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Promoting Life Long Learning through Individual Accounts: Asset-Based versus Capability-Based Policies

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The promotion of Life Long Learning (LLL) has become a high priority in the economic and social agenda of OECD countries. It is considered as one of the corner stones of the “active welfare state”. Several countries have introduced (or at least experimented) Individual Learning Accounts as a way to promote LLL. ILAs designate all the schemes that provide the individual with funds he/she can use to take-up further training on his/her own initiative. Our aim here is to analyze the theoretical and political underpinnings of ILAs policies and to make a link between those underpinnings and both the design, the implementation and the potential outcomes of existing schemes. In section 1 we introduce the distinction between two political paradigms which may provide underpinnings for ILAs: the asset-based view *versus* capability-based view. In section 2 we analyze some experiences of ILAs in the light of this distinction, focusing mainly on three countries: The United-Kingdom, the United-States and France.

Keywords: Individual learning account, lifelong learning, active welfare state, asset, capability, social investment.

Résumé: La formation tout au long de la vie (FTLV) est devenue une priorité importante des politiques sociales dans les pays de l'OCDE. Elle est considérée comme un des piliers de « l'Etat Social Actif ». Plusieurs pays ont introduit (ou au moins expérimenté) des Comptes Individuels de Formation pour promouvoir la FTLV. Par Compte Individuel de Formation nous désignons ici l'ensemble des dispositifs qui attribuent aux individus une dotation financière qu'ils peuvent mobiliser pour entreprendre une formation à leur initiative. Notre objectif est ici d'analyser les fondements théoriques et politiques des Comptes Individuels de Formation, et de faire le lien entre ces fondements et la conception, la mise en œuvre et les effets potentiels des dispositifs existants. Dans une première partie, nous introduisons la distinction entre deux paradigmes politiques : l'approche par les « capitaux » (« *assets* ») d'une part, l'approche par les « capacités » (« *capabilities* ») d'autre part. A la lumière de cette distinction, nous analysons dans la deuxième partie des expériences de Comptes Individuels de Formation en nous focalisant principalement sur trois pays : le Royaume-Uni, les Etats-Unis et la France.

Mots clefs: Comptes individuels de formation, formation tout au long de la vie, formation continue, capacités, état social actif, investissement social.

JEL Codes: I20, I28, J68

A highly educated population appears as a key factor of not only competitiveness, but also social cohesion. The European Union has emphasized the issue with the so-called “Lisbon strategy”, which set the ambitious goal of becoming the “*most competitive and dynamic knowledge-based economy on the world capable of sustained economic growth with more and better jobs and greater social cohesion*”. As the British Minister David Blunket stated, “*investment in human capital will be the foundation of success in the knowledge-global economy of the twenty-first century*” (quoted by Prabhakar, 2002).

As a consequence, the promotion of Life Long Learning (LLL) has become a high priority in the economic and social agenda of OECD countries. It is considered as one of the corner stones of the “social investment state” (or “active welfare state”, as labeled by Giddens), which relies of both preventative and productivist social policies, in contrast with the traditional welfare state, mainly based on curative policies, with potential negative impact on economic efficiency (Perkins, Nelms, Smyth, 2004). In the traditional view, social policy aims at insulating people from the market¹. The priority is now to help people adapt to a competitive labour market, become more “marketable”, in particular by investing in human capital.

In this view, equipping people with individual accounts may be a way to promote LLL². These « accounts » may cover a wide range of schemes, from individual saving (real) accounts - for which usually the savings of the individual is matched by another party’s contribution (employer and/or government) -, to individual drawing rights (which may be considered as “virtual” accounts) and vouchers, usually public funded. Beyond the diversity of labels and modalities of specific schemes, we will use here the general label of « individual learning accounts » (ILAs) to designate all the schemes that provide the individual with funds he/she can use to take-up further training on his/her own initiative.

Several countries have introduced (or at least experimented) ILAs (CEDEFOP, 2009). Our aim here is twofold. First, we would like to better understand the theoretical and political underpinnings of these schemes, and try to make the link between both the design and implementation of these ILAs and those underpinnings. Second, we would like to draw some lessons by assessing the outcomes of ILAs against the objective to promote further training.

In section one, we draw on the distinction between two political paradigms – i.e. a set of assumptions, concepts, values, and (potential) policy practices – which may provide underpinnings for ILAs: the asset-based view *versus* capability-based view (in the line of Gautié, 2005, Gazier and Gautié, 2011). Section two analyses some experiences of ILAs, in the light of the distinction presented in the previous section.

¹ This refers to the key concept of “decommodification”, which “*is meant to capture the degree to which welfare states weaken the cash nexus by granting entitlements independent of market participation*” (Esping-Andersen, 1999: 43).

² Since its 2001 report “Making a European area of lifelong learning a reality”, the European Commission points out ILA as a way to enhance participation in training : “The Commission will evaluate various models of individual funding schemes (e.g. ‘individual learning accounts’) to assess their impact on investment, participation in learning and on learning outcomes. But the major influence comes from OECD : ILA are presented as an innovating financing strategy “to put flesh on the bones of the lifelong learning vision” (OECD, 2001:122).

1. The underpinnings of ILA : two political paradigms

1.1. An asset-based view of LLL and ILAs

1.1.1. *Providing people with assets*

Asset building strategies may be considered as the cornerstone of the “social investment state” (Sherraden, 2003). The phrase “asset-based policy” was coined by Michael Sherraden in *Assets and the Poor*, 1991. In the American context, the stake was to fight poverty with innovative practices, the traditional transfer policies of the Welfare States having failed. The aim is to empower the individuals for greater autonomy, and help them not only to cope with critical transitional stages (like unemployment, birth of a new child...) but also to carry out their personal and professional projects.

The objective is not simply to change the modalities of redistribution, by replacing the provision of flow of resources (social allowances and benefits, income replacement) by the provision of a stock of assets, but more fundamentally, to change the relation between the individual, the society and the State. In nowadays advanced industrialised countries, “*people are invited to constitute themselves as individuals, to plan, understand, design themselves as individuals...*” (Ulrich Beck, quoted by Giddens, 1998: 36). They are required to be responsible (no freedom without responsibility) and forward planning (precondition for self sufficiency). Providing people with assets aims at changing peoples behaviour – the so-called “asset-effect” emphasized by Sherraden - by making them more responsible and forward looking.

But building on these general principles, there is a diversity of approaches in this broad “asset-based policy” paradigm. Following Prabhakar (2009), one can distinguish between two wings for the asset agenda – even if he acknowledges the difference between the two wings must not be overstated.

In the first view, asset-building is the way to redefine social citizenship, and to promote a “stakeholder society” (see for instance Ackerman and Alcott, 1999). Asset-Based Welfare refers to the « *property owning democracy* » that Rawls advocates for in the preface of the second edition of his *Theory of Justice*, : « *One major difference [with the traditional welfare state democracy] is that the background institution of property-owning democracy, with its system of (workably) competitive markets, tries to disperse the ownership of wealth and capital [...]. The idea is not simply to assist those who lose out through accident or misfortune (although this must be done), but instead to put all citizens in a position to manage their own affairs and to take part in social cooperation on a footing of mutual respect under appropriately equal conditions*” (quoted by White, 2001). In this view, asset-building should rely on universal schemes, and people should be free to use their assets as they want.

