a training programme delivers a "*certification*" is interesting in principle as this provides some official recognition of skills acquired and could allow progression of trainees both in their employment and in their training path. However, this does not always ensure the quality of the training programme. Some training providers, for example in the language sector, have registered their programmes in existing certification standards, but without modifying the content of their programme and just registering trainees to TOEFL, BULATS or TOEIC exam sessions (IGAS, 2017[8]). Others have developed their own certification process – a longer and more complex but more flexible option in terms of pedagogy – which significantly increased the number of existing certification processes (IGAS, 2017[8]).

The US ITA is the only reviewed scheme with a quality assurance framework designed specifically for the scheme. To be eligible for the ITA scheme training programmes offered by a given provider need to be on the Eligible Training Provider List. Requirements to be on that list are numerous, but the main ones are: *i)* provide training for in-demand occupations; *ii)* offer industry-recognised qualifications; and *iii)* comply with reporting requirements on a number of outcomes of the programme (mainly completion rates, percentage of trainees obtaining unsubsidised employment; employment rate at 6 months; average earnings of participants at placement and after 6 months; percentage of trainees obtaining a license or an academic degree). Many of these reporting requirements make sense for jobseekers only and could not be applied to individual learning schemes covering employees. There are minimum rates for each outcome measure and a threshold for an indicator taking into account performance targets for the various measures. Minimum rates appear to be low (e.g. a completion rate of 30%). If the target is not reached, a regression-adjusted model is used to take account of some of the characteristics of participants to control for initial conditions. Providing this information for each programme is rather costly for training providers. Community college and not-for-profit providers in particular were slow to comply, which gave rise to a number of waivers.

5.2. Providing information on the quality of programmes to the general public

For individuals to be able to make informed choices about which training to invest in, they need to have access to relevant and up-to-date information on the quality of different training providers and programmes. Certification and quality labels (mentioned above) can serve as signals of quality, but training providers can also be requested to share more in-depth information on evaluations, learning outcomes and user satisfaction with the general public to help them decide which training to invest in (OECD, 2019[23]). In practice, however, although there are plans to publish some quality measures in some schemes, this has not yet been implemented in most of the schemes reviewed but the US ITA. In the latter however, the obligation imposed by law to training providers to publish outcome measures is implemented with varying success. In Michigan, for example, it is very difficult to find a training programme including the requested variables (e.g. completion rates, employment rates, hourly and annual earnings) on the website informing about the various training programmes. This obligation seems to be better enforced in the state of Washington.

The Scottish ILA has so far not had a mechanism for trainees to feed back on their training experience. However, in the future, the intention is that all ITA trainees will receive a standardised email asking them to rate the quality of their training programme and state how they intend to use the skills obtained. It is not clear yet what precise information will be collected nor how this will be communicated to the public.

In Singapore, an assessment of the quality of training courses is meant to be disseminated to the public via Skills Singapore's Training Quality and Outcomes Measurement (TRAQOM) initiative launched in 2018. TRAQOM contains course ratings collected from a post-course survey and was initially piloted with 50 training providers. The results were not available at the time of publication of this report. Feedback can also be provided by participants on each course page on the Training Exchange.[65]

The new French CPF application should also allow participants to rate their training programme and provider, and this information will be published on the information system. Practical details are not available yet.

6 Emerging policy conclusions and trade-offs

6.1. Governance and processes need to be kept simple

Experiences in the various schemes reviewed show that simplicity of use is required to promote effective participation of individuals in individual learning schemes.

Heavy processes can discourage participation, as illustrated in particular by the French example. The complexity of the CPF in its first phase of implementation (2015-2018) meant that actors involved (funders, firms and training providers) needed some time to understand and learn to navigate it, and it also hampered the participation of individuals. Complex financing arrangements and fragmented governance made it difficult for individuals to appropriate the scheme and led employees to rely on their HR department and jobseekers on the public employment service (PES) for assistance. As a result, the autonomy of individuals to design their own training path did not improve much (IGAS, 2017[8]). The reformed French scheme aims to simplify both governance and processes, and to make the information system/website much more user-friendly.

Other countries/regions have also simplified processes. For example, in the Geneva region and Upper Austria, applications to the scheme can now be done online and delays to process requests have become shorter. Well-designed and user-friendly websites, as available in Singapore, Scotland and in the United States for the ITA, are instrumental to allow a real autonomy of use for individuals. On the other hand, full dematerialisation of processes (i.e. relying exclusively on the internet for managing applications etc.) risks excluding those who are not internet savvy and, therefore, the least-skilled.[66] It is therefore important either to provide an alternative way of applying – e.g. through a paper application as in Upper Austria or a hotline as in Singapore – or to provide face-to-face assistance to individuals when they apply via internet, as in the Geneva region.[67]

It is not possible from the reviews conducted to come up with strong recommendations on governance models, but some findings emerge:

- As illustrated in the French case, governance should be kept simple, and in particular not be divided among too many actors, especially at a given management level (responsibility for implementation, administration, delivery).
- The only example of full outsourcing to a private for-profit entity of the administration of an ILS (i.e. the UK ILA scheme) proved unsuccessful – but this was partly due to the lack of quality assurance framework. Private provision of the services themselves, as in the US ITA, in Germany with the *Bildungsprämie*, and in Flanders with the check delivery, seems to be functional/less risky, but there is no available evidence on cost-effectiveness of the various options.
- In Scotland, the scheme used to be administered by a different public agency than the one responsible for its design and implementation. However, the administration was brought back

in-house when the new scheme (the ITA) was introduced. This was believed to facilitate change, but also streamlined delivery and reduced administrative overheads.

- Individual savings accounts for training appear to be expensive to manage, especially when they are small-scale. In the Canadian learn$save programme, financial institutions cited onerous security measures and technological and administrative procedures to maintain the database and write cheques from the accounts (Leckie et al., 2010[4]). The evaluation concluded that they were certainly not cost-effective due notably to very high administrative costs relative to the dollar value of the benefits transferred to the participants (half of the costs were for administration). The evaluation found that other programmes such as direct grants or loans or subsidised time off could have achieved the same objectives at lower unit costs. In the Tuscan scheme, the links with the banks managing the accounts appeared quite complex to deal with for provincial accountants, and this was an important motive for the switch to the voucher scheme which has now replaced the *Carta ILA*.

6.2. Financial support needs to be high enough to promote participation and allow real increases in qualification

Many of the existing individual learning schemes tend to provide small sums of money to support training costs (Section 2.5). In Portugal, Scotland, Singapore and Upper Austria, this is likely to have limited participation in the scheme. The small amounts involved also mean that participants can only undertake relatively short-duration training, which cannot lead to real increases in the individual's qualification level. For example, the evaluation study of the *Chèque annuel de formation* in the Geneva region concluded that the support provided was too limited to finance a basic training curriculum (Cour des Comptes, 2015[2]).

Small sums of money can help individuals to acquire skills incrementally, thus allowing gradual progress in a given job or profession. However, these are less relevant if the individual wants/needs to make professional transitions and/or undertake professional retraining, a goal often attributed to individual learning schemes (Section 1.2). A real increase in qualification levels requires more significant support, including income support during the training period (to replace foregone earnings) as, for example, in the previous *CIF* scheme or the new CPF *de transition* in France, *Qualification +* in Geneva, or the *Bildungskarenz* in Upper Austria. Paid educational leave is also available in Belgium, which provides a maximum of 180 hours of training per year to employees.

In Singapore, workers/employers can obtain generous support through the Workforce Skills Qualifications scheme. In comparison, the SkillsFuture Credit only provides small amounts of support, which calls into question the usefulness of this scheme.

That being said, higher amounts of support could also result in potentially higher deadweight costs. As seen in Section 4.1, individuals with higher levels of education tend to be over-represented among ILS participants, and those with the lowest education level under-represented. This is clearly illustrated in the French case, where the CPF seems to primarily benefit the most autonomous individuals (i.e. high-skilled, managers/professionals, working in large firms). Although ILS are rarely evaluated (see Section 3.3), many ILS schemes are likely to have high deadweight losses, which will increase both with participation levels and the amounts of support at stake. This reiterates the importance of targeting.

Dividing learning programmes into self-contained and certified modules could also allow individuals to increase their qualification levels in several steps when the amount of support provided by ILS and/or time constraints do not allow to do it in one go (Commission externe d'évaluation des politiques publiques, 2010[29]).

6.3. Targeting may help to reduce deadweight losses and the participation bias against the low-skilled, but it can come with other costs

One option for reducing deadweight losses is to target. For example, eligibility to the Flemish scheme was restricted to low- and medium-educated workers only, precisely for that reason. Section 4.1 shows that targeting can help in some respect, in particular by reducing access of the high-skilled/high income (e.g. Scotland, Upper Austria, and the US ITA).

However, targeting support almost inevitably means heavier administrative burdens that may put off many of the very people who are being targeted (Johnson et al., 2010[26]). This was evidenced in 2007 in the case of the Scottish scheme, where non-standard workers (and the self-employed in particular) faced difficulties proving that their earnings were below a certain threshold. A requirement to provide tax forms may also be a barrier for those on zero-hour contracts, since their earnings are variable and unpredictable, and they would need to have worked for a long period of time before they can provide evidence of their usual level of earnings. The Canadian learn$ave scheme also struggled with the trade-off between administrative efficiency and accuracy in targeting, and with finding an approach to means-testing that was fair and at the same time responsive (Leckie et al., 2010[4]). It was particularly difficult to obtain complete documentation to check individuals' incomes. In the Geneva region, despite the process simplification mentioned above, there is still no unique identification number that would allow to check, for example, whether there have been multiple applications by one and the same individual. At the same time, there is a duplication of efforts as individuals are asked to provide information which will later be checked again in the official databases (Cour des Comptes, 2015[2]).

Targeting can be simplified, however, as was highlighted in the Canadian evaluation report (Leckie et al., 2010[4]). One solution is to rely as much as possible on existing administrative databases – for example if low-income individuals are to be targeted, then existing income tests for social benefits (e.g. working tax credit, etc.) can be used, rather than to request participants to provide separate information on income. In Scotland, the new ITA simplifies the application process and at the same time transfers the task of checking eligibility to the training providers. In the previous ILA, learners would get funding and only then would identify a suitable course to take; now the reverse is true. At the application stage, individuals provide their National Insurance Number and a valid email address and answer some eligibility questions. Once funding is approved, applicants are required to book their training within eight weeks, and then provide proof of their identity and of their eligibility directly to the training provider.[68]

Another potential disadvantage of targeting is that it could conflict with the objective of portability/transferability of individual learning schemes (see Section 1.2). This is a particular risk for ILS that are limited to individuals in a particular employment status (e.g. employees, jobseekers, or the self-employed) and could be especially problematic for those in non-standard forms of work, who are more likely to change employment status (e.g. from temporary work to unemployment) or combine different states at the same time (employee and self-employed). Targeting based on education or income level might be less problematic, but is not fully compatible either with the objective of promoting professional transitions and mobility, especially in the case of individual learning accounts where rights are accumulated. Modulating the amount of support according to such criteria, while providing access to all might be a possible way to square the circle. In France, for example, individuals who have no upper secondary qualification accrued twice as many training hours as other individuals until 2018, and from January 2019, accrue EUR 800 per year (up to a maximum of EUR 8 000), against EUR 500 (up to a maximum of EUR 5 000) for more highly-skilled individuals. A higher education threshold might even be considered (e.g. up to higher secondary education level, ISCED 3).

6.4. Accompanying measures are needed to increase the participation of under-represented groups

Increasing the participation in training of under-represented groups is an objective for all individual learning schemes reviewed in this report (see Section 1.2). However, the available evidence suggests that this is not easy to achieve. When they are allowed to participate, higher-educated individuals are always over-represented among ILS participants (see Section 4.1). A lack of data makes it difficult to establish whether this is more the case among ILS participants than among training participants in general. However, the information available suggests that this is true at least in France, where the difference in participation rate between higher- and lower-level occupational groups[69] is higher for the CPF than for training in general. The Upper Austrian and US ITA schemes show that targeting based on education or income level can help to address this over-representation of the highly-educated. However, even when education level or income thresholds are set, the most disadvantaged groups still tend to be under-represented. For example, a 2007 evaluation showed that, even though it focused on low-income groups and the unemployed, the Scottish scheme was not reaching the least-skilled (Gallacher et al., 2007[20]), and the same is true for the Upper Austrian *Bildungskonto* (see Section 4.1). The Canadian learn$ave experiment, although exclusively focused on low-income individuals, highlighted the very low take-up rate among this group, as low-income individuals did not see training as a viable option for them, even if they valued it – suggesting that the barriers to training go beyond mere financing. In the Geneva Canton, the possibility to benefit from three cheques in one given year turned out to mostly benefit skilled individuals (Cour des Comptes, 2015[2]).

Co-financing requirements, when present, can be a barrier to ILS participation for the most disadvantaged groups (see Section 4.2) and the tipping point is likely to vary across individuals, which makes it difficult to formulate recommendations on the desired level of co-financing. An even stronger barrier than the co-financing of direct training costs, is likely to be the lack of replacement income when individuals take time off work to participate in training – particularly for the most disadvantaged. In France, the provision of a replacement income to temporary agency workers during their training period is probably a key determinant in explaining their higher participation rates in the CPF than for other employees. Hence, allowing the ILS to be used in combination with other schemes that provide replacement income is likely to raise the participation of under-represented groups, including the self-employed.

ILS participation might also be low among disadvantaged groups because it relies on the ability of participants to plan for the future, to anticipate how training can serve one's career and to navigate the scheme autonomously, a capacity which might be particularly lacking among individuals in precarious situations ((Euréval, 2012[30]). Providing good information, guidance and counselling may alleviate this problem. In Canada, NGOs were found to play an essential role in reaching the eligible population and supporting it through advice (Leckie et al., 2010[4]). By contrast, the fact that none of the participants of the special *Bildungskonto* for individuals returning from child care had received any counselling was seen as problematic, and career counselling was one of the recommendations of the evaluation report (Kellermayr, Ratzenböck-Höllerl and Reder, 2008[31]). In practice, few schemes have their own counselling services and, while data on the use of counselling is not readily available, it appears to be limited. In France, people collected on the street and interviewed in a "design thinking" exercise for the CPF web application all mentioned that simplification and the possibility to get in touch (i.e. face-to-face contact) with a coach/counsellor would improve the system, which otherwise made them feel "quite isolated".[70] Pro-active policies are needed to target information, advice and guidance on disadvantaged groups, as these services tend to also be taken up disproportionately by high-skilled workers (see e.g. OECD (2019[24]) for Flanders. However, these services have a cost and their financing needs to be planned ahead.

Overall, it appears clear that, in and of itself, an ILS is unlikely to achieve the goal of increasing access to training amongst under-represented groups. Aside from providing financial resources, individual learning schemes need to be accompanied by a number of parallel supporting measures/institutions to ensure that

individuals have the effective capacity to convert these resources into valuable training outcomes (Gautié and Perez, 2012[32]).[71] However, if these other measures limit the individual's choice of training, then this will reduce the autonomy of individuals – one of the stated objectives of many ILS. In Flanders, for example, paid educational leave can be used to undertake a rather limited number of training programmes only (OECD, 2019[24]). In France, until December 2018, jobseekers were unable to mobilise their CPF autonomously and had to go through their counsellor at *Pôle Emploi* (the public employment service), thus leaving little room for individual initiative. The account was often mobilised as complementary funding for training which had already been decided on, sometimes even without the explicit agreement of the jobseeker (IGAS, 2017[8]). This highlights the difficulty to combine schemes/measures without fully diverting the objectives of autonomy and individualisation of the ILS. The nature of counselling services also matters, as they should not be too directive so as to respect the autonomy of the individual, yet at the same time ensure that the training benefits the participants.

6.5. The link with employer-provided training needs to be taken into account

As seen in Section 2.4, individual learning schemes differ in the way they co-exist with employer-provided training. Most schemes explicitly exclude a link between the two types of training, with the focus being on individual autonomy. Some schemes, and in particular the French CPF during its first implementation phase, do allow for a complementarity between the two types of training. Regardless of whether it is desired or not, there will often end up being an interaction between ILS and employer-provided training, and it is important to consider this at the design phase.

Experiences with ILS show that there is a risk that they partly remove the responsibility of training from employers. The frequent use of ILS in France and in Scotland to finance quasi-mandatory training programmes providing certificates required to work in certain sectors (3.2.2) is a case in point. These certificates derive from the employer's legal obligations regarding hygiene, security or specific constraints linked to some activities or production environments. In those particular cases, training undertaken through the ILS is not additional to that provided by the employer, but simply substitutes for it. This use of the ILS in Scotland has likely contributed to the observed trend decrease in employer-sponsored training since 2011. In France, the possibility to finance such training programmes through the CPF creates tensions among social partners, as some trade unions consider that employers should finance them. On the other hand, these certificates guarantee the transferable character of skills acquired by the employee and their recognition beyond their current employer. They may thus promote employee mobility and their employability in case of job loss (IGAS, 2017[8]).

One desired feature of individual learning schemes is that they can provide individuals with more autonomy regarding their own training decisions and the development of their careers, and they therefore make individuals less dependent on their current employer. This is one of the stated aims of SkillsFuture Credit in Singapore. Involving employers to obtain co-financing or the authorisation to take up training during working hours, as is often done in France, could therefore reduce the autonomy of the worker in his/her training choices. However, as discussed by IGAS (2017[8]) in the French case, the two type of uses – i.e. autonomous use of the CPF by the employee without informing his employer and the co-constructed use with the employer – are complementary and part of a single system. It offers the possibility to mobilise the CPF autonomously and confidentially allows the employees to keep their freedom of choice in front of the employer's training proposals.

More fundamentally, because it is challenging to take up training while working full-time, a culture of learning among employees can only be fostered with the support of employers (OECD, 2019[1]). Besides, as evidenced by Lambert, Vero and Zimmermann (2012[33]), workers most often find incentives to take up training in their immediate work environment. The results of this study show that it is the environment provided by each company that contributes most decisively to employees' aspiration to undergo vocational

training, Employee training needs are found to be more strongly expressed when a series of conditions are met at the firms employing them, including: the availability of training opportunities, access to information, the ability to express individual and collective voice, and opportunities for horizontal and vertical mobility. Employers are therefore part of the "enabling environment" that can motivate workers to take up training (whether through ILS or not), including by recognising and valuing the skills acquired through training (Gautié and Perez, 2012[32]).

6.6. Individual learning schemes reinforce the need for quality assurance

The need to ensure training quality is an issue for all adult training systems. However, this becomes even more important in the case of individual learning schemes because individuals are in a much weaker position than public funders or employers when purchasing training. This is because there is an asymmetry in information on training quality and individuals only have limited capacity to negotiate the price with the provider.

While quality assurance frameworks have rarely been set up specifically for ILS, the creation of ILS has generally resulted in accelerating their implementation. The main instrument used by countries to ensure training quality is the certification of training providers, with requirements that are more or less demanding for providers across countries/schemes in terms of financial stability and pedagogical means. A trade-off exists between the strictness of the certification process and the ease of entry on the training market. For example, to ensure financial stability and avoid the creation of "false" training providers intent on fraud, Scotland requires training providers to have at least two years of activity to be certifiable. As shown in the French example, avoiding the proliferation of different certification labels is also important to harmonise practices among providers and to help individuals find their way.

A tension also exists between the strictness of training quality criteria and the freedom of choice of individuals. For example, the fact that only training programmes that result in certificates are eligible for the CPF is not welcomed by the self-employed or other professions (e.g. artists) in France, since they are more likely to be interested in non-certified training.[72] Besides, the certification of providers and programmes may not suffice to ensure the quality of training, as discussed in Section 5.1.

The evaluation of outcomes of training programmes by public authorities needs to be carefully balanced against the cost that it imposes on training providers. In the case of the US ITA, for example, many providers did not comply with the initial obligation to provide information on outcomes because it was too costly for them. Besides, while some simple indicators – e.g. completion rates, employment rate after training in the case of jobseekers – are relatively simple to understand for the public, accurate indicators of training quality would probably require complex analytical methods – such as standardised or value-added measures, indicators of multiple dimensions of quality, etc. – which are unlikely to be understood by most individuals (Finkelstein and Grubb, 2000[34]).

An alternative or complement to formal evaluations is to collect ex post assessments by individuals themselves which, even though subjective, can provide useful information to prospective participants. A number of existing ILS, such as the CPF, SkillsFuture Credit, and the Scottish ITA, intend to do this. The information collected in this way should be systematically provided to individuals through the ILS online application system or by counsellors.

The individualisation of training is also likely to affect the supply of training. Selling training services to individuals rather than to public funders (e.g. PES) or employers is challenging for training providers. It relies on the ability to enrol trainees on a continuous basis, which might be difficult for smaller providers, and may also result in providers concentrating on and marketing only the most popular/profitable types of training programmes (e.g. language classes). By contrast, the least "profitable" training programmes may disappear. This may be dealt with by leaving the latter to the large public providers when they exist

(e.g. the *Agence nationale pour la formation professionnelle des adultes* in France), but might at the same time put these in a difficult financial position, in a context where they lose the most profitable segments of the market and are also subject to increased budget constraints.

6.7. Financing arrangements have distributive and sustainability implications

The financing modalities of ILS have important implications in terms of both redistribution and scheme sustainability. The higher the individual saving or co-financing requirements are, the less redistributive the schemes are. But how the public contribution to the scheme is financed also matters. Tax-financed schemes are redistributive (to the extent that the tax system is), but the experience in Upper Austria, Scotland and the United States shows that it makes the scheme very sensitive to budgetary constraints and therefore funding becomes less predictable over time. Budgetary financing is any case not compatible with the notion of training "rights" inherent to individual learning accounts, where credits for training are accumulated over time and have to be honoured. Financing the scheme through a training levy, as for example in France, has the advantage to earmark funding and allows some mutualisation at the same time (because small firms pay lower contributions to the training scheme, while benefiting from the same services).

6.8. Could ILS be used to increase participation in lifelong training among workers in new and non-standard forms of work?

Drawing on the above conclusions, a number of specific points can be made about whether ILS would be suitable to increase participation in lifelong training among workers in new forms of work (crowd work, on-demand work via apps and platforms) and workers in non-standard forms of work (temporary work, casual work, self-employment).

By providing training rights to the individual/the worker, ILS may increase access for these groups who, when they are non-standard employees, tend to receive less employer-provided training than standard employees, or have less access to training than employees when they are self-employed. By attaching training rights to the individual rather than jobs, ILS also make training rights more portable/transferable between jobs, a feature which is particularly important for these groups of workers who tend to experience higher job mobility. However, to actually increase access to training for these groups of workers, ILS would need to meet a certain number of conditions.

First, transferability would require that the ILS covers all types of employment states, possibly even inactivity, given that non-standard workers are more likely to change status. Restricting accounts to low-educated or low-income individuals may also conflict with the transferability of rights and upward professional transitions and mobility. As noted in Section 6.3, modulating the amount of support according to such criteria, while providing access to all, is probably more appropriate to increase access of workers in new and non-standard forms of work. This is what is done in France, for example.

Workers in new and non-standard forms of work will also require other accompanying measures if their participation in (useful) training is to be promoted (Section 6.4). Co-financing requirements ought to be limited; combinations with other schemes providing replacement income should be encouraged; and additional "enabling" measures (such as pro-active information and counselling) are needed. Favouring the development of training formats adapted to workers who may have difficulties to train during working hours (e.g. evening/week end classes, e-training) may also be particularly useful for these groups.

In practice, individual learning schemes vary in the extent to which they include non-standard workers. Self-employed workers, for example, tend to be increasingly covered by ILS although, in France, their effective access still remains to be implemented. Self-employed workers tend to be under-represented

among participants in Scotland, but over-represented in Upper Austria. Information on the type of training they actually undertake compared with employees is not available, but the French case highlights that restricting eligible courses to certificates – as a way to ensure quality – is not well-perceived by the self-employed who may be interested in following courses relevant for their activity but not necessarily delivering certificates.

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Annex A. Detailed information on individual learning schemes

Table A A.1. Management of schemes

Schemes	Responsible institution	Services and operations			
		Bank, insurance	Public institution	Social partners	Private entity
Bildungskonto, Upper Austria AUT	Department of Education and Society of the Office of the Upper Austrian Government		Department of Education and Society of the Office of the Upper Austrian Government	Chamber of Labour involved until 2005	
Opleidingcheques, Flanders BEL	VDAB (Flemish public employment office)		VDAB		Edenred sells and deliver the cheques to the beneficiaries and gives money in exchange to the training organisations
learn$ave CAN	Social and Entreprise Development Innovations (NGO)	RBC Royal Bank mainly			Delivery agencies run by community-based NGOs
Chèque annuel de formation, Canton de Genève CHE	Office pour l'orientation et la formation continue (Geneva Canton government)		Regional administration		
Bildungsprämie DEU	Bundesministerium für Bildung und Forschung				Information, counselling and distribution of vouchers contracted out to centres certified by the Ministry
Compte Personnel de Formation FRA	DGEFP, Ministère du Travail	Caisse des Dépôts et Consignations for information system until 2019 and for everything except counselling from 2020.	Pôle Emploi and FPSPP for jobseekers until 2019	OPCAs for employed until 2019	
Individual Learning/Training Account, Scotland GBR	The Scottish Government		Skills Development Scotland		

Schemes	Responsible institution	Services and operations			
		Bank, insurance	Public institution	Social partners	Private entity
Individual Learning Accounts GBR,	Department for Education and Skills				Capita Business Services
Carta ILA, Tuscany ITA	Tuscany region and provinces	Yes	Local offices of the Centro per l'Impiego		
ã PRT, 2001-to date	IEFP (Portuguese public employmen t service)		IEFP		
SkillsFuture Credit SGP	SkillsFuture Singapore		SkillsFuture Singapore		
Individual Training Account USA	State agencies managing WIOA funds and local Workforce Investment Boards (WIBs)		Local WIBs		
Lifelong Learning Accounts (LiLAs), various areas, USA	Council for Adult and Experiential Learning (CAEL), together with DOL in State of Maine	ShoreBank in the first experimenta tion			CAEL

Source: OECD Secretariat, Euréval (2012), Leckie et al. (2010).

Annex B. Detailed Information on the Case Studies

Table A B.1. Compte Personnel de Formation, FRA

Period of implementation	2015 – to date
Type of scheme	Individual learning account
Eligibility	Individuals in the labour force
Financing	Self-employed contribute 0.2% of turnover to a training fund; employers pay a training levy equivalent to 0.2% of gross wages; until December 2018, training funds (also financed by the training levy) could complement funding of training undertaken by employees via the CPF; *Pôle Emploi* and the regions can complement funding for training undertaken by jobseekers.
Amount available	Individuals with education level of ISCED level 3 and above: until December 2018, 24h per year for 5 years and then 12 h per year capped at 150 hours; since January 2019, EUR 500 per year capped at EUR 5000 to pay for training fees. Individuals with initial education level below ISCED level 3 (i.e. level 1 and 2): until December 2018, 48h per year with a ceiling of 400h; since January 2019, EUR 800 per year up to EUR 8000.
Specific requirements on type of training	Registered certifications (*Répertoire national des certifications professionnelles*, RNCP) or, until December 2018, *inventaire*, *Certificat de qualification professionnelle* (CQP),or training programmes financed by *Pôle Emploi* or AGEFIP, or, since January 2019, *répertoire spécifique*; skill assessments (*bilan de compétences*), actions for skill recognition, driving licenses, training for business creation.
Number of participants	627 205 in 2018 or 2.1% of the labour force

Source:OECD Secretariat and CDC SI-CPF.

Table A B.2. *Bildungskonto*, Upper Austria, AUT

Period of implementation	1994 – to date
Type of scheme	Individual subsidy for training
Eligibility	Individuals in the labour force (especially those with medium-level education) and women returning from childcare leave
Financing	Regional government
Amount available	Basic support from regional government: 30% of training fees up to EUR 2000 (EUR 1000 for language courses); Higher support: 60% up to EUR 2400 for child-care returners, German language for integration, employees above 50 with low income, persons with no more than compulsory education, low educated preparing apprenticeship, persons with at most compulsory education completed
Specific requirements on type of training	Formal or non-formal vocationally oriented programmes, mainly at medium-skill level and preferably delivering medium-level formal vocational certificates or second-chance certificates for access to higher education; leisure courses and basic driving licence courses excluded.
Numbers of participants	14558 participants in 2017 (source:) or 1.9% of the labour force

Source: OECD Secretariat and Land OOE *Bildungskonto.*

Table A B.3. Individual Training Accounts, USA

Period of implementation	2000 - to date
Type of scheme	Voucher scheme
Eligibility	Participants to the Adult and Dislocated Workers WIOA programmes,
Financing	Federal government under the Workforce Innovation and Opportunity Act (WIOA) since 2014, and the Workforce Investment Act (WIA) previously
Amount available	USD 3500-7000 in Washington state, USD 6000-10000 in Michigan for training fees, books and supplies
Specific requirements on type of training	Training must help to become employed or re-employed and must be related to in-demand occupations, determined by the local Workforce Investment Boards
Numbers of participants	1251 in Washington State and 2876 in Michigan in 2016-17 representing 0.6% and 1.2% of the unemployed respectively.

Source: OECD Secretariat and Workforce Investment Standard Record Data and WIOA Participant Individual Record Layout.

Table A B.4. Carta ILA, Tuscany, ITA

Period of implementation	2004 - 2015
Type of scheme	Quasi-voucher
Eligibility	Jobseekers and specific population groups
Financing	Regional government, European Social Fund
Amount available	EUR 500-2500 for training fees, teaching material, associated travelling, food and housing (ESF); Tuscany region funding for guidance and counselling
Specific requirements on type of training	All types of training including informal training in 2004-2007; training listed on a regional list of approved programmes in 2008-2015
Numbers of participants	3042 in total over 2006-2008; 1499 in Pistoia, 153 in Arezzo, and 45 in Prato in 2014

Source: OECD Secretariat.

Table A B.5. Individual learning/training accounts, Scotland, GBR

Period of implementation	2004 - September 2017 for the ILA, October 2017 – to date for the ITA
Type of scheme	Voucher scheme
Eligibility	Individuals in the labour force with income below a threshold close to the average wage
Financing	Scottish government
Amount available	GBP 200 per year for training fees
Specific requirements on type of training	ITA Training programmes must deliver a qualification or certification and link to one of the 13 curriculum areas approved through the Scottish Labour Market Strategy
Numbers of participants	20222 in 2017-18 or 0.8% of the labour force

Source: OECD Secretariat and Skills Development Scotland.

Table A B.6. SkillsFuture Credit, Singapore

Period of implementation	2016 - to date
Type of scheme	Lifetime voucher
Eligibility	All citizens aged 25 and above
Financing	General government
Amount available	SGD 500 ; possibility of future top ups
Specific requirements on type of training	No explicit requirement of labour market relevance; programmes approved by SkillsFuture Singapore
Numbers of participants	431000 over 2016-2018 and 146000 in 2018 or respectively 12% and 4% of the labour force

Source: OECD Secretariat and SSG.

Notes

[1] This report received support from the German Federal Ministry of Labour and Social Affairs.

[2] The case studies were conducted by Lorenz Lassnigg and David Baumegger from the Institut für Höhere Studien for the *Bildungskonto*, Coralie Perez from the *Centre d'Economie de la Sorbonne* and Ann Vourc'h from the OECD for the CPF, Denis Donoghue from Hall Aitken for the Scottish ILA/ITA, Johnny Sung from the Centre for Skills, Performance and Productivity for SkillsFuture Credit, Marco Betti from Siena University for *Carta ILA*, and Randall W. Eberts from the Upjohn Institute for the US ITA in Michigan and Washington. A synthetic presentation of each scheme is provided in Annex

[3] The application has to be made within a period of six months after the training was completed.

[4] It is planned that the government will provide periodic top-ups.

[5] The CPF succeeded to the *Droit Individuel à la Formation* (DIF), a scheme implemented in 2004 that provided credits in training hours to employees and could be mobilised at the employee's initiative but with employer's agreement. Initially not transferable from one job to the other, the DIF became portable in 2008. It aimed to promote co-investment in training by creating a middle way between employee-initiated and employer-initiated training.

[6] See e.g. the 2018 interview of the Minister for National Development https://www.straitstimes.com/singapore/lawrence-wong-focus-on-skills-not-paper-qualifications

[7] In Geneva, however, the required professional usefulness can de facto exclude old-age pensioners and more generally inactive persons.

[8] Individuals eligible to the Dislocated Workers WIOA programme are also eligible, but income is not an eligibility criteria for them.

[9] Moreover, in EU countries, individual learning schemes can be co-financed with the European Social Fund (ESF). In Germany, for example, the European Social Fund finances the training costs while the federal government funds guidance and counselling services, and the same applied in Tuscany.

[10] A pilot LiLA programme was launched in 2009 in the Washington State in four counties with financial support from a consortium of funders including the Lumina Foundation and the Council for Adult and Experiential Learning (CAEL).

[11] Each Austrian state has its Chamber of Labour (*Arbeitskammer*). Membership is mandatory for all except executive employees and public sector staff, and the Chamber is financed by a levy of 0.5% of gross wages up to a ceiling. The Chamber does not participate in collective bargaining but provides services such as information and advice and legal assistance, for example in case of individual and collective labour disputes, educational and cultural services, as well as consumer protection (Source https://www.etui.org/ReformsWatch/Austria/Austria-The-Chambers-of-Labour-role-and-functioning).

[12] Until October 2017, the Student Awards Agency, in charge of delivering support to students, was in charge of managing the scheme.

[13] In the Lifelong Learning Institute, one of two Continuing Education and Training campuses (CET) by SkillsFuture Singapore (SSG) launched in 2013, a 1.5 Meter slogan in the lobby says “Find the passion in you”.

