

TITLE: TOWARDS A LEARNING AND CAREER ACCOUNT IN FLANDERS

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1. Abstract (brief summary of the study)

Previous VIONA research (De Coen, Valsamis & Sels, 2013) showed that training incentives for employed people in Flanders are very fragmented, which makes it difficult to keep an overview for employed people, employers and policy makers. In the recommendations, a system of learning and career accounts (LCA; LLR in Dutch) was put forward as one of the possible ways to promote a learning culture. In the OECD Skills Strategy Flanders (2019a), this pathway was addressed again: merging all existing financial training incentives into a single learning account was one of the concrete recommendations to improve the funding of lifelong learning for adults. Today, the question of an individual learning and career account is high on the political agenda, as a possible game-changer for the learning culture in Flanders.

In addition to the intended objectives associated with the learning and career account, the possible interpretation of the instrument is also unclear at the moment. This study clarifies the interpretation of the concept of 'learning and career account' and explores alternative scenarios, including the associated advantages and disadvantages. During a workshop with various stakeholders, the possibilities and limitations of the system were further analysed in order to assess which operationalisation is desirable, affordable, practically feasible and politically feasible. The conclusions show what is desirable and feasible for the concrete implementation of an LCA in Flanders in terms of target group, type of training, funding, unit (time versus money), transferability and uptake. These conclusions provide a solid basis for developing a growth trajectory for the LCA in Flanders. The opportunities and challenges identified throughout the research show what is possible in the short, medium and long term. Taking into account the advantages and disadvantages of the different scenarios, we propose a learning and career account with two parallel pillars, right to time and right to money, on top of a double foundation consisting of a digital overview and harmonisation of rules and procedures.

Key words:

Learning account, career account, funding, lifelong learning, training incentives

Objectives of the study

This study assignment prepares the step towards a concrete instrument by developing a clear concept for Flanders.

There are two parts to the assignment, with corresponding research questions:

1. Mapping of existing instruments and incentives in the field of learning and careers at all levels of authority and across labour market statutes:
 - Which incentives exist at this moment (both Flemish, federal, sectoral,...)?
 - How much funding is going to all these incentives today?
 - Who are these incentives intended for?
2. Develop some clear scenarios for a LCA shaped as a personal development budget for Flanders, including the aspect of governance and funding. In so doing, the following aspects must certainly be elaborated:
 - What is the target group?
 - What types of training can be included?
 - How is the funding done?
 - How does the scenario relate to the various policy responsibilities?
 - What is the impact, and what are the opportunities and pitfalls for each scenario?

Clarification of key concepts + how they fit in with the current international definition(s) + typical Flemish concepts and structures

The concept of a 'learning and career account' has varied interpretations depending on the source or stakeholder consulted. Internationally, the OECD distinguishes three types of individual 'learning schemes' (OECD, 2019b)

- Voucher system = financial support in participation in training through a direct grant from the government in the form of a cheque, sometimes with an individual contribution expected.
- Individual Learning Account = a virtual, individual account where training rights can be accumulated over time.
- Individual savings account for training = a physical savings account in which the individual can save money for training.

In the Flemish policy debate, there are two other possible interpretations according to the stakeholders:

- Digital overview = one clear digital platform with training rights and the training offer with different access points for employees, job seekers and employers. It is essentially an IT solution to unseal existing training incentives.
- Career account: 'Career' is the term used in the Flemish policy documents, because the career cheques could also be integrated for the development of career skills.

3. Methods and data (additional methodological information can be included in the text box)

Several complementary research methods were used to bring this assignment to a successful conclusion:

- Co-creation with the client: The WSE department set up a thematic working group to act as a substantive sounding board in carrying out this assignment and to support the work with policy information, data, knowledge and insights.
- Desk study was used to screen and analyse available documents, literature and data, both on training measures and on the LCA. This built on the study work already carried out by the WSE department.
- In-depth interviews were used to feed our conceptual thinking on the LCA with additional insights from crucial experts and stakeholders.
- Workshops were used as an interactive working session to guide the research team in the scenario development. On the basis of a briefing note, the members of the steering committee, together with thematic experts, discussed the advantages and disadvantages of the scenarios and their desirability, affordability, practical feasibility and political feasibility.
- Through internal working sessions, the collected information was brought together in a focused way in order to think it through and enable triangulation of insights within the research team.

Methodological information (for example, type of survey: statistical techniques)

- Through in-depth interviews based on a semi-structured guideline, different stakeholders could share their views and insights on the different aspects of an LCP in their own or in the Flemish context. These interviews were organised via Teams and lasted about 1.5 hours.
- The workshop was held online through Teams on September 2, 2021 and lasted 2.5 hours.

4. Results

The analysis is based on seven scenarios which are not mutually exclusive and can be combined. The developed scenarios were used as a tool to feed the discussion with stakeholders and to explore the boundaries of the system. Apart from the zero scenario in which no learning and career account is introduced, two designated actions were discussed, namely the provision of a digital overview (scenario 1) and harmonisation of rules and procedures (scenario 2). Next, four scenarios for a learning and career account in Flanders were developed:

- Scenarios 3 and 4 focus on a transferable right to money and the implications of a broad, generic right (S3) versus a selective approach focused on vulnerable groups (S4).
- Scenario 5 focuses on a transferable right to time building on the principles of the VOV (Vlaams opleidingsverlof; Flemish training leave).
- Scenario 6 combines a transferable right to time and money, which are interchangeable, building on the reasoning behind scenarios 4 and 5.

The scenarios show the implications of different ways to operationalize a learning and career account in the Flemish context. During a workshop with various stakeholders, the possibilities and limitations of the system were further analysed in order to assess which interpretation is desirable, affordable, practically feasible and politically feasible. This discussion led to the following conclusions.

NEED FOR A LEARNING AND CAREER ACCOUNT (LCA) IS CONFIRMED

The analysis showed that the 'zero scenario', in which no learning and career account is introduced but in which the other points of the 'all hands on deck' agreement are fully implemented, is seen as inadequate. The vast majority of stakeholders consulted are in favour of introducing a learning and career account. The analysis showed that one scenario will not suffice to realise the intended ambitions: there is a need for a digital overview and an account that responds to the thresholds of time and money (cf. infra).

4. Results (continued)

THE CONCRETE IMPLEMENTATION OF THE LCA LEAVES MORE ROOM FOR DISCUSSION

The delineation of the scope (by target group, training), for example, has important consequences for the funding and the policy institutions to be involved. Below, we summarise the main lessons for each dimension of the scenarios. This shows that there is a considerable difference between what is considered desirable and what is considered feasible (practically and financially).

- **Target group: the broadest possible outreach within the working-age population (18-64)**

In order to achieve a cultural shift towards a learning society, it is desirable for every adult to be included in the LCA's target group. At the same time, however, concerns are raised that it is not (financially) feasible to include the entire adult population in the target group. Nevertheless, a too narrow focus should be avoided. Therefore, an LCA for the working and inactive population at working age (18-64 years) is aimed at. Priority should be given to the low and medium skilled. However, additional targeted investment in other vulnerable groups by the government, sectors and/or employers is possible: in particular for persons active in jobs that are facing a major transformation, and to combating skills obsolescence, including among the highly skilled. The target group of job seekers is excluded because they are in a specific situation: their training rights are part of the job counselling provided by the public employment service (VDAB), which is a compulsory pathway with limited autonomy in the decision to participate in and the choice of training.

- **Type of training: career-oriented rather than labour market-oriented**

In general, the analysis showed that it is desirable to support participation in any form of training, i.e. 'life-broad learning'. From a practical point of view, the feasibility of such a broad scope does raise questions. On the one hand because of the affordability of the system, since it considerably enlarges the scope. On the other hand, because it goes against the recent reform of the training incentives, which focuses on a labour market oriented focus of the programmes.

The analysis showed that a desirable and feasible compromise can be found in 'career-oriented' trainings. In addition to labour market-oriented trainings, which are usually linked to specific tasks or professions, career-oriented trainings also include the development of 21st-century skills, career skills, digital skills, green skills, etc., which also have social added value and are important for the development of sustainable careers (including career guidance). According to the existing legislation, career-oriented trainings are part of a personal training plan (PTP) and must consist of at least 32 hours. We argue to broaden these criteria. In addition, it is advisable to build in a quality control of the offer, both for the supported training and for the guidance.

- **Funding: substantial intervention by pooling of resources**

In line with international studies, the LCA can be fed through co-funding by the government (Flemish and federal), the individual, employers and sector funds. The nature of the training will determine to what extent employers and sector funds are willing to provide part of the funding, in function of the internal policy on lifelong learning.

The consulted stakeholders agree that it is important to foresee a substantial intervention if an additional instrument, i.e. the LCA, is introduced: it must be worthwhile. In practice this implies that a large target group also requires a large budget. Therefore a number of stakeholders suggested to pool as many resources as possible with the same purpose (i.e. incentives to lower financial thresholds linked to direct training costs). At the Flemish level, across the boundaries of the policy domains involved (in particular from the Departments of Education and Training, and Economy, Science and Innovation for the self-employed), but also at the federal level.

A number of stakeholders have opened up the scope even further and have indicated that the discussion on the LCA offers the perfect momentum to reconsider the current system of funding lifelong learning. The LCA could be one of the components in the funding mix for lifelong learning, managed from a coherent policy for the entire portfolio.

4. Results (continued)

- **Unit: parallel systems for time and money**

The scenarios with only time or only money as a unit are seen as inadequate: both dimensions are important to address existing thresholds. However, the sixth scenario, in which time and money are interchangeable, is seen as undesirable: for example, it would be too complex for learners to estimate how much time and money they are entitled to through the learning account if they have to calculate how much money their time is worth, and vice versa.

Based on the analysis, parallel systems for time and money seem to be the most appropriate choice:

- For the right to money, financial incentives can be integrated into the LCA by pooling the resources that are already available for the target group. In doing so, however, care must be taken that resources for vulnerable groups are not included in the budget, so that they go to these groups in full and are not 'spread' over the wider working population.
- For the right to time, a separate learning account seems less appropriate: the number of time incentives is limited, so that there is more support for an expansion of the Flemish training leave (VOV), for example by including transferability, than for an additional instrument (i.e. an LCA).

- **Transferability: at least over time, ideally also over statute and region**

Compared to the existing training incentives, an important added value of a learning and career account would be the transferability of the rights. For example, the system should at least be designed to be portable in time in order to offer the users more flexibility with respect to the current incentives. In doing so, the scenarios provide for a transferable right: if the right is (partly) not taken up, it can be accumulated over time. It is, however, advisable to cap this entitlement in order, among other things, to limit the pressure on the budget and to reduce the risk of individuals accumulating entitlements that they are unable to take up.

It is ideal to have transferability across statutes and regions. With this in mind, a federal foundation for the LLR and its funding is desirable, which the regions can further elaborate on in line with their labour market policies.

- **Inclusion: automatic right without concrete intention to follow a training**

Both persons with and without concrete intention to participate in training are entitled to time and money, and when the rights are not taken up, they are accumulated. In line with the current training incentives, the right to financial support can be used for direct training costs, while the right to time can be taken part-time or full-time and can also be spent on study time.

However, there are also a number of important concerns with regard to the inclusion. First of all, we think of the validity period of the accumulated rights. In addition, for the inclusion of the right to time, it is also crucial that the operation of the company is not compromised.

For non-working jobseekers, the LCA would be put on hold during the period of unemployment, i.e. as long as they are following a compulsory trajectory to work. Although they do not build up additional rights during this period, it should be possible for them to use the accrued balance for trainings outside the VDAB pathway. The rights will then continue to be built up as soon as they take up another position on the labour market.

5. Conclusions and policy implications

The above conclusions provide a solid basis for developing a growth trajectory for the LCA in Flanders. The opportunities and challenges identified throughout the research show what is possible in the short, medium and long term.

Reasoning: Two principles underlie the proposal we develop in this section:

- Starting with 'quick wins' by starting from what is practically feasible and affordable in the short term, and gradually evolving towards the desired situation in the longer term. This requires a shared vision on lifelong learning that indicates the direction in which one wants to evolve.
- The LCA is initiated by the Department of Work and Social Economy. Although it is included in the Coalition Agreement 2019-2024 of the Flemish Government, the LCA was only repeated in the policy note WSE. The growth trajectory can therefore start with the WSE incentives, but the ambition must eventually transcend policy domains and levels.

5. Conclusions and policy implications (continued)

Working incrementally

Taking into account the advantages and disadvantages of the various scenarios, we propose a learning and career account with two parallel pillars, right to time and right to money, on top of a double foundation consisting of a digital overview and a harmonisation of rules and procedures.

- In August 2021, the Flemish government launched an online guide for Flemish training incentives: by answering a number of specific questions, employees who want to follow a training course discover which Flemish training incentives they are eligible for.
In the long run, the guide, or better still, a personalized overview, will ideally be integrated into other career tools (in the medium term) and into an overarching career platform (in the long term).
- The right to money is based on a system of co-funding on the basis of shared funding between the individual (the learner) and the government, following a growth trajectory at the governmental level. In the short term, a start can be made with the WSE resources currently already earmarked for training incentives. In the medium term, resources from other Flemish policy areas could be considered: for self-employed people, for example, we are thinking of the EWI policy domain; for career-oriented and broader training of adults, of the education and training policy domain. Since the LCA ideally transcends the boundaries of the regions and communities, federal funds are also in the picture for the LCA. A financial analysis of the available resources for lifelong learning is therefore advisable in order to know which resources could feed the LCA and to what extent, ideally, the LCA should rely on supply and demand funding. The user perspective should be central to this.
- For the right to time, it is more appropriate to reform the available incentives than to pool resources in a joint account. The Flemish training leave can be broadened in terms of target group in the short to medium term after an evaluation. However, in order to address the threshold of 'time', the VOV (EN: Flemish training leave) cannot be separated from the federal leave systems, and in particular the training leave ('time credit with training motive'). In order to allow these systems to reinforce each other, Flemish policy actors on the right to time should ideally, together with the relevant actors at the federal level, review and better coordinate the systems for training leave.

Finally, we stress that the learning and career account is only one instrument that can increase training participation in Flanders and strengthen the learning culture. However, the LCA will not in itself be sufficient to remove the main barriers to training participation. It is only one component of a broader lifelong learning policy.

The formulation of a shared vision and strategy for lifelong learning and initiatives aimed at minimising possible deadweight and Matthew effects are crucial points of attention. During the research, stakeholders therefore repeatedly stressed the need for quality guidance and support. Other initiatives that contribute to the accessibility of training include, for example, commitment to a transparent and flexible training offer and investment in mobility, childcare, etc. These issues are outside the scope of the LCA, but are crucial levers for its successful implementation, whatever form it will eventually take.

Full references of the study report(s) or paper(s) and other key publications of the study summarised here

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