In the second view, the asset-agenda is more focused on social policy reform. Assets appear as a tool to foster economic and social development, by changing attitudes (the “asset-effect”) and choices (the incentive effect - the ownership of assets altering the balance between cost and benefits). Social policy has its own objectives. This may require more targeted schemes in terms of beneficiaries. But it may also justify restrictions on how the assets can be used.

1.1.2. *The asset-based view of ILAs*

The promotion of LLL through ILAs can be seen as a key dimension of the social policy “asset-agenda”. Promoting human capital accumulation is not only to foster economic competitiveness and growth, it aims at “equipping the people for the market”, by increasing

their employability, to help them avoid poverty and unemployment. But what are more precisely the implications of an “asset-based view” (ABV) for ILAs design and objectives?

If one emphasizes the potential “asset-effect”, the preference may be given to saving accounts rather than other types of schemes (such as vouchers for instance). In this case, public funding (and the potential employer’s contribution) is conditioned to the financial contribution of individuals themselves, in order to make them feel more responsible.

Some restrictions on the usage of the ILAs may be introduced (beyond the basic requirement to use this account for funding training). The ABV of social policy can indeed be articulated with a contractualist approach, which insists on the counterparts resulting from social rights (White, 2000). More precisely, concerning ILAs, the funding contributors may demand that the account holder take also into account their own goals and interests. For instance, the public authority may restrict the usage of the ILA to the funding of training for occupations that are in demand in the local labour market. If employers contribute, they may also want to have their say on the choice of training.

Nevertheless, these restrictions should remain limited. The individual’s initiative and freedom of choice are indeed crucial in the ABW. A key objective is to replace supply driven by demand driven training – which implies the existence of a market for education and training, with competing providers, on which individuals must behave as discerning consumers, well-informed and able to make rational choices.

The goal of LLL is not only to adapt the worker to his/her current job, but to make him/her more marketable and foresighted. In the ABV, economic security is mainly based on “employability”, which may be conceived as the functional substitute of the protective rules provided by the traditional internal labour markets and employment protection regulation. Some employers are ready (and willing) to trade employment security against a contribution to the worker’s accumulation of portable skills³. In a way, promoting employability weakens the link between the employee and his/her firm. It enables individuals to break free from subordination that goes with traditional wage employment relationship, and also to re-appropriate, in a sense, their own career paths. As a consequence, many employers may be reluctant to loose their prerogatives concerning training, and therefore reluctant to the promotion of ILAs, and more broadly LLL, as conceived in the ABV⁴. At least implicitly, in the ABW, the ideal worker is the “portfolio worker” who does not have any durable attachment to a given firm, and who therefore is able to lead a “boundaryless career”. Empowering the worker may be at the expense of (at least some) employer’s interests. But as a counterpart, in this view, the worker, not the employer, is responsible for his/her employability.

³ As, for instance, two leaders of the French employers’ union (MEDEF) stated, “*the best security we can provide individuals with is a well-stocked portfolio of competencies. This is what will make them autonomous and free in the firm. It is the key issue of employability [...] giving people the means to build up their capital of competencies so that they are not entirely dependent on one firm to develop their professional future*” (Lacroix and Dumont, 1999: 74, our own translation).

⁴ The Swedish government proposed to introduce individual training saving accounts in 2002. Employers were encouraged (but not obliged) to contribute by a 10% reduction in payroll tax on their contribution. But they were opposed to the scheme, because they had no control on how saving could be used. As the main blue-collar trade-union LO was also opposed (but for different reasons, see below), the scheme was not implemented (Ericsson, 2005).

1.2. From assets to capabilities

1.2.1. *Resources are not enough*

Empowering people is not only a matter of providing them with assets or “primary goods” – following the Rawlsian definition. It is about developing the individuals “capabilities”, a concept put forward by Amartya Sen. As he points out, the relationship between assets or primary goods on the one hand, and valuable achievements on the other hand, may vary because of personal diversities in the possibility of converting these assets into achievements, i.e. “functionnings” in Sen’s words⁵. As a consequence, “*capability is primarily a reflection of the freedom to achieve valuable functionnings. It concentrates directly on freedom as such rather than on the means to achieve freedom [...] it can be read as the reflection of substantive freedom*” (Sen, 1992: 49). The capability approach is more focused on real (and not only formal) equality. In the field of training, this means a greater focus on the least skilled, and their difficulties to access to training.

In the capability-based view (CBV), one must analyze the obstacles that may prevent people to convert a given amount of resources in valued achievements. In the field of training, the issue at stake consists in understanding why people provided with ILAs may not take-up training, or why they may make wrong investments. There is a great variety of potential factors at play here.

A first range of factors (“situational obstacles” as labeled Quigley and Arrowsmith, 1997) relate to the particular situation of an individual. Introducing an ILA may remove an important “situational” obstacle, as it decreases (or even reduces to zero) the cost of training, but other may remain (such as the lack of time available for instance, due to family constraints or other circumstances). Another range of factor relate to “institutional obstacles” – i.e. depending on the institutional context in which the individual has to make his/her training choice. The availability of suitable training supply and the adequate information are key elements for taking up further training. An ILA scheme is but one “piece” of a more complex institutional setting. In particular, an adequate market for education and training may not be conceived as spontaneously generated order, but rather as an instituted process.

The third range of factors relate to the individual’s decision making process itself. The literature on the participation to adult education has notably emphasized the role of “dispositional” (as opposed to “situational” and “institutional”) obstacles, to refer to the individual’s attitudes, perceptions and motivations concerning training. Dispositions may explain not only why individuals may be reluctant to take up training, but also why, in the first place, they do not even express training needs, whereas (at least from an external observer’s perspective) those needs do exist. Indeed, an apparent paradox is that the aspiration for further training is increasing with the level skills⁶ – i.e. those who would obviously need more training declare less training needs. This may also derive from psychological barriers⁷, especially in the case of low skilled workers, who may keep the trauma resulting from their failure in the initial educational system, preventing them from taking up opportunities of further training. But dispositional, situational and institutional obstacles may be intertwined.

⁵ Functionnings include elementary achievements, like being well-nourished, in good health etc. but also more sophisticated ones, such as having self-respect, being able to take part in the life of the community, and so on. Acquiring skills may be considered as a valuable achievement, not only because of the instrumental role of education (as it increases employability), but also because being educated and skilled may be considered as a valuable achievement in itself (Walker, 2006).

⁶ In France, for instance, in 2006, among workers, 30% of those with a college degree or more expressed unfulfilled training needs, against only 13% of those who were high school drop outs (“*sans diplôme*”) - see the *Formation continue 2006* survey).

⁷ On the role of lack of confidence, see for instance Norman and Hyland, 2003.

