

Financing VPL in Iceland

May 2019

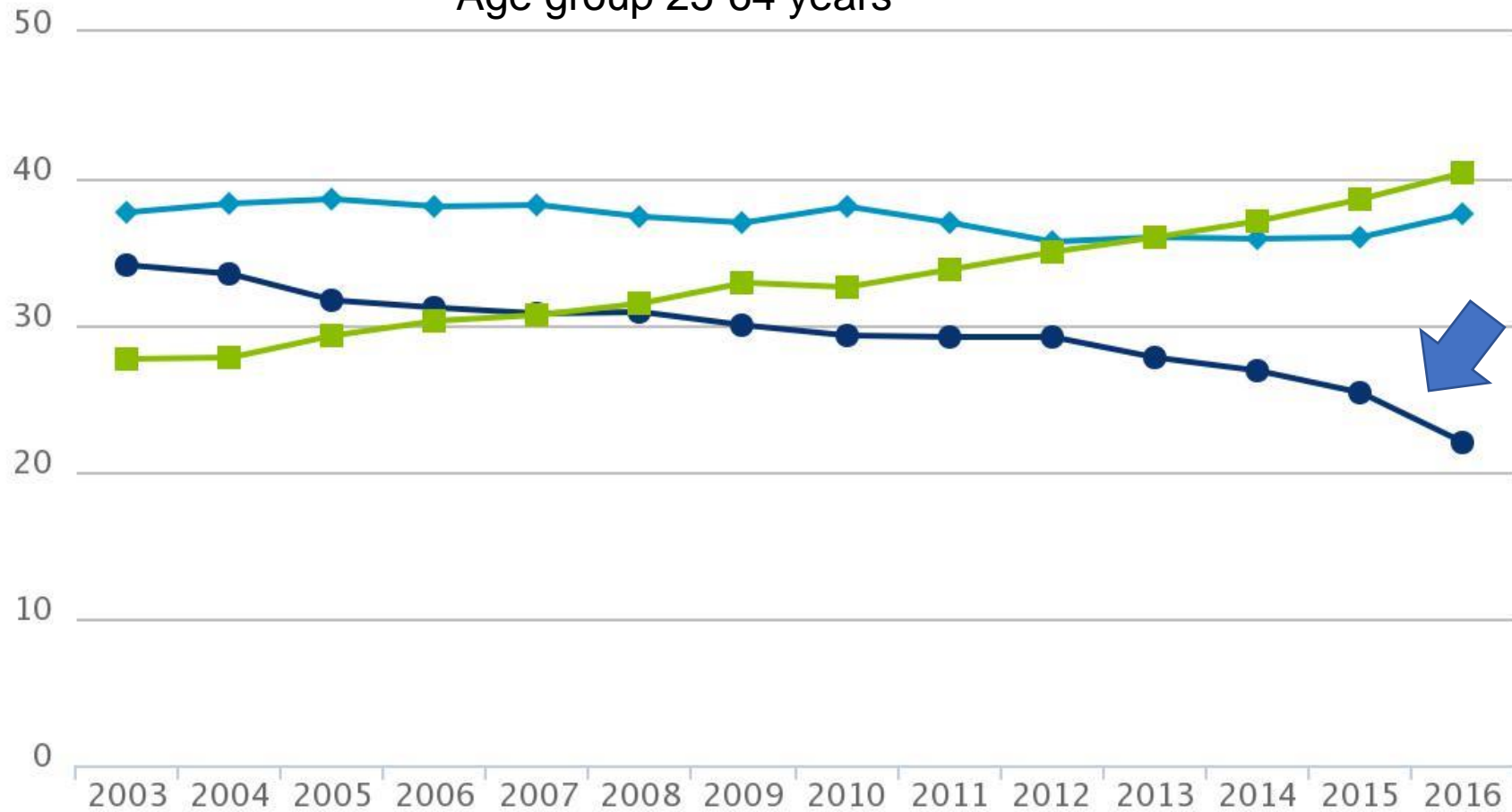
Sveinn Aðalsteinsson

Haukur Harðarson

Education and Training Service Centre, Iceland

ETSC – founded due to need

