European Network of Public Employment Services

PES Annual Mutual Learning conference

'How to prevent unemployment in a changing world of work?'

Workshop 1 "Prevention for active people: Training and up/re-skilling"

Discussion paper

Written by Nicola Duell
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Directorate B — Employment
Unit B1 — Employment Strategy

E-mail: EMPL-PES-SECRETARIAT@ec.europa.eu

European Commission
B-1049 Brussels

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[1] DECISION No 573/2014/EU

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Introduction

Ongoing digitalisation will have a profound impact on the economy, as all sectors of the economy will be affected. The impact of digitalisation on employment is not clear cut at first sight. Research results are contradicting as regards potential net employment effects. An increasing number of studies point to effects of restructuring between and within sectors, as well as restructuring processes within enterprises, changes of the occupation structure and changes of the shape of occupations. A disaggregation by tasks and activities gives a more thorough view on automation potentials[2] [3].

In principle three different types of employment effects can be distinguished in regard to the digitalisation of the economy: (i) a labour saving (i.e. automation) effect; (ii) a demand effect; (iii) a structural effect on changed job roles, tasks, processes and work organisation. In addition, other areas of technological change have an impact on the required skills set of the workforce.

Preventing unemployment in the context of digitalisation through training measures thus mainly means preparing for a job change or adapting skills in order to remain in the workplace (or allow for a future change of employer) or to become self-employed: (i) reconversion of the skills profile of workers whose skills are not in demand anymore and who are threatened by dismissal; (ii) upskill low-skilled workers with basic IT and digital skills; (iii) train low-skilled workers in occupational skills needed at the workplace (in the context of increasing skills requirements for carrying out the job); (iii) upgrade the technical and soft skills of mid-level and high-skilled workers so as to keep pace with technological change in their professions. In addition, preventing unemployment would also require the implementation of measures geared at increasing the employability of young people graduating from vocational schools and tertiary education institutions, and closing their skills gaps.

1. Current measures implemented by some main stakeholders

The effects of digitalisation on work will require to adapt and transform public employment services (PES) along with their partnerships with key stakeholders.

1.1 Skills provision for the digital economy

Some measures place more emphasis on developing digital skills and competences and the ability to learn, as opposed to occupation-related education and training (e.g. **Sweden**, **Finland**), supporting companies, especially SMEs, to invest in technical competences, soft skills and digital skills (Belgium) and developing forecasting tools (e.g. **Czech Republic**, **Cyprus**)[4].

In the **Czech Republic**, a Digital Literacy Strategy 2015-2020 and a corresponding Action Plan was adopted with the involvement of stakeholders and following public consultations. Under the strategy, two ongoing projects focus on promoting life-long learning and investing in digital skills of employers and employees through a smart online system tool.

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[2] Suta, C; Barbieri, L.; May-Gillings, M. 2018. "Future Employment and Automation" in: Hogarth, T. (Ed). "*Economy, employment and skills: European, regional and global perspectives in an age of uncertainty".* Fondazione Giaccomo Brodolini, Studi e Ricerche, Quaderni No 61.

[3] Nedelkoska, L.; Quintini, G. 2018. "Automation, skills use and training". *OECD Social, Employment and Migration Working Papers* No. 202, OECD Publishing (Paris). Available at http://dx.doi.org/10.1787/2e2f4eea-en.

[4] Seminar on "Work 4.0 digitalisation of the labour market" – Synthesis report, March 2018, conclusions.

A similar national initiative in **Slovakia**, called "IT Academy – education for the 21st century", aims to establish a new model of education and vocational training with participation from primary and secondary schools as well as universities in order to tackle the shortage of ICT skills[5]. Proposed innovations enhance the quality of education in IT, mathematics, science, and ICT-related technology areas. