



Individual Learning Accounts: 8 lessons for effective design and implementation

Stijn Broecke

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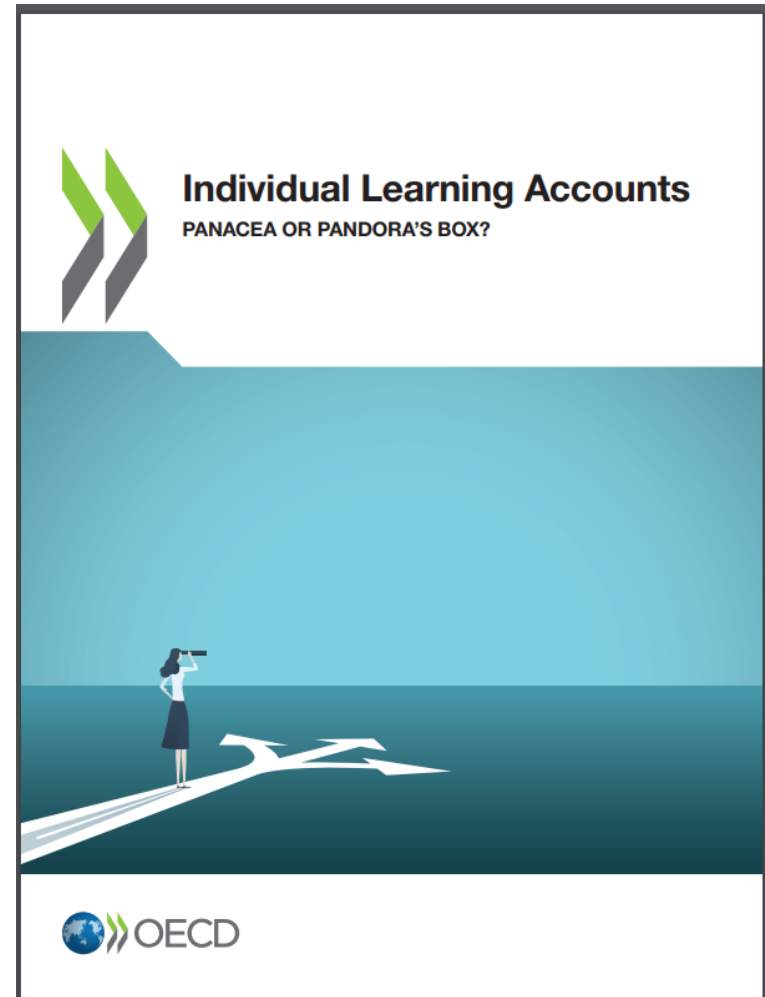


The OECD report on Individual Learning Accounts

Objective: to help policy makers design effective ILAs

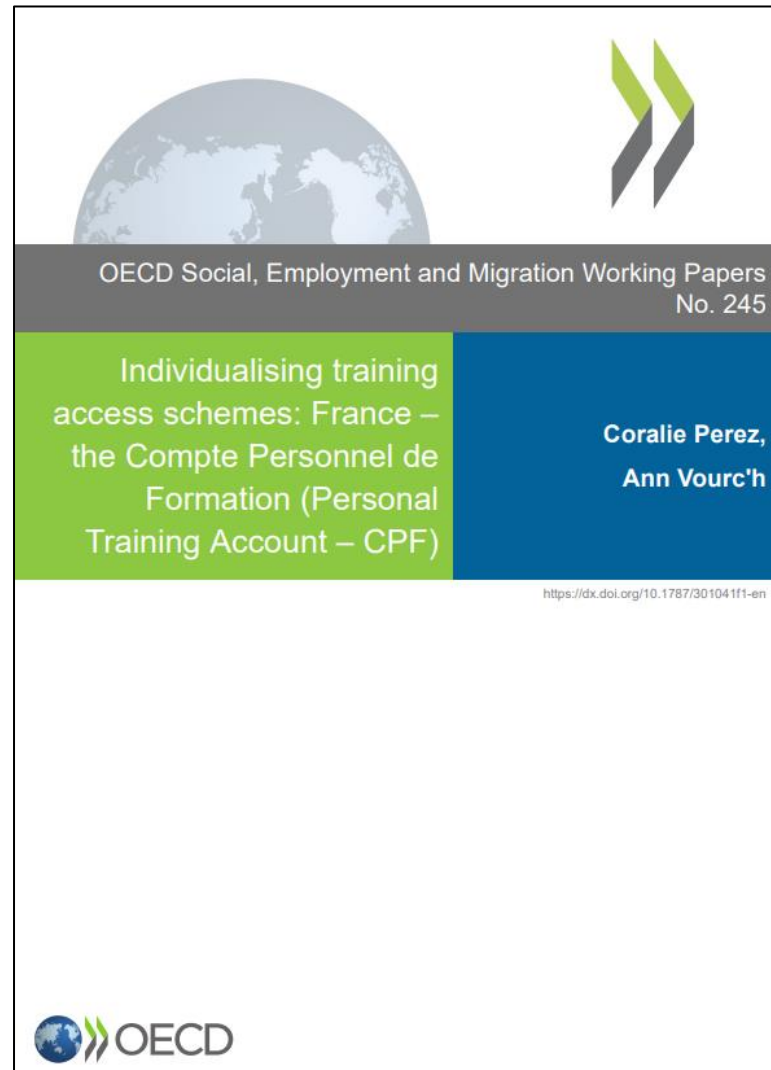
Challenge: only one real ILA to date (the French *Compte Personnel de Formation* - CPF) => look at related **Individual Learning Schemes**