Population by educational attainment
Age group 25-64 years



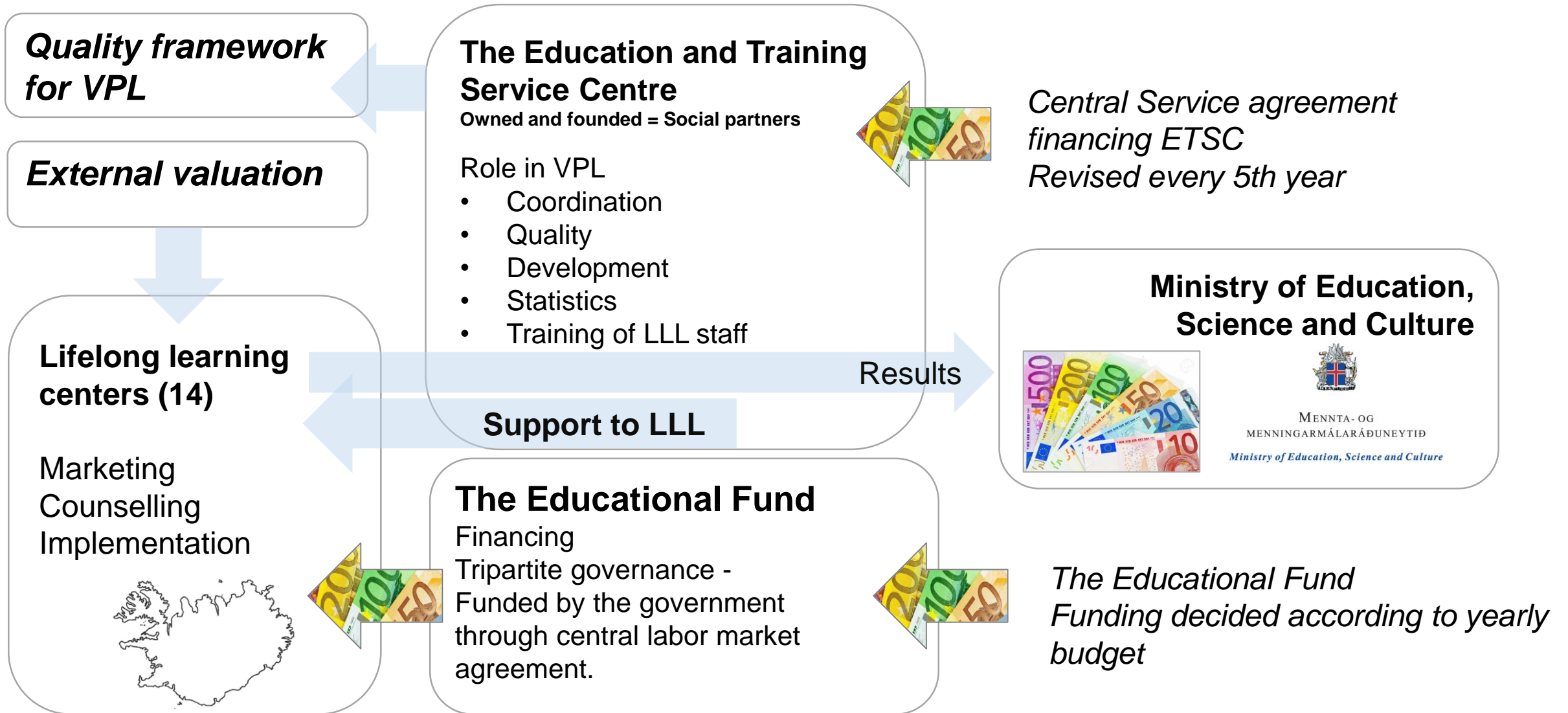
Primary/lower sec. - ISCED 1, 2 Upper secondary/post secondary - ISCED 3, 4
Tertiary/University - ISCED 5, 6, 7, 8



