

## ETUC's position on an EU initiative on Individual Learning Accounts

Adopted at the Executive Committee Meeting of 3-4 June 2021

### Background

According to the [European Commission's Work Programme for 2021](#) the European Commission (EC) will present a proposal, for the Council, on individual learning accounts (ILA) in November/December 2021. These shall be based on the outcome of two public consultations.

The EC launched a 2-phase public consultation on ILA. The 1<sup>st</sup> phase was open between 23 March and 20 April 2021, with the intent to receive feedback on the text of the [Inception impact assessment](#).

The following text is ETUC's response to the [2<sup>nd</sup> phase of the public consultation](#), which is open between 23 April 2021 and 16 July 2021.

The COVID-19 pandemic, digitalisation and decarbonisation are having an enormous impact on the European workforce who are facing the biggest transition humankind has ever lived. The pandemic has accelerated structural changes in many sectors increasing the pace of the green and digital transformations. The success of a sustainable and resilient recovery after the COVID-19 crisis will depend also on the quality of the workforce. We need investment and joint financing mechanisms for quality and inclusive adult learning, life-long learning and employee training which must lead to quality jobs and a just transition of the workforce. According to the latest Cedefop report<sup>1</sup>, 46.1% of the adult population, approximately 128 million adults in the EU-27 Member States, the UK, Iceland and Norway, need upskilling and reskilling. In the coming future we will be facing skill mismatches and an increase in labour reallocation. The workers and the unemployed urgently need support, not only in accessing training for upskilling and reskilling, but also in validating their skills and competences and in accessing quality guidance and counselling.

Trade unions have been demanding the full implementation of the first principle of the European Pillar of Social Rights to ensure that every VET learner, worker and the unemployed have the right / entitlement to access quality and inclusive training and lifelong learning. This would enable them to participate fully in society and manage successfully transitions in the labour market. This also means that the implementation of the EPSR should ensure that all workers have the **right to employee training, paid**

<sup>1</sup> CEDEFOP: [Empowering adults through upskilling and reskilling pathways. Volume 1: adult population with potential for upskilling and reskilling, 02/2020](#)

**educational leave, full qualification, validation of informal and non-formal learning, and guidance and counselling.** ETUC welcomes that the upcoming EU initiative on individual learning accounts (ILA) intends to focus on the implementation of the [European Pillar of Social Rights Action Plan](#) (March, 2021), which sets a new target whereby at least 60%<sup>2</sup> of all adults should participate in training every year by 2030. ETUC believes that it is possible to achieve this target if the EU initiative takes a **broader standpoint** and focuses on ensuring **the right to access and better financing of adult learning and employee training, with different financial tools**, depending on **different national circumstances**, instead of focusing only on individual learning accounts.

We are concerned that the EU initiative may send the wrong message to workers by putting the upskilling and reskilling as an individual responsibility, implying that changes in skills and jobs will be a burden they will have to cope with, even if supported by public authorities. The EU initiative should put the emphasis on the **employers' responsibility to finance the training** of their workforce, apprentices and of the newly recruited workers, who need continuous work-based training. Workers who have faced unemployment in the last decades, due to the so-called globalisation, know that skills would not have resolved the desertification of their region. The EU initiative should imply that the responsibility for investing resources is on the employers and sectors, by reskilling workers and by financing sectoral training, thus giving a future to workers in the sector in which they are skilled.

**Individual learning accounts (ILA) can be one of the tools** that can support access to training. However, there should be different solutions and **different financial tools** offered according to the **different needs** of the **EU member states and national and sectoral social partners**, and according to **the different needs of the adults and workers** who need upskilling and reskilling in companies, irrespective of the size of the company they work for and the different contractual situations (low, medium- highly skilled adults and workers, the unemployed, atypical and platform workers, etc).

**We believe that individual learning accounts does not mean the same as ensuring the individual's right for training.** In policy discussions, there seems to be a confusion between the use of expressions such as **“access to rights/entitlements”** and **“access to individual learning accounts”**. The revised [Employment Guidelines](#) adopted by the Council in October 2020 makes a clear differentiation between ensuring right/entitlements to training and ILAs as one of the tools, allowing the countries to decide the choice of such a tool, or any other, to ensure such entitlements. Despite this, the EC uses “individual learning accounts” and “individual learning entitlements” within the *Inception impact assessment* of the public consultation many times as synonymous. Also, there is no clear understanding if a European initiative to support better financing of adult learning, for example via individual learning accounts (ILAs), should be applicable only **for the workers or universally to all adults.**

The EU initiative should differentiate between:

- **The right and access to adult learning;**
- **The right and access to employee training; and**

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<sup>2</sup> According to [latest Eurostat data](#), the proportion of persons aged 25 to 64 in the EU who participated in education or training *within the last 4 weeks* was 10.8 % (2019), and 44.4 % of people in the [EU](#) aged 25 to 64 took part in education and training (during the 12 months preceding the interview), the majority of which participating in non-formal education and training (2016).

- **The right and access to different types of paid education leave.**

ETUC's standpoint is that the right to training shall **not be an obligation for the workers**. It is also important to identify different financial mechanisms for supporting **adult learning (for all adults, including the unemployed), employee training and different types of paid educational leave** when the course serves both personal or labour market needs. Individual learning accounts can be one **of the financial tools that can ensure the right to training**. The responsibility of the employers and the individuals should be clearly defined. As should be the **direct and indirect cost** for the individual, employers and the ministries/public services in relation to different types of trainings and paid educational leave. Ensuring the right to training should not be considered as an individual responsibility but rather a **social and economic responsibility**.

**ETUC believes that it is important that the EU initiative takes a broader standpoint and focuses on ensuring the right to access trainings and better financing of adult learning and employee training, using different financial tools and not only the individual learning accounts.** Such an EU level initiative could be a Council Recommendation supported by the European Semester and the Open Method of Coordination between countries with the involvement of the social partners. For such an initiative the following points need to be considered:

- 1. The right to training** must be implemented in every EU country

ETUC believes that the implementation of the 1<sup>st</sup> principle of the EPSR in every EU member state to ensure right to training to all is the first step. The right and entitlement to access training must be applicable in every EU country, and be legislated or defined within collective agreements. Such a right/entitlement should not be considered as "voluntary" as the EC's *Inception impact assessment* suggests. It should be **universally applicable** to all adults and workers and not only to certain groups of people e.g. to special needs groups. Those countries where such a right/entitlement does not yet exist need to be encouraged, via a Council recommendation, to guarantee the **right to access to quality and inclusive employee training and adult learning, and to ensure the best financing mechanism** that support the training rights; with the effective involvement of the social partners in **governing, managing and monitoring** such a system.

- 2. The right to employee training** needs to be guaranteed in every EU country

Legislation and collective agreements should ensure the right and equal access to **employee training** to all workers irrespective of their contractual situation, salary levels and skills levels, size and location of the company, and its industry sector. Employers need to continue taking responsibility for upskilling of their workers according to their needs and the change of the jobs and tasks. This point was also underlined within the

[European Social Partners Framework Agreement on Digitalisation](#) (2020)<sup>3</sup> and it is also consistent with the [European Social Partners Autonomous Framework Agreement on Active Ageing and an Inter-generational Approach](#) (2017). The **responsibility** for upskilling and reskilling of workers within the just transition of industries and in relation to company related skills must remain with the employer. Employers should ensure access to employee training to all, including their platform workers, free lancers and workers with a temporary contract. **Cost** and access to employee training need to be ensured by the companies and the training should take place within **working hours** in order to respect workers' work-life balance. Often, employee training is financially supported by an **employer levy and/or shared training cost**. Ministries should ensure that direct and indirect financial contribution to companies for employee training really reaches the workers. Furthermore, they ought to consider the difficulties of delivering effective training activities, online or blended form, during the Covid-19 pandemic.

### 3. The right to paid educational leave needs to be guaranteed in every EU country

In addition to guaranteeing the right of workers to training, the ILO convention 140 on **paid education leave** should be implemented in every EU country as a right/entitlement. Two forms of such leave should be considered:

#### Type 1. **Individual Paid Learning/Training Leave.**

This has enabled workers in several countries to attend courses for career development during working hours and also courses of personal interest during their professional life. In this respect a certain number of days, or hours, had been set together with the social partners. The worker has a free choice of courses, and the scheme is usually financed by the relevant ministry in different ways, depending on national systems, e.g. by individual learning account or voucher. Therefore, **EU funds** (for example the RRF) could provide support to develop Individual Learning/Training Leave systems to ensure universal access to learning and training to all adults, including workers.

Following the impact of the Covid-19 pandemic on the labour market, the right to paid educational leave should enable people to develop other skills (including **basic skills and key competences**, with special attention to learning competence), which may be beyond the company's needs, which are necessary for their career progression. Such systems should also allow a worker to participate in the process of **validation of informal and non-formal learning**. It is important that the social partners continue to be involved in the **governance, managing and monitoring** of such systems.

Not all workers within the EU benefit equally from the right to paid education leave, e.g. **public sector** employees might not have such a right while the private sector workers have it. If Individual Paid Learning/Training Leave is applicable not only to workers but to all adults universally, and if it is publicly financed to allow personal accounts/voucher to be used for courses, it would support the trainings of **all workers** and adults, including

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<sup>3</sup> It states: "Where an employer requests to a worker to participate in job-related training that is directly linked to the digital transformation of the enterprise, the training is paid by the employer or in line with the collective agreement or national practice. This training can be in-house or off-site and takes place at an appropriate and agreed time for both the employer and the worker, and where possible during working hours in order to ensure work-life balance of all workers. If the training takes place outside of working time, appropriate compensation should be arranged".

the **unemployed, atypical workers and platform workers**. Nonetheless, **platform workers, free lancers and employees with a temporary contract** should have access to employee training and use the Individual Paid Learning Leave for their general interest and needs when they are employed by a company. If such an Individual Paid Learning/Training Leave is financed by an individual learning account or a voucher, this account or voucher should be owned by the individual and the individual should decide how he/she wants to use it, for what kind of training, and if s/he wants to accumulate it for more expensive courses or for later use. Such financial systems to support learning and working of workers can also be managed by trade unions in accordance with national situation.

#### Type 2. **Company / Sectoral Level Paid Learning/Training Leave**

At a company's request, when the provision of employee training within the company is not possible due to reasons such as specific training needs, training tools, tutors, etc., workers are asked to participate in training outside of the company, which is paid by the company. In many countries such training leave is financed from the companies' training budget, supported by **employer levy** either disseminated by the ministry directly to the companies or to the VET providers. The Commission's *Inception Impact Assessment* refers to such a system as "**employer-sponsored training**". In order to ensure that all workers (of every skill levels and contractual situation, and in public and private sectors) can have access to such a paid educational leave, there must be an agreement with the trade unions at company and/or sectoral level on equal access to different types of training. Selecting consistently the same worker, or only permanent contract workers or high skilled ones to have access to such a training should be avoided.

Access to both types of paid educational leave needs to be equally respected and defined by **collective agreements**. It is important to distinguish between what rate the workers can benefit from paid educational leave for individual reasons and for company related training (e.g. 50% paid leave for one's own interest and 50% paid leave for companies' needs). It is a **national competence to decide on the conditions to the right to access paid education leave** (any of these two types) with the involvement of the social partners, e.g. if it can be applicable for life or for the professional life, if more training leave is available for young workers and low-skilled workers, and if calculation of the days of paid leave includes the attendance of the courses, preparation for the courses and exams, and attendance of exams, etc. It is essential that paid education leave should be ensured for trade unionists to participate in training when implementing ILO Convention 140.