In particular, aspirations may be altered because people tend to adapt to restrictions on the range of opportunities – i.e. taking into account situational and/or institutional obstacles (“the false consciousness” issue raised by Sen, see Qizilbash, 2007)⁸. Opening the range of opportunities by introducing for instance an ILA, may not be enough to reverse aspirations deeply enrooted.

Beyond dispositions, one may question more deeply the individual’s decision-making process. Behavioural sciences, and behavioural economics in particular (see for instance Thaler and Sunstein, 2008), have pointed out that choices people make are far from being fully rational – rationality being defined here as the capacity of an individual to allocate optimally means to achieve goals deriving from his/her objective (as opposed to only subjective) interests. Bounded rationality limited self-control and limited egoism are key characteristics of real (and not theoretical) decision-making. People tend to make choice by adopting approximate rules (designed in the behavioural literature as “heuristics”), and some systematic bias may affect their decision-making, such as: present-biased preferences (the disproportionate appreciation of immediate cost and benefits as compared to future costs and benefits); the framing bias (the choice is influenced by the way of presenting the different options); or the anchorage bias (which may be illustrated by the tendency to opt for default options). This may impact of the way individuals use ILAs, and therefore should be taken into account to design ILA schemes.

Overall, equipping people with assets may not be enough to transform them into the ideal figure of the fully autonomous and rational individual, enabled to make optimal choices. From this point of view, the ABW may overstate the “asset-effect”, and therefore underestimate the dispositional and other behavioural obstacles to forward looking and rational decision making.

1.2.2. Policy implications: beyond endowments, the need for “enabling environments” and individually-tailored services

Several implications can be derived from the CBV. First, policy to promote LLL should care not only about the resources people can mobilize to take up further training, but also about their effective capacity to convert these resources in valuable training achievements. This effective capacity depends on the individual him/herself - his/her capacity to make good choices, which could be defined as his/her “internal capabilities”; but it depends also on his/her environment, which must enable him/her to make good choices. The two dimensions (internal and environmental), which are intertwined, define “combined capabilities”, that Martha Nussbaum identifies as ‘*internal capabilities together with the external provisions that effectively enable the person to exercise the capability*’. Second, taking into account the heterogeneity of individuals is a key aspect of the CBV⁹. Whereas the ABV model tends to implement “one fits all” general schemes (even if they maybe targeted), conceived as tools individuals may use, the CBV calls for the provision of sophisticated and individually-tailored services: peoples are treated not as abstract or ideal individuals, but rather as concrete persons who differ according to their specific characteristics and needs.

These general considerations lead to a great variety of issues concerning the design of ILA schemes to promote LLL.

⁸ For similar workers in terms of skill level, for instance, the expression of unfulfilled training needs depends a lot on the characteristics of the firms in which they are employed (Lambert and Vero, 2010) – see also below.

⁹ « *Human diversity is no secondary implication to be ignored or to be introduced later, it is a fundamental aspect of our interest on equality* » (Sen, quoted by Walker, 2006 : 166).

On top of the endowment which constitutes the ILA, public policy may have first to “equip the people” by developing internal capabilities. People may need in the first place previous education and training to use their ILA, especially if it has been conceived as capital grant, which can be used with very few restrictions (for instance, allowing for training for recreational activities). They may also need help to overcome dispositional and behavioural obstacles – which may explain a lack of will and/or rationality in the take-up or choice of training.

But this raises more widely the issue of the adequate degree of paternalism, defined as the interference of an outside actor (here the policy maker) “*with the individual’s decision making process on the grounds that otherwise decisions will not be made in the individual’s own best interests*”, as opposed to autonomy “*generally regarded as the fundamental right of individuals to shape their own future through voluntary action*” (Van Boom and Ogus, 2010: 1). Interference with decision making may be rather soft – such as “nudging” advocated for by Thaler and Sonnenstein (2008), who call for a “libertarian paternalism”¹⁰. The policy maker in this case should focus on environments that influence people’s decision, and act as a “choice architect”. Hard paternalism relies on a more direct interference with decision making, ranging from the shaping of preferences to the restriction of choices¹¹.

In the CBV, environment is not only about influencing choices (choice architecture), but also about “enabling” people. As usually the potential user of an ILA is an employee, the workplace is the first potential “enabling environment”. The question about what should be the role of the employers in the implementation of ILAs has been raised above when dealing with the ABV, and was mainly restrained to the interference of employers with the choice of training. But the issue at stake here, in a CBV, is much wider. In the very first place, as noted above, the workers’ aspiration for training depends on some key characteristics of their firm. Lambert and Vero (2010) have analyzed in depth the determinants (in terms of firms characteristics) of aspiration, measured by the proportion of workers declaring they have unfulfilled training needs (the individual characteristics of the workers being controlled for). They find that this proportion is much lower in firms in which training opportunities are reduced. This may be seen as an illustration of the “false consciousness” phenomenon mentioned above. But it may also result from rational choice: workers may not want to invest in training if there is no opportunity in their firm to get return from it. On the reverse, the proportion is much higher in firms not only offering more opportunities, but also in which there is collective deliberation – often formalized by a collective agreement – concerning the modalities and objectives of training.

What potential consequences for what we could expect from the introduction of an ILA? If it is conceived as an “outside tool” – i.e. a public funded account that workers may use out of the firm to accumulate competencies they choose, the take-up may be low, especially among low skilled workers, in firms with weak training policies. Very often workers take up training not because they want to become potential “portfolio workers”, but rather because there is

¹⁰ « *Libertarian paternalism is a relatively weak, soft and non intrusive type of paternalism because choices are not blocked, fenced off or significantly burdened [...] A nudge [...] is any aspect of the choice architecture that alters people’s behaviour in a predictable way without forbidding any options or significantly changing their economic incentives* » (Thaler and Sonnenstein, 2008 : 9-10).

¹¹ For a more general discussion, on the role of education of asset-holders, and the relevance of potential restrictions on how the grants can be used, see White (2004). The author acknowledges that the “asset-effect” may not be enough, and both education and restrictions may be needed. He therefore calls for some “paternalism” (i.e. some interference with peoples’ preferences and decision making), at least in the first stage of the edification of a “stakeholder society”; “*if we are aiming, in the name of freedom, at what John Rawls calls a property-owning democracy, then we must indeed aspire to a society in which citizens have the characteristic skills and virtues of property-owners [...]*” (White, 2004: 74).

some incentive from their immediate environment, in terms of returns to training. The aspiration for and the take-up of training, even if it is potentially funded by a third party (i.e. other than the employee and the employer), is embedded in the workplace environment. A consequence is that it may be problematic to consider – as it is implicitly the case in the ABV – that the individual is the only one responsible for his/her employability. This raises the issue of the potential responsibility of the employer in terms of training. In the CBV, the employer should offer “enabling environments” - i.e. not only training opportunities, but an environment that motivates the workers for taking up training, in particular in terms of recognition and valuation of the skills acquired through formal and non formal training (see also Perez and Vero, 2006).

Beyond (and outside) the workplace, enabling environments refer to all the institutional settings needed to help people make the best use of their ILA. Counseling and guidance services may be considered as key elements, and, as emphasized above, they should be individualized, in order to take into account people’s heterogeneity. But the way they are conceived and delivered may be quite diverse, ranging from soft to hard paternalism (see the discussion above). “Equipping the market for the people”, and not only the people for the market¹², may also be necessary for the good use of ILAs. A certification procedure of training providers, based on the control over the quality of their training schemes is an illustration of such an “equipment” of the market of education and training.

2. ILAs in practice: from political paradigms to policy design and implementation

The aim of this section is twofold. First, it is an attempt to connect ILA schemes with the two political paradigms outlined in section 1. Second, it tries to draw some lessons from the outcomes of the schemes, to try to assess not only the policies but also, in a way, the political paradigms themselves. But a strong caveat has to be introduced here: there is very often a lack of reliable evaluation of both the implementation modalities and the outcomes. We shall rely here on the existing material. However, our aim is not to give an exhaustive picture and assessment of existing ILAs (for a survey, see for instance CEDEFOP, 2009). We have selected here some experiences as illustrations. We will begin by introducing some methodological issues and, and then we will turn to some national experiences, where ILAs have been experimented, or where they are in debate.

2.1. From theory to practice: design, context and implementation

2.2.1. Connecting implemented ILAs to political paradigms: methodological issues

Assessing the ILAs schemes in the light of the analytical framework presented in section 1 raises several issues.

One must first keep in mind that both the internal coherence of each paradigm, and the differences between the two paradigms must not be overstated (see for instance Prabhakar, 2009, on the diversity of the “assets agenda”, and Clark, 2006, on the debates about the concept of capability). Moreover, very often, in policy debates, the underlying paradigms referred to are not detailed enough to make a clear cut difference between the two approaches, and same authors, for instance, may refer to Amartya Sen (among others) while promoting the ABV (see for instance Sherraden, 2003). Very often, policy formulations do not refer explicitly to a clear political paradigm, especially in the terms we have used. If objectives are usually presented, underlying values and assumptions (concerning individual behaviours for

¹² The call for equipping the market for the people is a key aspect of the transitional labour market approach (see for instance Gazier and Gautié, 2011).

instance) are much less often detailed, and we can assume that there are not always completely clear in the mind of the policy maker. If the way a policy is framed is supposed to embed the assumptions and values associated, it is not always easy to refer it to a well identified paradigm. The rhetoric used for presenting and publicizing the policy may provide further indications for an external observer that would try to make underpinnings more explicit. But overall, many ILA schemes may have hybrid political underpinnings.

Another difficulty to assess a given ILA scheme is the need to analyze it in the context of not only the global education and training policy, but more broadly, the institutional context that shapes both the labour market and the education and training market. A given ILA scheme (in terms of design) may be just a tool, that may be used in different ways in different national contexts, playing just as an asset here, but as a real capability enhancer there.

Moreover, for a given scheme design, in a given institutional context, effective implementation may differ from place to place, and even, from individual to individual. For instance, as noted above, in the CBV, counseling and guidance may be considered as crucial features of the very nature of the policy implemented. If counselors have a high degree of latitude concerning the conception of their job, their effective role be quite diverse – from the simple provision of standardized information in some cases, to the interference with the individual's decision making ("hard paternalism", as mentioned above) in other cases. A full assessment of the nature (and potential consequences) of ILA schemes would imply more than analyzing the design principles. It would also require analyzing effective implementation, which can be done only with empirical evidence from field studies.

2.1.2. ILAs in practice: the great potential diversity of scheme designs

ILA schemes may vary according to many design features:

- *the nature of the "account"*: individual saving (real) accounts - for which usually the savings of the individual is matched by another party's contribution (employer and/or government) / individual "drawing rights" (which may be considered as "virtual" accounts) / vouchers (customized or lump-sum);
- *the delimitation of beneficiaries*: universalistic scheme / targeted at specific groups (defined in terms of skills / income level / employment status etc.);
- *the funding modalities*: respective contributions of the beneficiary, the employer, the public authority, others;
- *the choice of training and/or provider*: restrictions on the types of training and/or provider allowed to be funded, role of employers in the decision process...
- *the accompanying services*: information, counseling, guidance of the beneficiary; certification and evaluation of training providers....

In order to better illustrate the underlying political paradigms, our choice was to present national experiences rather than only selected ILA schemes out of their institutional and political contexts. We will focus here mainly on three contrasted national cases: the British ILA experience and its successor, the US "Individual Training Accounts" and "Long Life Learning Accounts", and the French "Individual Training Drawing Right" scheme. Table 1 in the appendix gives an overview of the main schemes we will refer to.

2.2. The British ILAs and their successors: changing the political paradigm?

2.2.1. *The British ILAs initial experience: some lessons from a failure*

The ILA program¹³ introduced by the New Labour government at the end of the nineties (pilots were launched in 1998, national extension was adopted in 1999-2000) is often presented by their promoters as one of the best illustration of the asset-based policies. According to Prabhakar *“these accounts for new Labour were based firstly on the proposition that individuals are best able to identify their particular human capital needs, and secondly that they also have a responsibility to invest in their human capital development »* (Prabhakar, 2002: 11). The potential “asset-effect”, even if not phrased as such, was explicitly mentioned by the Green Paper that set up the big principles of the program, as well as the expected move towards a demand-driven training system¹⁴.

According Thursfield et al. (2002), underlying principles of the ILA program were in fact more complex and even inconsistent – in particular concerning the role devoted to the employers, which could contradict the promotion of individual’s autonomy and free choice. The program was implemented by the “Training and Enterprise Councils” (TECs), which validated the choice of training (and were supposed to do so for any learning activity improving the beneficiary’s “employability”). Employers’ involvement was a key objective. In the very first formulation of the ILA project (the 1994 Social Justice Report), a compulsory payment to ILA was even envisaged. In the 1998 program, “shared” – i.e. not only “individual” – responsibility was put forward as a key feature. But as a result, many employers considered the ILA just as a new tool to fund their training policy, and not as a tool aimed at promoting their employees empowerment to foster demand-driven training¹⁵.

On the workers’ side, the preliminary evaluations reveal that the scheme was taken up predominantly by “skilled learners”, who were *“already involved in training and, therefore, familiar with structures and pathways of the learning world”* (Thursfield et al., 2002: 140).

The financial barrier was not the only explaining factor. Overall, both the equipment of the individuals (counselling and guidance) the equipment of the markets (in particular the training market) revealed insufficient¹⁶. The program was suspended in 2001 because of frauds of learning organisations.

2.2.2. *From asset-based to more capability-based policies?*

After the suspension of the national ILA program, several UK countries introduced their own schemes. While keeping the “ILA” label, these successors were no more saving accounts, but rather “vouchers”, or “individual budget accounts” (i.e. access to capped public funding, with no requirement on the individual’s own financial participation).