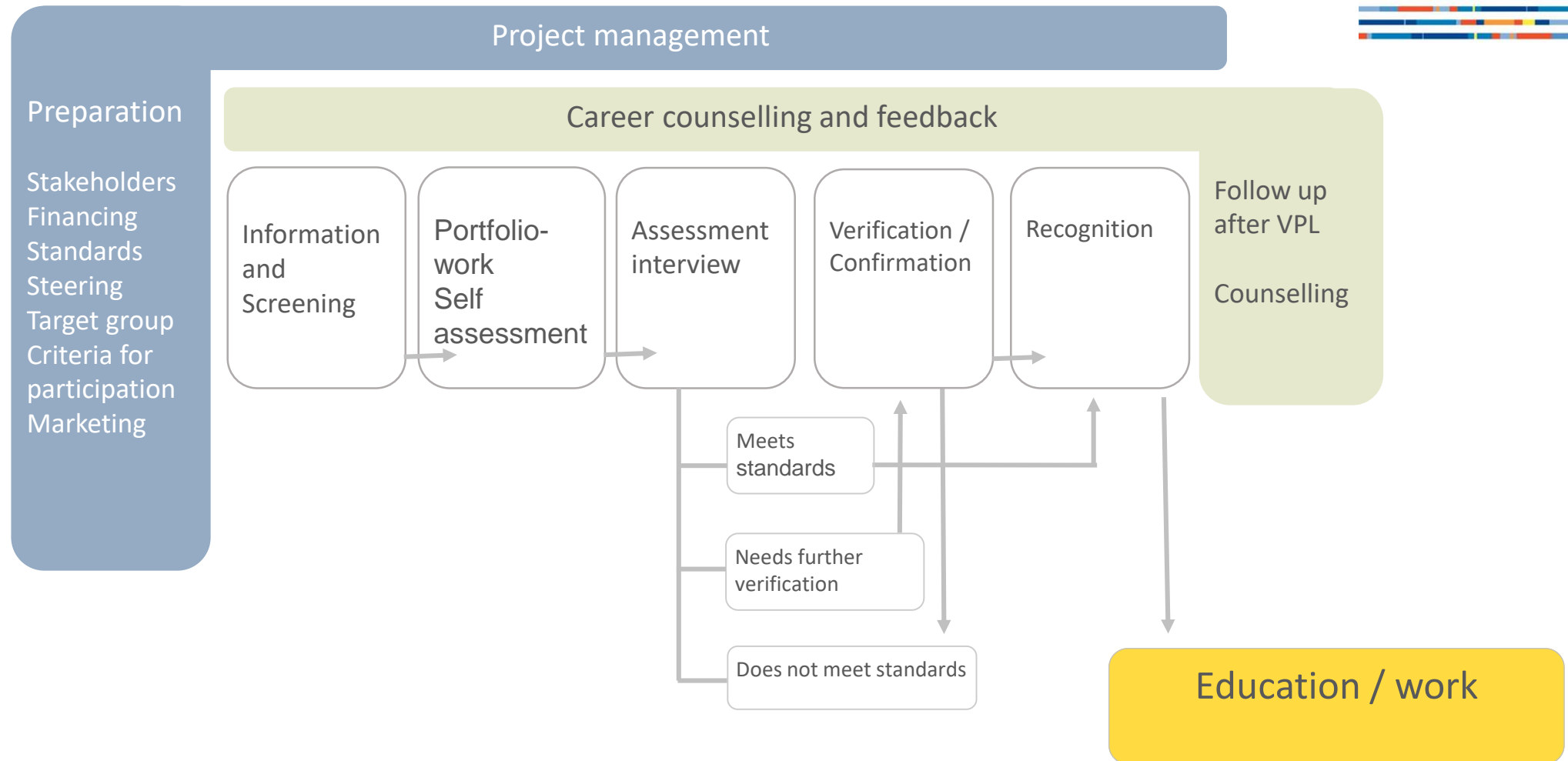
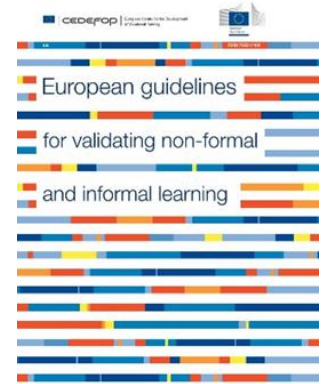
The foundation for VPL

- Labour market participation among the highest in Europe (around 85%)
- Unemployment low for decades (around 2%) – easy to get a job without formal qualifications
- A large group of people in the labour market has not completed Upper Secondary School level education
- Extensive knowledge and competences which had not been documented or recognized
- We needed solutions – VPL was chosen as one of the tools
- Decision made on cooperation between the Social Partners and the Government
- Target group for VPL: People in the labour market who have not completed Upper Secondary School
- Defined process supported by a regulation framework
- Target group for VPL:
- **People in the labour market who have not completed Upper Secondary School**