#### **4. A better monitoring mechanism should be in place**

The Commission's *Inception Impact Assessment* mentions that adult learning participation in Europe is generally low and that employers suffer from skills shortage. However, the EU-level data collection on adult learning participation should be improved and be more frequent, and it should include information on participation in employee training provided by companies to their workers. Concerning the difficulties of the companies in finding workers with the "right skills", ETUC has already underlined that it is necessary to look at the **real reasons of the skills mismatch**. According to

CEDEFOP<sup>4</sup>, 70% of the companies suffer from skills shortages but still few of them link this to obstacles they create to find skilled workers, e.g. problems with the recruitment process, geographical location of the company, salary level and working conditions.

ETUC believes that in order to ensure the right to quality and inclusive employee training and to achieve the 60% adult learning participation target of the EPSR, it is essential to **monitor adult learning participation** and countries' investment in adult learning appropriately. This would include data on participation in trainings that are of individual interest and by diverse providers. It would also incorporate **monitoring training for the labour market**, e.g. training provided by companies on company-related training needs, and trainings provided outside of the company still on company-related training needs. ETUC in fact has been demanding **more frequent monitoring and data collection on companies' provision of and investment in employee training**. The EESC in its recent [opinion on the Updated Skills Agenda](#) also suggested more frequent collection of data (instead of every 5-year) on the "percentage of enterprises providing training by type of training", and "enterprises' expenditure on training courses as a percentage of the total labour cost".

## 5. The subsidiarity principles must be respected.

We underline the importance of respecting national education and training systems and national regulations concerning qualification requirements on pursuing a profession, also the role of national and sectoral social partners in identifying skills needs, skills requirements and managing national systems of accessing and financing adult learning and employee training. The EU member states should define their own financial mechanism and tools to support access to workers and adults for training with the involvement of the social partners.

## 6. Effective social dialogue

Social dialogue with the trade unions is essential on a European initiative on ensuring the right to access and financing of adult learning and employee training as it will have a significant impact on workers. Any financial mechanism and tool, such as ILAs or vouchers need to be built with the social partners and linked to other **existing EU and national tools**, including, for example, interprofessional funds managed jointly by social partners in some European countries, and the provision of national sectoral collective bargaining. It is essential to involve the European social partners in the decision on a European-level policy related to financing and access to employee training and paid educational leave. National and sectoral social partners should be involved in the governance, management and monitoring of the financial mechanisms of employee training and paid educational leave. Following a participatory approach, trade unions at company, sectoral and regional level, must be included in the governance of this training activities and in forecasting and analysing skill needs.

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<sup>4</sup> European Skills and Jobs survey, CEDEFOP, 2015, and Skills, qualifications and jobs in the EU: the making of a perfect match? CEDEFOP 2015

## 7. Transferability

It is essential to ensure the transferability of the right to paid educational leave and its supported budget used by the individual (e.g. ILAs or vouchers) between jobs, and to ensure that the **employer recognises** the training. Transferability of the right to paid education leave and financial accounts among countries should continue to be ensured by bilateral agreements between the countries, in order to respect national regulations.

## 8. Ensuring access to validation within paid educational leave

The other fundamental pre-requisite for the design of a European initiative on ensuring the right to access and financing of adult learning and employee training is the implementation of the [Council recommendation on validation of informal and non-formal learning](#) (2012). We believe that both types of abovementioned paid education leave and any type of financial mechanism supporting such leave (ILA, voucher, etc) should also be used to support workers' participation in the processes of **validating their skills and competences**, and to help them to access qualifications. Currently, only 7 countries<sup>5</sup> have national budgets for the validation of skills and competences of the workers.