Wales was the first one, in 2003. The scheme was targeted at low skilled and low income¹⁷ British citizens living in Wales. The maximum support amounted to £ 200. From the presentation made by Gugh (Department for Children, Education, Lifelong Learning and

¹³ In its first design, the funding for the ILA comprised of a £150 public contribution and £25 from the account holder. In 2000, the £150 lump sum funding was replaced by discount given, off the cost of eligible courses (up to £500 a year). The employers were encouraged to contribute, but could not pay for the £25 on behalf of the employee. Employers’ incentives consisted in tax deductions on their contribution.

¹⁴ *“Individual learning accounts could have a profound effect on the way individuals take responsibility for their learning and on the incentives for institutions to respond to individual needs”* (Department of Education and Employment, 1998, quoted by Thursfield et al., 2002).

¹⁵ To avoid this substitution by employer, the rules stated that the training undertaken had to be vocational but not work related; but it was difficult to implement.

¹⁶ Even if a new infrastructure was built – the University for Industry – serving as a leaning network.

¹⁷ More precisely: recipients of income related welfare benefits.

Skills, Welsh Assembly Government in CEDEFOP, 2009), one may infer that this policy referred mainly to the “asset-based” paradigm: insistence on “*financial barriers*” to participation to training (and no explicit mention of other potential obstacles), the rhetoric about encouraging people “*to take ownership/responsibility for their learning*”; no mention of counseling and guidance. If training providers have to be registered, there is no specific mention of the procedures concerning quality controls.

In Scotland, one year later, two schemes were introduced. “ILA Scotland 200” is, like the Wales scheme, targeted at low income individuals. Beneficiaries could get access to up to £ 200 a year (with a possibility of renewal for each “learner year”). The second scheme (“Scotland ILA100”) is universalistic, the only condition – on top of being a Scottish resident – is to be 18 years old or older. Public funding is limited to £ 100 and its use is restricted to a much more limited range of training courses than for ILA 200. In particular, training must lead to qualification or recognized certification, whereas there was no such requirement for ILA 200.

At first sight, both in terms of design principles and publicized objectives (as presented by Rutherford, from the Lifelong Learning Directorate, Scottish Government, in CEDEFOP 2009), the Scottish policy may look quite similar to the Wales policy. However, some elements introduce a shift towards a more “capability-based” approach. The presentation put more emphasis on the fact that learning providers must hold accredited quality standards, which was also in line with the aim to “*support the development of a quality learning provider base in Scotland*”. This may be seen as an “equip the market for the people” policy¹⁸. Another indication of a (potential) move towards a more capability-based view was the presentation of potential improvements of the scheme, and, notably, the need to integrate better ILA funding with “*a wider package of information, advice and guidance*”, and to “*reinforce and expand the support role of intermediary bodies*”. This results from the fact that this policy had limited success in reaching the less skilled workers. Between January 2006 and September 2007, only one out of six of ILA 100 and ILA 200 beneficiaries were “new learners” (i.e. people that had not benefited from any training since leaving school), and 21% of ILA200 and 16% of ILA100 beneficiaries were “returners” (i.e. had done no learning in the last three years). (BRMB Social Research, 2008).

In England, a new experiment was launched in South East and East in 2007, with the Adult Learner Account. One key difference with the initial ILA scheme is the important focus on “*access to high quality, independent information, advice and guidance on career choices*” (Johnson, Usher, Hillage, 2009)¹⁹. This is an indicator that in this case too, there has been an apparent move from a mainly “asset-based” approach to a more “capability-based” one.

Outside the UK, it is worth mentioning the experience of the Netherlands, as it was also directly inspired by the initial British ILAs experience. The first experiments with learning accounts were initiated in 2001. If the initial purpose was to assess the potential effects of a learning saving account (like in the UK), the several experimented schemes since the beginning of the 2000s were in reality only vouchers (“individual learning budgets”) – based

¹⁸ For this purpose, two specific institutions were created (the *Students Award Agency*, and the *Scottish University for Industry*) as “safeguards”.

¹⁹ The Adult Learner Account (ALA) is even presented as being mainly a way of providing these services. The “*most frequently asked questions*” document available on the web to present the ALA scheme starts with the following paragraph: “*What is an ALA? It's a new way to plan your learning. Opening an Account will give you: access to high quality free independent advice – so that you are able to make the right choice about what and where to study; an information pack containing information on a wide range of providers and courses; a statement which includes details of the qualifications you will be studying towards plus full details of the costs of the programme; ongoing support and advice to help you progress.*”

on public contribution that could be supplemented by the employer's and the employee's contributions but with no obligations (Janssen, from the Dutch Ministry of Social Affairs and Employment, in CEDEFOP, 2009).

The initial policy, as it can be analyzed from the official presentation (Doets, in CEDEFOP, 2009) seems to rely on the asset-based political paradigm, with great emphasis on the promotion of the "freedom" of the individual (*"freedom to formulate learning motives"*, *"freedom in organization of learning"*), and, in particular, independence from the employer (with a call for a *"demand driven training and learning"*). Promoting intrinsic motivation and at the same time the feeling responsibility for training was also therefore a key priority. However, there was no specific focus on counseling and guidance.

Two pilots were launched in 2001-2003, and an experiment with control group was conducted in between 2006 and 2008²⁰, which was more focused on the identification of the individuals' motivation for training, and labour market outcomes. At first sight, results seem in favour of the asset-based view of the "asset affect". In the 2001-2003 pilots, 60% of the beneficiaries stressed the importance of managing the accounts themselves, because it strengthens the feeling of responsibility and stimulates thinking about future career (Doets: 62). In the 2006-2008 experiments, both the intention (not yet followed) and the effective take-up of training were higher among ILA holders than among the control-group. Even if he acknowledges that non financial barriers play a role, Janssen concludes that *"the ILA-experiment has shown that the ILA has great influence on the incentive to enroll in a course"* (Janssen, in CEDEFOP, 2009: 71). Nevertheless, some caveats must be mentioned. The experiment raises important issues in terms of selection bias (as the participation to beneficiary and non beneficiary group was not randomized). One main conclusion of the pilots was that, on top of financial aid, coaching and assessment was needed, in particular because of the lack of transparency of the training market for individual. Expected labour market outcomes (in terms of salary or position in the labour market), as perceived by the individuals themselves, did not differ significantly between ILA holders and the members of the control group. Overall, these elements seem to call for a more comprehensive policy not only based on the financial endowment.

2.3. The American way: combining both paradigms with different tools

Existing schemes to foster individual training are quite diverse in the US. We will focus here on two of them, particularly illustrative as forms of ILAs.

2.3.1. A big emphasis on capabilities: the Individual Training Account (ITA)

The first ITA experiments took place in 2000, following the Workforce Investment Act (WIA) adopted in 1998. Even if they may appear as vouchers that beneficiaries can use to pay for training of their choice, ITAs are very specific forms of ILAs, as they are targeted at persons seeking employment and training assistance, and therefore can be considered as labour market policy schemes²¹. As a consequence, ITA schemes consist not only in endowments, but also in the provision of more or less intensive services to the individual, delivered in "workforce investment" agencies. All the elements of the capability-based approach depicted above are present. As the objective is to help people make *"prudent training choices"*, as a prelude to training, the role of the local agents is helping people to

²⁰ Employees with an ILA received €450 from the government to be spent between November 2006 and March 2008.

