

Summary parliamentary letter Lifelong Development policies (23 September 2022)

Introduction

Strengthening the culture of learning and development

By strengthening the culture of learning and development, the government aims to contribute to an effective and future-proof labour market where it is natural for people to engage in Lifelong Development. Promoting the long-term employability and participation of employees and job seekers, Lifelong Development helps prevent or shorten unemployment due to obsolescence of knowledge and skills, stimulates the advancement of people's careers, increases job satisfaction and also helps people boost their earning potential. The availability of sufficient numbers of trained and experienced people is essential for businesses and other organisations. Not surprisingly, therefore, private parties collectively spend around €3.9 billion on Lifelong Development. Increasing investment in Lifelong Development bring benefits for society as a whole, thanks to the more effective utilisation of talent, which boosts labour productivity and innovation. This will ultimately also increase the earning potential of the Dutch economy at large.

Future-proof labour market

A future-proof labour market evolves as society develops. In such a market, there is a good match between the jobs and the skills available, people continue to develop themselves and are able to move from job to job within organisations, within sectors and across sectors.¹ A labour market like that calls for employees, jobseekers and employers with an entrepreneurial spirit who are eager to learn. The foundations for this are laid early on in initial education. Once employed, people learn most in on-the-job training. This is why employers have a stimulating and facilitating role in promoting the development of their people.

In addition, the availability of suitable training and development opportunities is essential. This calls for a diverse range of training options from both public and private providers. The programmes offered should respond to current training needs on the labour market, and to the wishes and possibilities of adult participants.

This, in turn, calls for a clear focus on on-the-job learning and options that allow participants to combine work and training geared to the various phases of adult life.

The need for a future-proof labour market is an urgent concern. Many sectors, including healthcare, education, child care, engineering, ICT and the construction industry, are struggling with huge staff shortages. These shortages affect society as a whole. Large-scale transformations such as the climate, energy and digitalisation transitions can only be realised if sufficient numbers of qualified people are available. Likewise, the development of human capital is essential for the government's growth strategy, which aims to secure sufficient levels of prosperity and well-being.² Technological and social innovations that fuel productivity and the GNP will fail to materialise if there are not enough people with the knowledge required to develop and realise them. Shortages of suitably qualified staff at all levels of the labour market are jeopardising the knowledge economy.

The future labour market stands to gain from an increased focus on skills.³ We can already see the focus shifting in a European context.⁴ For example, together with other EU Member States the

¹ For an extended government vision of the future-oriented labour market, see the Labour Market Outline Letter dated 5 July 2022 and, more specifically on shortages, the Letter to the House of Representatives on Labour Market Shortages dated 24 June 2022. The government pledged to produce this Letter to the House on Lifelong Development in the Schedule Letter, Parliamentary Papers II, 2021/2022 35925-XV, No 88 and in the letters mentioned above.

² 'Growth strategy for the Netherlands in the long term – Structural and sustainable economic growth', government letter dated 13 December 2019 (Parliamentary Papers II, 2019/2020, 29 696 No 7)

³ The term 'skills' as used in this text should be understood in its broader sense, covering 'the full set of knowledge, attitudes and skills required to achieve a specific purpose'. See Van den Berge, W., Daas, R., Dijkstra, A.B., Ooms, T., & Ter Weel, B. (2014), *Investeren in skills en competenties*. Amsterdam/The Hague: University of Amsterdam/CPB Netherlands Bureau for Economic Policy Analysis

⁴ OECD (2019) Skills Strategy 2019.

Netherlands is promoting the common objectives from the European Skills Agenda. An important part of that effort concerns actions to highlight and validate the skills people already have – especially for those who have had little education but learned a lot through practical experience.⁵ Highlighting their previous training and work experience will help them further develop and gain appreciation for their existing skills. Moreover, these insights will give employers a better view of the capacities of new and existing employees, as a basis for targeted support in their further development.