## 9. Equal access to all workers

Many policies blame the workers and adults for their lack of motivation in participating in upskilling and reskilling. It is also important to differentiate between **motivation** of the workers to participate in training and **access to training** provided to them by the employers. Actually 34% of the firms offer no training for their workers or only for very few (less than 20%) of the workers in the firm<sup>6</sup>. According to [OECD PIAAC results](#) the low-qualified adults are the most reluctant to participate in lifelong learning. Targeted support to allow **equal access to training** in general is still a challenge. Research shows that highly qualified workers and workers with fixed contracts participate more in training and skills development activities. One reason is that employers invest more in this groups of workers than in workers who have a temporary contract or low-skilled workers who have often less possibilities to learn in their jobs because they often work in dead-end jobs under poor working conditions. It is necessary to improve the stability and quality of employment, in addition to ensuring information, motivation and targeted support to access trainings. A European initiative on ensuring the right to access and financing of adult learning and employee training could address this problem. **Trade unions** play an essential role in providing guidance to the workers at shopfloor level, but they need to be supported with sustainable funds.

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<sup>5</sup> [Commission Staff Working Document: Evaluation of the 2012 Council Recommendation on validation of non-formal and informal learning \(2020\)](#)

<sup>6</sup> [Eurofound/Cedefop European Company Survey \(2019\)](#)

## 10. Equal access to guidance and counselling

The workers need appropriate **guidance, counselling** and support to match training with their skill needs. It is also important to improve the guidance and counselling provided to workers and the unemployed, which informs them about available training, its recognition, and the validation process. This is essential, especially in the case of support to low-skilled and “low-qualified” workers who may lack motivation in participating in trainings. As training reps system is an important instrument, the trade unions that provide information to workers at shopfloor level about training opportunities need financial assistance to extend their support. Career guidance and counselling, guidance on training and in-company mentoring (i.e. Unionlearn programs), are basic prerequisite for raising awareness and knowledge of the training possibilities available. We underline that [Commission Recommendation of 4.3.2021 on an effective active support to employment following the COVID-19 crisis \(EASE\)](#) clearly says that “Member States should provide individualised support to jobseekers, comprising counselling, guidance and mentoring, assessment and validation of skills, job-search assistance, entrepreneurship support and referrals to social services when needed.” Therefore, Public Employment Services have a clear role in ensuring guidance and counselling to the workers supported by the RRF. At national level trade unions can, apart from or in cooperation with Public Employment Services, also play an important role regarding the use and management of different financial mechanisms for learning and training of the workers and for providing guidance and counselling. Trade unions can provide reliable, independent individual advice on personal, professional and career development including further education and training, both for members and non-members.

## 11. Right to full qualifications

Courses provided within the use of paid education leave must be recognised as part of and attached to full qualifications in the National Qualifications Framework. Due to the COVID-19 crisis full qualifications are now more important than micro-credentials. The experience of trade unions is that there is greater interest of **employers towards full qualifications** than towards short-term courses, which do not provide all skills necessary for a person to pursue a profession. It is important to develop “**European standards**, which address minimum requirements” on micro-credentials and a trusted list of providers of micro-credentials at member state level, which can be attended by workers through the use of their paid educational leave. Trade unions should play a strong role in monitoring and deciding which training provider is put on the registry of training opportunities that are eligible for funding.

## 12. Quality assurance of the courses and equal access

We welcome that the *Inception Impact Assessment* mentions quality of the “training market”, “*lack of transparency about available support and training offers, uncertainty about their quality and recognition in the labour market, and insufficient tailoring of training offers to individual needs.*” At the moment there are **diverse providers** of courses from which many are not **quality assured or accredited**. Greater quality and inclusiveness of training for workers should be ensured. Equal access to adult learning

for all people from different socio-economic background need to be guaranteed within national and institutional quality assurance procedures by the governments and social partners with the involvement of public employment services and other adequate national education administrations. It is important to ensure equal access to adult learning within the effective implementation of the 2016 [EU Council Recommendation on 'upskilling pathways'](#).