6 case studies (Upper Austria, Scotland, Michigan and Washington States, Singapore, Tuscany) and **literature review**





OECD in-depth study of the French CPF





A renewed interest in Individual Learning Accounts

1990s: ILAs to create a market in training, boosting individual choice and responsibility for training => greater quality and relevance of training provision and efficiency of providers

Now: ILAs allow the portability of training rights from one job or employment status to another, and promote individual investment in lifelong learning

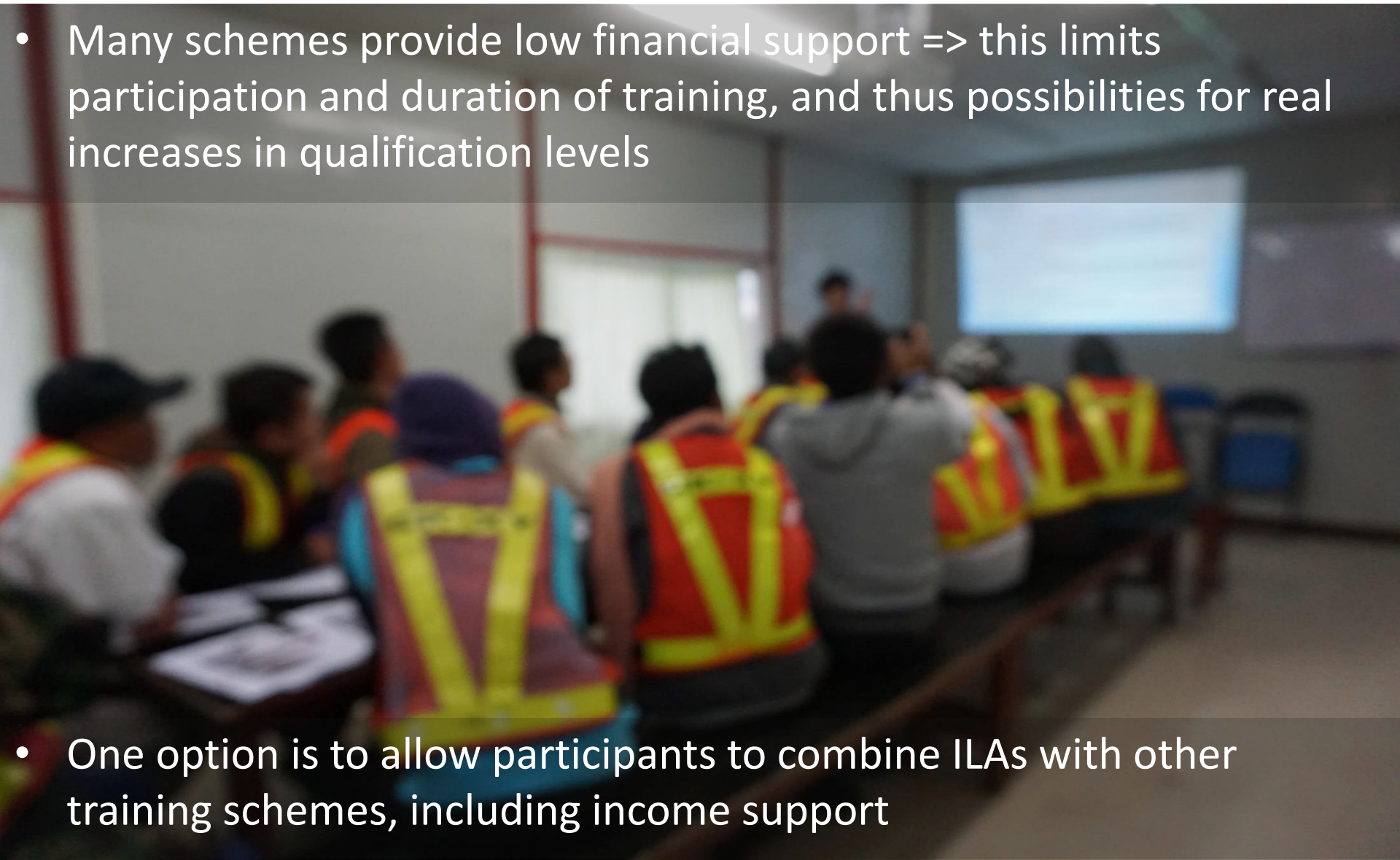
=> Might help to increase access to training for **non-standard workers**

LESSON 1 : Need to be clear about objectives – ILAs will not solve all training problems

- What are the main problems encountered in the current framework for training financing and/or in training provision?
- Is an ILA best placed to remedy these problems?
- How will the ILA integrate the current training ecosystem?



LESSON 2: Financial supports needs to be high enough to promote participation and real upskilling

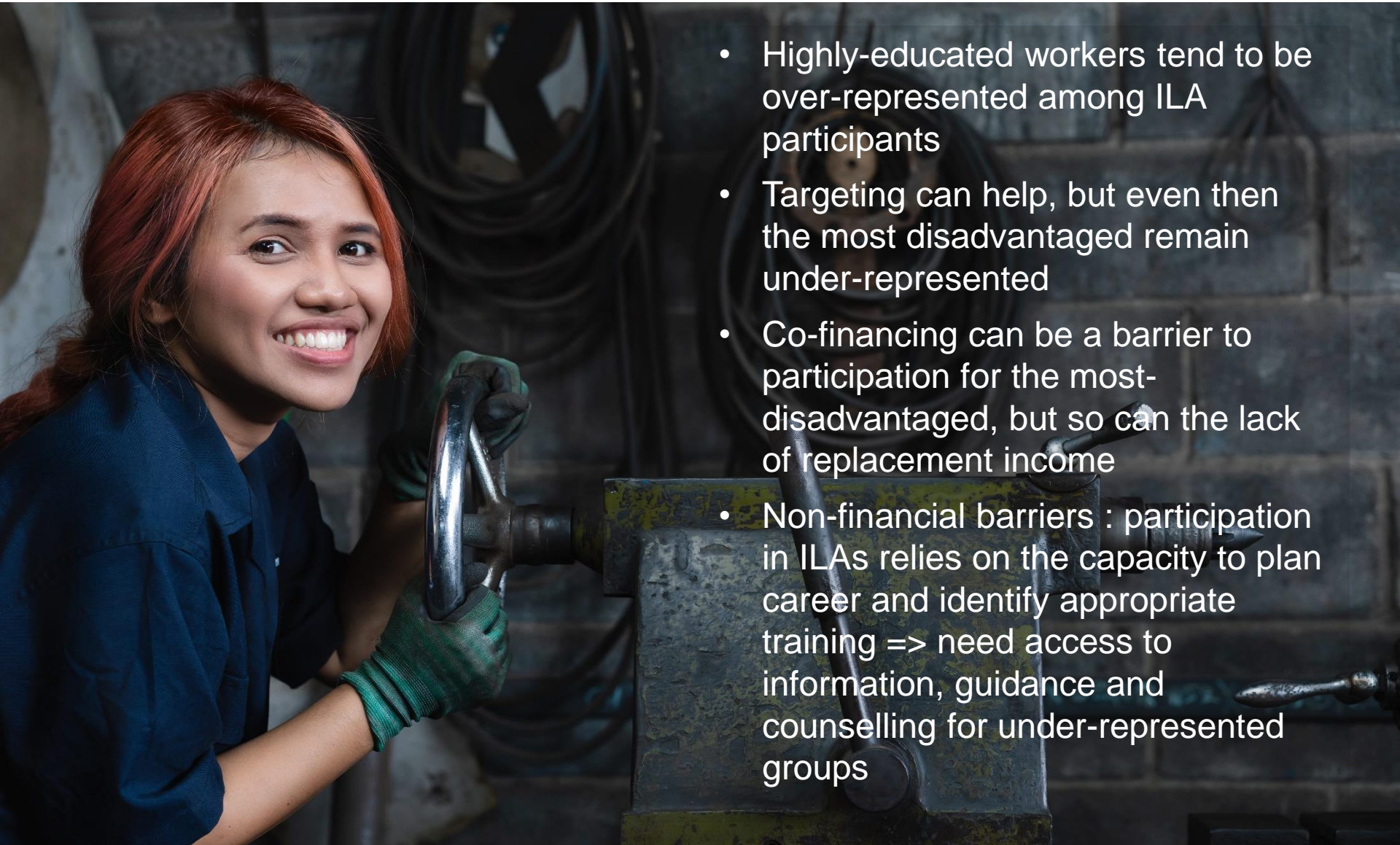
- Many schemes provide low financial support => this limits participation and duration of training, and thus possibilities for real increases in qualification levels
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- A photograph showing a group of people, likely trainees, sitting in a classroom or training room. They are wearing high-visibility orange and yellow safety vests over their clothing. They are facing a large screen at the front of the room, which appears to be displaying a presentation. The room has a simple, industrial feel with visible structural elements like pipes and a window in the background.
- One option is to allow participants to combine ILAs with other training schemes, including income support