The government supports this development towards a more skills-oriented labour market. The independent exploratory study commissioned by the Ministry of Social Affairs and Employment, the Ministry of Education, Culture and Science and the Ministry of Economic Affairs and Climate Policy has revealed a multitude of interesting initiatives.⁶ However, what has been lacking thus far is a common understanding of how specific skills should be defined. There is no clear view, to date, of the effectiveness of initiatives and their added value for society. A shared mindset centred upon the value of skills for the labour market has yet to develop among workers, employers, trainers and intermediaries on the labour market. Later in this letter we will discuss how the government is stimulating the development towards a more skills-oriented labour market.

Current state of affairs

A study by the Social and Economic Council (SER) and TNO has revealed that the learning and development culture in the Netherlands is showing only limited signs of evolution in a politically and socially desirable direction.⁷

So far, there is no learning and development culture in which it is natural for all to engage in learning and development initiatives largely as part of their daily activities.

While the current Dutch scores for participation in Lifelong Development are relatively high, coming second after the Scandinavian countries, recent ROA figures reflect a somewhat stagnating trend in terms of participation in training and informal learning. Among working people, participation in training fell from 54% to 51% between 2017 and 2020.⁸ Of all working people, 31% said they had never attended a training course. Opportunities in the field of informal learning in particular (learning by doing, or learning from colleagues) could be used more effectively. There is a lack of initiatives to stimulate informal learning. This is a source of concern, since no less than 91% of the time that adults spend on learning this concerns informal learning.⁹

People with practical training backgrounds, on flex contracts and those over 55 are particularly vulnerable given their limited opportunities in the field of Lifelong Development. They participate in training courses and programmes much less frequently than their colleagues, and are also less inclined to engage in informal learning. People with practical training and employees on flexible contracts also have significantly less varied jobs and less autonomy at work. As such, they are more at risk of finding their position on the labour market weakened. Employees of large companies tend to learn more and are more actively encouraged to continue learning than employees of small companies. They also appear to feel a greater sense of urgency when it comes to learning and development. Self-employed workers have always been less inclined to attend training programmes than employees, although the more highly educated among them are catching up.

Lifelong Development: ambitions and policies

Given the urgent need for continued learning and development, the government intends to do whatever it can to strengthen Lifelong Development by eliminating bottlenecks, removing obstacles and enhancing both the accessibility and transparency of the instruments available. The ambition is to stimulate the learning and development culture and reverse the trend of stagnating participation

⁵ EU (2020) EU Skills Agenda, p. 8-14.

⁶ For the exploratory study conducted by SEO and the ROA Research Centre for Education and the Labour Market, see: Inzicht in skills, een verkenning van Nederlandse initiatieven - eindrapport | Report | Rijksoverheid.nl

⁷ SER and TNO (2022), Monitor leercultuur

⁸ ROA (2022) Lifelong Development Survey

⁹ ROA (2022) Leven lang ontwikkelen in Nederland, pp. 3-5

in education and training, setting the participation target at 62% of the adult population in the Netherlands by 2030.¹⁰

To achieve this ambition, the government will provide a powerful incentive through three interconnected policies stimulating continued development among people, businesses and trainers (see Figure 1).

In order to support people more effectively in their development (policy 1), the options available to finance training from public means will be simplified and expanded, and additional assistance will become available for the most vulnerable group through development advice. In addition, we will provide information about public and private-sector training programmes and financing options that is reliable, up to date and as comprehensive as possible.

We will support companies (policy 2) in creating a work environment that offers plenty of opportunities to learn, and in scaling up successful initiatives.

We facilitate the various types of learning and development on the shop floor by offering subsidy schemes for on-the-job learning supervisors, for basic skills training and other forms of upskilling, reskilling and further training.

We encourage training providers (policy 3) to ensure a better match between their offering and the actual needs of employees and jobseekers – for example, by developing and scaling up short-track training programmes and matching training to participants' existing knowledge and work experience.

Figure 1 Policies to promote a strong learning culture

Learning and development culture

People in development
Companies in development
Trainers in development

The government will not be able to achieve all its ambitions in the field of Lifelong Development on its own. To make its policies effective, it calls on employers, employees, jobseekers, social partners, sectors, R&D funds, public and private-sector trainers, regional labour market parties, public-sector providers and other parties involved to join the government in making sure that participation in Lifelong Development becomes a matter of course for all.