²¹ The fact that according to the WIA legislation, training can only be funded for an occupation in demand in the labour market is another indicator. Another feature is that performance accountability is central to WIA: agencies implementing ITA have an interest to ensure that beneficiaries complete their training and obtain well-paid jobs afterwards.

define and refine their career and training plans. For this purpose, “equipping” the market of training was also an objective of the WIA: the accreditation of eligible training providers complemented by the “consumer report system” (CRS) were two key tools introduced along with the training account itself. The CRS intended to provide individuals with information concerning performance data of the training providers.

A demonstration project was launched in early 2000, and 13 local agencies were selected by the U.S. Department of Labor. A preliminary evaluation, based on site visits was conducted during the summer and the fall of 2000 (D’Amico R. et al., 2001). It focused on how the ITA scheme was implemented. As workforce investment agencies had a great deal of flexibility in choosing how to implement, the role of local agents, and the intensity of services provided could differ significantly across agencies. Concerning the process to help individuals make their training choice, three models could be identified. In the “free choice model”, the case manager intervention was minimal: individuals, provided with basic information, were free to choose, so long as the training provider appeared in the eligible providers list. On the opposite, in the “directed choice model”, the interference with choice and decision-making was strong, and “*case managers could be quite empathic in steering customers to the choices that the case manager thought best*” (D’Amico R. et al., 2001: ES-5). This is a good illustration of “hard paternalism” (see above section 1.2.2). However, in the majority of agencies, the intermediate model (“informed choice”) prevailed, and case managers described themselves as “facilitators” and “guides”, but did not want to be too much directive and intrusive in the individual’s decision making – in coherence with a “soft paternalism” approach. Another interesting lesson of this first assessment was that implementing the CRS revealed very complex and resource consuming – meaning that “equipping” the market requires heavy investments.

Assessing the three counselling and guidance models identified during the sites visit was the main objective of the evaluation conducted between 2001 and 2004 (McConnel et al., 2006). This ITA experiment used an experimental design to analyse the impact of the three approaches on beneficiaries’ outcomes. Approach 1 (“structured customer choice”) illustrated hard paternalism: the amount of the “account” was customized, counselling (before and after IT orientation) is mandatory and intensive, and the beneficiary’s program training choice could be rejected by the counsellor. Approach 2 (“guided customer choice”) consisted in soft paternalism: the award amount was fixed, prelude counselling was mandatory but with moderate intensity, and the counsellor could not reject the beneficiary’s choice. Approach 3 (“maximum customer choice”) illustrated the “free choice model”. As compared to approach 2, counselling was only voluntary. The evaluation brought interesting results concerning both the implementation process, the impact, and the benefits (in terms of cost/benefit analysis). Counsellors were reluctant to implement the “hard paternalistic” approach²². The take-up rate was lower when counselling was mandatory (i.e. in approaches 1 and 2: respectively 59% and 58% against 66% in approach 3). When counselling on training program choice was voluntary (approach 3), few beneficiaries requested it. Concerning the employment related outcomes, they did not differ significantly between the three approaches, and, once taken the cost-effectiveness, the evaluators concluded that “*available evidence does not suggest that one approach is preferable to another*” (McConnel et al., 2006: xxvii)

²² Counselors were not as directive as planned under the approach 1. They gave two main reasons. First, “they believed that respecting consumers’ choices was essential to the customers’ success in training (...). Second, counselors felt ill equipped to be directive” [lack of reliable and up-to-date labor market information, not knowledgeable enough to judge the customers’ choice] (McConnel S. et al. (2006),

2.3.2. A more asset-based approach: the Lifelong Learning Accounts (LiLAs)

The first LiLAs were experimented in the beginning of the 2000s, pioneered by the Council for Adult and Experiential Learning (CAEL) (Sherman, in CEDEFOP, 2009). LiLAs were conceived as employer-matched portable, individual accounts (with also potential matches from a third party – foundation or public funding), to finance workers' education and training. Both the workers' and the employers' participation was on voluntary basis, and all workers could participate (universal eligibility). One interesting feature was that "informed choice" was promoted: training choices were based on a "learning plan" elaborated with educational and career advisors. In other terms, LiLAs, as they were initially conceived, were not only about assets, but also about capabilities. The LiLAs pilot demonstrations took place in 2001 in three areas (Chicago, north east Indiana and San Francisco) and four industries (healthcare, restaurants, manufacturing and public sector). One interesting result was that advising appeared very valuable to participants (97% of participants found their advisor to be somewhat or very helpful, and 46 to 50% (depending on the sector) declared they would be willing to pay for advices if it had not been offered through the program).

In 2007, federal legislation was adopted to establish demonstration of LiLAs in ten states, and a tax credit on both employees' and employers' account contributions were introduced. The State of Maine, for instance, was particularly active in implementing a LiLA program (Main, 2008), keeping the initial features (universality, voluntary participation, portability, broad use of funds²³, and "informed choice"). It offered an interesting illustration of the institutional infrastructure needed to implement this program, and in particular the "informed choice" dimension: the Maine Department of Labor piloted LiLAs through its network of Career-Centers that have partnered with other institutions to provide both account-management and advices.

In 2008, the LiLA Act was adopted at the federal level, sponsored by both Republicans and Democrats²⁴. The rhetoric used to present and publicize this Act refers mainly (implicitly) to the asset-based political paradigm - even on the CAEL website for instance, which puts forward that "*LiLAs are owned by individuals, promoting savings and asset-building*", in contrast to the initial experimented scheme, which relied more on "capability features". The virtues of saving are emphasized, and the parallel is made with the retirement saving accounts²⁵. Another important element to take into account to understand LiLAs Act underlying principles is that it does not refer only to the CAEL's initial experiments. It has also being strongly influenced by the ILA scheme put in place by IBM - the "Matching Accounts for Learning". The latter was introduced in 2007. A worker could put up to \$1,000 annually into this account (for which the 401(k) retirement fund served as a model), and IBM company would make a 50 percent match on the employee contribution. A key feature is that the account is portable, and can be used for acquiring transferable skills resulting from the

²³ In particular, funds can be used for training unrelated to the firm or even the industry the employee works in.

²⁴ Eligible individuals and their employers may contribute up to \$2,500 a year. The account holder would receive a refundable tax credit equal to 50% of the first \$500 contribution, and 25% of the next \$2,000. But tax incentives are targeted at lower and middle income earners. Employers would benefit from a tax credit for 25% for their contribution (and small employers could get a specific tax credit to cover administrative costs).

²⁵ According to Representative Rahm Emanuel, who introduced the LiLA act, « *401 (k)s [i.e. retirement saving accounts] have clearly revolutionized the way that workers save for their retirement. LiLAs will hopefully revolutionize the way workers invest in their education and training* ».

employee's free choice²⁶. The IBM approach promoted the "portfolio worker" model, which can be considered as one pillar of the ABV (see section 1.1.2)²⁷.