LESSON 3: How ILAs are financed has important distributive and sustainability implications

- Higher co-financing requirements imply less redistributive schemes
- But type of public financing also matters:
 - Tax-financed schemes are as redistributive as the tax system is, but make the ILA very sensitive to budget constraints
 - Training levies allow funds to be earmarked, as well as possible mutualisation




LESSON 4: Accompanying measures are needed to increase participation among under-represented groups



- Highly-educated workers tend to be over-represented among ILA participants
- Targeting can help, but even then the most disadvantaged remain under-represented
- Co-financing can be a barrier to participation for the most-disadvantaged, but so can the lack of replacement income
- Non-financial barriers : participation in ILAs relies on the capacity to plan career and identify appropriate training => need access to information, guidance and counselling for under-represented groups

LESSON 5: Keep governance and processes simple

 <https://www.>

Search

- Heavy processes and fragmented governance discourage participation
- Well-designed and well-functioning apps can help, but non-digital alternatives are needed for those who are not internet-savvy

LESSON 6: Targeting can reduce deadweight loss but can come with other costs

- Targeting allows to reduce access of the highly-skilled
- But it may imply heavy administrative burden => try to rely on existing databases or income tests
- There is a trade-off between targeting and the objective of portability
- An alternative to targeting is varying the degree of support depending on the participant's circumstances



LESSON 7: ILAs reinforce the need for quality assurance



- Individuals are weaker buyers than employers or public funders
- Quality assurance can be achieved through:
 - Certification of providers and training programmes
 - Evaluation of outcomes
 - Communication of information to the public
- Risk that smaller and unprofitable training programmes disappear => less choice

LESSON 8: The link with employer-provided training needs to be taken into account

- ILAs risk removing responsibility for training away from employers
- Employers remain instrumental in motivating employee training
- Possibility of introducing on-the-job training (more motivating and adapted for the least-skilled) in ILAs?
- Also make sure not all training comes through ILAs





THANK YOU

Contact: Stijn.Broecke@oecd.org