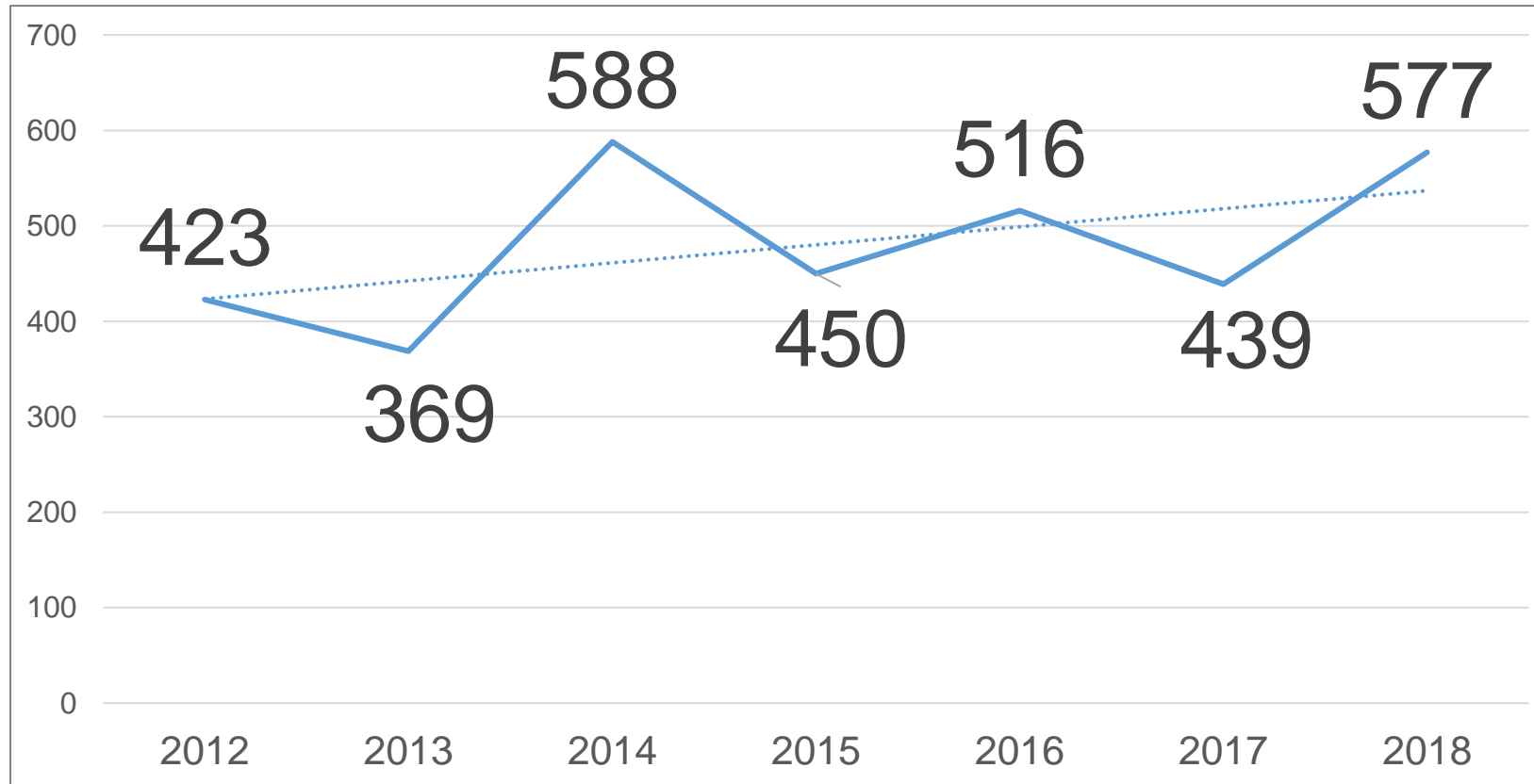
Flow of money and actions



VPL is a Quality Controlled process – all steps are required



Numbers



Labour market number of people	208.600
Unemployment	2,5 %
Target group for VPL	34.600
Completed VPL 2007 - 2018	4.974

More or less all individuals that complete VPL are in the work market

We love data

Numbers for the year 2018

People completing VPL	Average age	Number of credit units total	Average number of credit units	♀	♂
577	38,6	28.318	51	200	377

Average shortening of school education when VPL is used against curricula is one year.

The duration of upper secondary school education is 2.5 to 3.5 years

Cost of VPL

	A		B	C	A+B+C
Average	Fixed payment	Average units validated	Average payment for units	Average payment for counselling	Total average cost EUR
All VPL	1.075	51	1.133	342	2.550

Flexibility of the model - Number of units

Curriculum	Number of units	Payment for units	Curriculum	Number of units	Payment for units
Healthcare assistant	52	1.154	Fishing industry	79	1.753
Ship captain	14	311	Pre-school assistant	56	1.243
Plumber	102	2.264	Carpenter	74	1.643





How does it work?

- Central administration, system design, quality control and financing are crucial for trust – the cornerstone of good VPL
- Subsidised VPL so far limited to a certain target group (EQF 1-3)
- Others have access to vocational funds (social partners) up to 75% of costs. Individuals are prepared to pay 25% of costs.
- Pilot project running (ETSC) to establish efficient and simple VPL against job standards.
- Counselling has proved essential for successful VPL.