Does it mean that LiLAs relied only on an asset-based approach? Promoting "informed choice" remains one objective of the LiLA Act. The schemes that have been effectively implemented may differ a lot from one state to another, as the federal law, as usual, only serves as a general framework. As pointed out above, detailed design principles, as well as implementation procedures, may be crucial to determine the very nature of the LiLA schemes²⁸. But lamentably so far we have no empirical evidence on both the implementation procedure and the results of the implemented schemes.

2.4. The French case: from drawing rights to individual accounts?

In France, the first important law concerning further training was adopted in 1971. The law introduced a compulsory employers' contribution to training funds, which is still in place (with higher mandatory contribution rates). In 2011, firms of more than 20 employees were required to dedicate 1.6% of their total wage bill to further training. Out of this amount, 0.7% was a contribution to collective training funds, ruled by social partners, mainly at industry level. The remaining 0.9% had to be spent by the firm to train its employees. If the training expenses were lower than the 0.9% threshold, the difference had to be paid to the collective training funds. Part of these funds were used to finance the "individual training leave", the CIF scheme ("*Congé individuel de Formation*"), which was also introduced by the 1971 law. The CIF was a "drawing right", which may be considered as a type of individual account, but quite different from a saving account. Workers with tenure higher than one year could apply for the funding of a training curriculum (that gives a diploma) up to one year long. During the training period, beneficiaries were on leave, and tuitions and salary are taken in charge by the collective training funds²⁹.

At the end of the 1990s, beginning of the 2000s, as in many other countries, debates around the stakes of LLL emerged in France, along with the global "flexicurity" debate, which was more focused on how to secure career paths throughout the life course. In that perspective, the important shortcomings of the existing French system of continuing vocational training were obvious – in particular when comparing to other European countries, such as Germany or the Nordic countries. Firms offered low amount of training, mainly work related (and with very few qualification), and on a very unequal basis, as the access to training was strongly positively correlated with workers' skill level. As for the "demand-driven" training through the CIF scheme, it had a very limited impact (about 20,000 beneficiaries a year, out of about 15 millions employees in the private sector).

The social partners started to bargain over the issue. Some of them – in particular the main employers' organization, the MEDEF – were pushing for the introduction of individual training accounts, inspired by the UK experience. Making the worker responsible for the development for his/her employability was a clear objective here – consistent with the ABV presented in section 1.1. But there was a strong opposition from the majority of unions,

²⁶ As IBM chief executive Samuel J. Palmisano emphasized, "*We've set off down the path of empowering and enabling our people to make decisions and to act. We call this lowering the center of gravity of the company ... pushing decision-making authority out and down.*"

²⁷ It is worth mentioning that these accounts are one element of the broader "Global Citizenship Portfolio" program designed to help employees bolster their skills and careers. Another piece of the program, called "Enhanced Transition Services", consists in helping IBM employees find second careers in government, non profit, educational and economic development organizations when they leave the company. This kind of counselling and guidance services are more in line with a capability-based approach.

²⁸ Some States may add for instance their own public contribution in particular for low income individuals. The intensity of counselling and guidance will also be a key differential feature.

pleading for collective regulations, and not willing to abandon firms' social responsibility concerning training.

A new scheme was introduced in 2004 as a compromise, the "individual training right", the DIF ("*Droit Individuel de Formation*"). The DIF is an individual account, credited each year with 20 hours of training, with the possibility for the worker to cumulate hours over a maximum of six years (i.e. up to 120 hours). Employees could use their DIF for the training of their choice, subject to approval from their employer³⁰. As for the initial British ILA – see above – this was a strong potential restriction to the worker's free initiative. Another limitation was that (unlike the British ILA) the DIF is not a portable account³¹.

More "capability-based" measures were also included in the "Longlife Vocational Training" law that introduced the DIF scheme. Workers (with at least 2 years of tenure in the same firm) are now entitled to a competency assessment ("*entretien professionnel*") in their firm every two years, to discuss with the manager about the evolution of his/her work content, and about training opportunities. The explicit objective of this device is to "empower" workers and to make them aware and active facing environment changes. But the need to improve counseling and guidance to use the DIF was highlighted by several reports. As a consequence, following a new law adopted in 2009, the individual right to training has been extended to "*an individual right to information, career counseling and qualification*", and a free career counseling and guidance public service has been created on the web.

So far, we have very few data in the use of the DIF. In 2009, only 6.4% of employees took up training using their DIF. The interesting point is that the take up seems surprisingly higher in small firms than in big companies. Moreover, in companies that have implemented the DIF inequalities in access to training (between occupational skill levels) have decreased (Marion-Vernoux, Thery, 2008). But still, the use of the DIF varies a lot across firms. Even if the DIF is a universalistic right, which applied to all employees (including in the public sector), a lot of workers were not even aware of the existence of such a scheme. The DIF may be considered as *de facto* not implemented yet in many workplaces. This raises the issue of the employers' responsibility, but also the issue of the role of unions.

²⁹ During this period, the employee was paid (between 80% and 100% of his/her basic wage). He/she is also entitled to request that his/her job be kept open for him in the company.

³⁰ Each year the employer must write to all employees informing them of the number of hours of training they have been allocated under the DIF. If the employee wants to take up the hours allocated under his/her DIF, with he/she must submit a written request providing all the information required for the employer to make his/her decision. The employer has one month to respond to the request. If no response is given the request is considered to have received tacit approval. According to the law, training has to take place out of working hours, and the employers pays the hourly compensation for half of the hours of training (as well as for tuitions). But in practice, very often, training hours are taken from working hours – i.e. DIF plays as a paid training leave, meaning that workers receive their hourly compensation during all their training hours. The industry (collective) training funds can also contribute to the funding of the DIF (by taking in charge the workers' compensation while on training and/or tuitions), if the training chosen is considered as a priority in the industry where the employee works.

³¹ Since the 2009 reform the portability has been facilitated. If the worker exits his/her company while having a positive balance on his/her DIF account, each remaining hours can be transformed on cash (€9.15 for each hour).

Concluding remarks

Overall, two approaches of ILA policies have been typified here, that may be considered as defining two political paradigms, each one with potential strength and weakness.

Concerning the “asset-based” approach, it focuses on freedom and responsibility. Some evaluations – like in the Dutch case – illustrate that this dimension of “free choice” may be highly valued by beneficiaries. But empirical evidence also suggest that those who benefit more from “asset-based” conceived ILAs are those who have already some familiarity with the training system, and notably those who are already skilled. This raises issues in term of both efficiency and equity. If the lowest skilled do not take-up the ILA scheme, or if, when they do, they misuse it because of lack of information and guidance, there is a clear misallocation of private and public resources. Inequalities in take-up and usage are also an equity issue. Inequality in terms of resources may derive from the scheme design – in particular if the ILA is based on saving accounts, in which the contribution of the employer and /or the state has to be matched by the individual’s contribution, for instance³². But, above all, the asset-based approach does not address the inequality issue in terms of the effective capacity to use given resources to reach valuable achievements, while putting great responsibility on individuals concerning the development of their employability. A system where individuals provided with ILAs have sole responsibility for the preservation of their employability may in fact increase dualism and inequalities. All the reasons may explain why, in several countries (like the United-Kingdom or France, for instance), have moved to a more capability-based approach.