[14] The 13 curriculum areas approved in the Scottish Labour Market Strategy are: construction; fitness, health and beauty; hospitality; security; health and safety; transport; early years/childcare; social care; business; IT/ Science, Technology, Engineering and Mathematics; language; adult literacy and numeracy; and agriculture.

[15] Source: CEDEFOP database.

[16] “*Bilan de compétences*” in France.

[17] French employees had the right to take training leave (*Congé Individuel de Formation*, CIF). Training does not have to be related to the current job of the employee. The employee had to request approval for the training leave from the employer, but the employer cannot refuse. The training leave focused on long-term training, with a maximum duration of one year for full-time training and 1 200 hours for part-time training. Additional training leave could be granted by the sector or employer. During the training leave individuals received between 80% and 100% of their salary, depending on the level of their gross salary. The wage and training costs were covered through social partner organisations (FONGECIF or OPCA), using funds collected from employers (OECD, 2017, Getting skills right France).

[18] The exact coverage rate calculated as the number of participants divided by the citizen population aged 25 years or above is 6.5% in 2017 and 5.8% in 2018.

[19] 2 388 individuals participated in learn$ave over the 2001-2008 period; comprehensive data is not available for the LiLA scheme in the United States, but 359 individuals participated to the first experiment in Chicago, Northeast Indiana and San Francisco over 2001-2007, and 100 workers and 25 employers in the state of Maine.

[20] The *Fonds Paritaire de Sécurisation des Parcours Professionnels* (FPSPP), a social partner organisation in charge of mutualising and redistributing funds collected through a 0.2% training levy for employees and jobseekers, paid for these hours, at a fixed rate of EUR 9 per hour.

[21] The absence of information on training supply was a deliberate choice by social partners, in order to avoid direct interference on training markets. However, the choice of a particular certificate can be linked to that of the training provider, as practical modalities of the training programmes (date, place, etc.) are determining in the choice made (IGAS, 2017[8]).

[22] At the same time, maximum amounts of support were raised from EUR 900-1 300 to EUR 2 000-2 400.

[23] After having risen from GBP 1.4 million in 2005-06 to GBP 9.2 million in 2010-11, spending on ILA has been constantly decreasing to GBP 3.6 million in 2016-17. The share of the ILA in the overall training expenditure by Skills Development Scotland has also diminished from 8.3% to 3.2% between 2010-11 and 2016-17.

[24] At the beginning of May 2019, the “My World of Work” website indicated that “SDS and the Scottish Government are exploring options to maximise the impact of the scheme, within the available budget”. SDS has now imposed a cap on numbers (15 000) and a cut-off date for applications (September), both of which had never been used before.

[25] Source: interview of SDS official.

26 Data on expenditure on training funded through ITA is not available. Michigan and Washington spend respectively one third and two thirds of their WIOA funds (USD 8 million in Michigan and USD 21 million in Washington in 2016-17) on all types of training.

[27] CPF and DIF hours represented 17 hours and 46 hours of the total for jobseekers and employees respectively over 2015-2018 (source: CDC, système d'information du compte personnel de formation).

[28] In Singapore, Korean and Japanese courses come in second position of the most often chosen programmes for SkillsFuture Credit users under the age of 40.

[29] The numbers taking ECDL, an established ICT accreditation which provides a recognised benchmark for digital literacy have declined steadily from 7% of ILA applications in 2011/12 to 4% in 2017/18. In part, the increased take-up of the ITA/ILA by the younger age group may be explained by the reduction in the number of places in available alternative programmes such as the Employability Fund.

[30] Four of the top five SFC courses for those aged 60 years and over, and two of the top five SFC courses for those aged 40-59 were basic IT literacy courses such as learning how to use smartphones, tablets and computers.

[31] In August 2018, there were 87 ITA approved courses providing this type of training across Scotland.

[32] CACES comes in third position of the top 10 certifications chosen by jobseekers using their CEP over the period 2015-2018 (source: Caisse des Dépôts et Consignations/système d'information du compte personnel de formation).

[33] Cléa accounted for 11% of the validated training files of jobseekers using the CEP in 2016 (Balmat, 2018[14]) and was the top certification chosen over the 2015-2018 period (*Source* CDC, SI CEP).

[34] Professional retraining can be made through other financing schemes, such as *Qualification* +.

[35] Source: CDC, SI CPF.

[36] 3.5% of the validated and closed files for employees over the 2015-2018 period were treated by the CIF financing institutions (OPACIF/FONGECIF); overall, over the 2015-2018 period, additional funding (by employers, training funds, CIF financing institutions, etc.) covered 36% of the total expenditures of the validated training files for employees (*Source*: CDC, SI CPF).

[37] Data on total training expenditure on WIOA Adult and Dislocated Workers programmes are available, but not on ITA-training.

[38] Duration of training programmes is very rarely provided; one example is 16 weeks for a cybersecurity operations training.

[39] Source: interviews of Scottish officials.

[40] The same is true for the year 2011.

[41] However the survey reported high rates of non-reply for qualification held.

[42] Source: Araujo (2017[12]) and Ministry of Education 2018.

[43] The contribution is calculated either as a percentage of the social security ceiling (used to calculate some social contributions) and thus corresponds to an amount in Euros (varying each year), or as a percentage of their turnover.

[44] Contributions are currently paid to the ACOSS, the Central Agency of Social Security Associations, which then distributes it to the own-account worker training funds. It is not clear yet how many own account workers training funds will remain in the new system. The *Inspection Générale des Affaires Sociales* (IGAS) should publish a report in June 2019 on these funds. During the transition phase to the new CPF, access has been closed for the self-employed and should be re-opened in 2020.