To realise its ambitions, the government supports the parties involved with an unprecedented investment of approximately €1.2 billion between 2022 and 2027, of which €500 million will be made available via the coalition agreement, €652.5 million via the second round of the National Growth Fund (NGF) and just under €90 million via the first round of that fund.¹¹ These resources will enable the government to make substantial investments in Lifelong Development over the course of the coming years. The need for this is urgent, in view of the considerable challenges we face in future-proofing the labour market, as outlined above.

- Additional investments specifically aimed at training:
 - an additional individual training budget of €500 million, specifically for people with a practical training background, via STAP (from the coalition agreement, between 2023 and 2027);
 - €50.5 million specifically aimed at language and professional skills training for people with low literacy skills (via the 2nd NGF round, between 2022 and 2027);
 - an additional €392 million incentive grant for relevant training programmes, primarily aimed at the energy transition (via the 2nd NGF round, between 2022 and 2027);

¹⁰ As agreed in response to the Plan of Action for the European Pillar of Social Rights set out in the letter by the Minister of Social Affairs and Employment and the Minister for Poverty Policy, Participation and Pensions dated 7 June 2022, Parliamentary Papers II, 21/22 21 501-31 No 669). The most recent figures for Europe available date from 2016. The figure for the Netherlands at the time was 57.1%.

¹¹ In this regard, note that NGF resources have already been allocated in part.

- €210 million for strengthening public-private partnerships between vocational education and small and medium-sized businesses (via the 2nd NGF round, between 2022 and 2029).
- Simply making a training budget available will not be sufficient to ensure that working people increase their investment in their careers and development. This is why the government has adopted a programme-based approach to actively stimulate and facilitate businesses and other organisations in their efforts to promote a learning culture among their people. In addition, pilot projects with development advice will be launched (1st round NGF, €45 million).
- Finally, the government is investing in the following basic conditions for training and development:
 - Skills of the Future: developing an unambiguous common skills idiom and validating skills already acquired (1st round NGF, €25 million);
 - Transparency & Overview: helping people make choices by presenting a digital overview of training and financing options (known as the *Leeroverzicht*, to be launched in October 2022 and to be developed further with nearly €20 million via 1st round NGF);
 - By ensuring effective coordination and alignment:
 - between national, sectoral and regional initiatives;
 - between Lifelong Development policies and the infrastructure of the labour market;
 - between departmental policies (Social Affairs and Employment; Education, Culture and Science; and Economic Affairs and Climate Policy).

Management and coordination of Lifelong Development policies

Collaboration is a prerequisite for efforts to strengthen the learning and development culture. This is why, from a national government perspective, the Ministry of Social Affairs and Employment, the Ministry of Education, Culture and Science and the Ministry of Economic Affairs and Climate Policy will ensure effective direction and coordination of the Lifelong Development policies mentioned in this letter, and consistency between those policies and related policy areas (e.g. job mobility and employment policies, or low literacy policies). The three ministries will be collaborating closely for this purpose. The aim is to achieve an efficient consultation structure. There will be a special focus on further streamlining and compiling an overview of the multitude of regulations. We will involve the social partners in this effort, as well as the umbrella organisations for education and other partners in the chain, enabling them to draw our attention to signals from the world of practice and place themes on the agenda. In addition, we will intensify our existing consultations on Lifelong Development with the social partners. We will also ensure more direction and coordination for the management of existing and future NGF-funded Lifelong Development programmes. Detailed plans will be drawn up with due regard for the governance and support structure to be developed for the future labour market infrastructure. We will soon inform your House on this future labour market infrastructure in a separate letter.

Reading guide

This introduction is followed by a more detailed description of the three policies in sections 1, 2 and 3: people, companies and trainers in development. Section 4 focuses on the steps required to strengthen the learning and development culture that connects people, companies and trainers.