The strength of the “capability-based” approach relies on its focus on the effective capacities of individuals to convert resources in achievements. It emphasizes the role of counseling and guidance, and, beyond, the need to build “enabling environments”. Public intervention becomes much more complex, in particular if it intends to take into account individual heterogeneity with individual-tailored treatment. One potential drawback is excessive interference with the individual’s decision making, from the employer and/or government. Excessive paternalism may derive, for instance, from a misunderstanding of the reasons why an individual does not take up training, and from an overemphasizing of dispositional and behavioural obstacles (lack of aspiration, bounded rationality, lack of will...), whereas obstacles may be more situational or institutional. Another limitation of the capability-based approach is that it may turn very costly: an efficient information and guidance system (including the certification of training providers) requires an adequate institutional infrastructure (local agencies, skilled case-managers...). This may explain why, in the United-States, the Individual Training Account, which puts forward the guidance dimension, is restricted to some target groups, whereas the “Lifelong Learning Accounts” scheme, which has been conceived as (potentially) universal, relies on a more “asset-based” approach.

Eventually, in the capability-based approach, the role of the workplace as a crucial “enabling environment” raises the issue of the respective roles of key actors, the employer in the first place, but also, potentially, the unions. Employers may be reluctant to “asset-based” schemes aiming at empowering its employees by making them more employable (and therefore potentially more mobile), and even more if they have no control on the content of training chosen by the employees. But beyond their potential role in terms of funding and/or influencing the choice of training, employers have a key role in creating a workplace

³² It seems to be the main reason why, in Sweden (see also above), the blue-collar trade-union LO was also opposed to the government proposal of introducing individual learning saving accounts (Ericsson, 2005).

environment (in particular in terms of work organization and compensation policy) favorable to the take-up of further training. As unions, they may have an important role in terms of counseling and guidance. But overall, much more empirical evidence would be needed to assess the implementation process and the outcomes in term of training of the existing ILA schemes.

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Table: Some experiences of individual training account

Country	Name	Type of ILA	Access	Funding	Modes of use	Assistance (guidance, counseling)	Status of the program
United States	<i>Individual Training Account (ITA)</i>	Voucher	Targeted . Adults (mainly out-of-employment people).	State funding via the <i>Workforce Investment Act</i> block grant. The amount depends on the state ; it is usually capped. The modal amount is 5000 \$. Example : ITA in Phoenix (Arizona): up to 3,000\$ when training course lasts for less than 6 months, 4000\$ beyond 6 months. Example : ITA in Charlotte (NC): \$4,000 to be used between 2 years.	Limitations : - training programs must have been certified by the state and local area as meeting acceptable standards of quality; -skills for job are deemed to be in demand in the local economy ; - caps on the duration and the cost of training.	Counseling on training program choice could be mandatory or voluntary, depending on state. In some cases, counselors were asked to determine whether a customer would receive an ITA and the amount of the award.	Since 1998.
	<i>Life Long Learning Account (LILAs)</i>	Saving account	Non targeted For all levels of incumbent workers, but particularly low-income adults.	Employee deposits were first limited (for the purpose of the first Demonstration) to \$500 per year. Employee deposits were matched at 3:1 ratio using employer and the Ford Foundation funds	Employees are required to begin using their accounts within 14 months of enrollment Participants are not restricted to a training course linked with their current industry	The LILA employee must meet with a career advisor prior to using funds with whom they create an Individual learning Plan to consider	Since 2000

				(which supported the experiment). It resulted in a maximum annual savings of \$2000 per participant. Since 2008 (Lifelong Learning Account Act), the bill provides tax incentives to employees (with lower and middle-incomes) and employers (particularly small ones) that participate in the accounts. Eligible individuals may contribute up to \$2500 annually. And employers have the option to match workers' contributions.	LILAs are portable and can be used during periods of unemployment		various options.		
United Kingdom	Individual Learning Account (ILA)	Saving account	Non targeted People over 18 years.	Funding support from the State : a 150£ (=225€) incentive on the condition that they contribute at least 25£ (=37€) of their own money. ; A 20% discount on the cost of wide-range of courses (up to 100£ -150 € per year). Encouragement to employers to contribute to ILA.	Free use To open an ILA, an individual registered with the ILA Centre by completing an application form. Once, the individual was sent an account card that was 'redeemed' by being presented to their chosen learning provider. Then, the provider applied the discount and then reclaimed this funding from the ILA centre.		None	2000-2002.	
	ILA Scotland	Saving account	Option 1 : Non targeted Option 2 : Targeted aimed at those on low incomes (<15000£) and those on defined	Option 1 : ILA100 100£. A minimum contribution of the individual is	Option 2 : ILA200 200£. A minimum contribution of the	Option 1 : ILA Scotland approved ICT courses up to SCQF level 5 (then 6 in 2006) or equivalent	Option 2 : wide range of ILA Scotland approved courses, both certificated and no-	Both schemes are accessible to individuals through initial telephone contact with Learndirect advisory services (which	2004-2011

	ILA Wales		<p>state benefits including unemployment benefit.</p> <p>In practice, Jobcentre Plus (the UK employment and benefit service) encourages individuals to access the program.</p> <p>Option 1 : anyone in receipt of state benefits (income support, Job Seek Allowance, Housing benefit...) and</p> <p>Option 2 : anyone who had a below level 2 qualification</p>	<p>requested : 10£</p> <p>Option 1 : 200£ per year</p>	<p>individual is requested : 10£</p> <p>Option 2 : 100£ (half of course cost up to a maximum of 100£ per year).</p>	<p>which must lead to qualification or certification.</p> <p>As ILA Scotland, ILA Wales is a voluntary scheme (no compulsion for those beneficiaries who were unemployed or receiving benefits) List of recognized providers.</p>	<p>certificated.</p> <p>Idem</p>	<p>provide support and advice concerning learning opportunities) by phone and online).</p> <p>Idem ILA Scotland.</p>	2003-2011
France	Individual training right (DIF)	Saving account in hours	<p>Non targeted :</p> <p>All employees with at least 1 year of seniority within the firm.</p>	<p>Employers funding: each year, the individual account is credited with 20 hours of training, with the possibility to cumulate up to 120 hours (i.e. under six years).</p> <p>It means the worker can take each year 20 hours out of his/her working time to take-up training - and his/her wage is maintained during at least 10 hours. The training</p>	<p>The training course chosen has to be approved by the employer. In some industry, social partners defined priorities in training depending on skill shortages in the industry.</p>	None	2004-		

				costs are paid by the employers and/or the Training Funds ruled by the social partners (i.e. employers' and employees' representatives) at industry level.			
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