[45] In 2015, the number of temporary agency workers corresponded to 547 000 full-time equivalents; in 2016, about 10 500 CEP files were treated by the FAF-TT (source: Rapport d'activité 2015-2016 du FAF-TT http://www.gip-communication.com/flipbook/7738_Faftt_RapportActivite_2016/29/#zoom=z.), i.e. a participation rate of 1.9% against 0.9% in 2016 for all employees. Autonomous demands, i.e. not transiting through the temporary work agency, represented about 4 % of the CEP files.

[46] Source: SDS and Office for National Statistics LFS.

[47] Eight employees out of the 60 surveyed were in that situation and had to bring co-financing comprised between EUR 250 and EUR 1 200.

[48] Source: OECD Secretariat based on Land OOE 2009-2017.

[49] Source: https://www.activpayroll.com/news-articles/belgian-payroll-the-right-to-paid-educational-leave.

[50] In 2016, 33 000 CIF files were validated for permanent employees and 9 000 for employees with fixed-term contracts (République Française, 2018[36]), which amounted to take-up rates of 0.16% and 0.36% respectively.

[51] Previously, there had been a requirement to even provide audited accounts, which was identified as a barrier for low-income self-employed such as childminders (The Scottish Government, 2008[35])

[52] In rural sites, community organisations staff sometimes even went to people's home to offer help in filling forms.

[53] It works with the Community Development Councils – for the unemployed and people who need social assistance, the unions' learning hub (e2i) and neighbourhood People's Associations.

[54] Until end-2019, the CPF can be delivered by five different institutions, depending on the status of the individual: the *Association pour l'Emploi des Cadres* (APEC) for managers and professionals; the *Missions Locales* for young jobseekers; *Cap Emploi* for disabled workers; *Pôle Emploi* for other jobseekers; and the social partner institutions managing the CIF (OPACIF and FONGECIF) for employees. In the reformed training system, *France Compétences*, the new public agency in charge of regulating and financing professional training and apprenticeships, will be in charge of organising the CPF for employees, which will be contracted out through public tender at the regional level.

[55] It is a segmented market with, on the one hand, public and not-for-profit private providers generally providing publicly-financed training schemes (most often) for jobseekers and, on the other hand, private providers who tend to sell their services to employers/firms (France Stratégie, 2015[27]). Some private providers, often set up by firms themselves or employers' associations, provide training programmes for specific professions; others intervene in business-oriented programmes not directly linked to employees'

professions, such as: languages, IT, security or industrial maintenance, where competition is much stronger. When it comes to programmes financed by *Pôle Emploi* (the Public Employment Service) or the regions, only a few large public providers can mutualise resources on specific professions, while less specific programmes can be provided by smaller providers in a more competitive environment.

[56] The WSQ framework criteria are more stringent that the criteria for courses not delivered under the WSQ.

[57] Source: https://www.channelnewsasia.com/news/singapore/first-member-syndicate-jailed-40m-skillsfuture-scam-10973606

[58] Source: https://sg.news.yahoo.com/skillsfuture-beefs-fraud-detection-capabilities-major-scam-case-010315564.html?guccounter=1, https://www.channelnewsasia.com/news/singapore/skillsfuture-task-force-fraud-scam-9841930,

[59] Source: *Ibid*.

[60] The provider needs to be certified as achieving Quality Scotland Committed to Excellence or Recognised for Excellence.

[61] That is to be recognised by the Scottish Funding Council as being in good standing regarding the Quality Assurance Agency for Higher Education and/or recognition of good standing regarding the requirements of Education Scotland.

[62] The two largest providers made for 85% of the courses supported by the *Bildungskonto* in 2010 (LRH OOE, 2010[25]).

[63] According to a law enforcement decree, training providers will be assessed according to 32 indicators measuring seven quality criteria, the six previous quality criteria and an additional one (insertion of the training provider in its socio-economic environment).

[64] The *Répertoire spécifique* replaces what was called the "*inventaire"* (see Section 2.4).

[65] It does not appear to be commonly done yet.

[66] For example, in France in 2016, 15% of adults did not have an internet connexion at home and the same proportion declare not to be able to undertake administrative procedures online, even with help (IGAS, 2017[8]).

[67] Individuals can get help to apply to the *Chèque annuel de formation* at the *Cité des Métiers et de la Formation*.

[68] Proof of eligibility are three months' payslips or a P60 annual tax return.

[69] Higher level occupational groups concern managerial/professional occupations (*cadres*), and lower level blue collar workers (*ouvriers*) and low-qualified white collar workers (*employés*).

[70] This exercise was led in a conference organised in July 2019 by #Leplusimportant, https://leplusimportant.org/2019/06/27/11-juillet-2019-colloque-ass-nat-numerique-reconnaissance-des-competences-de-chacun/

[71] This is in line with the capability approach developed by Amartya Sen.

[72] For example, a masseur might want to take a training programme in Thai massage.

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Individual Learning Accounts

PANACEA OR PANDORA'S BOX?

A rise in non-standard work in many countries and an increased fragmentation of worker careers have created new challenges for training policies at a time when structural transformation is creating a need for both re- and up-skilling. Individual learning accounts have received renewed attention from policy makers, due to their ability to make training rights "portable" from one job or employment status to another.

This report examines past and existing individual learning accounts and other individual schemes to finance training, based on a review of the existing literature as well as six new case studies commissioned by the OECD: The Upper Austrian Bildungskonto, the French Compte Personnel de Formation, the Scottish Individual Learning Accounts/Individual Training Accounts, the Singapore SkillsFuture Credit, the Tuscan Carta ILA, and the Individual Training Accounts in Michigan and Washington in the United States. The report takes stock of these experiences and identifies the advantages and disadvantages of such schemes, as well as the key trade-offs and questions to consider in designing a successful scheme, including targeting, funding, participation of under-represented groups and quality issues.

Consult this publication on line at ***https://doi.org/10.1787/203b21a8-en***.

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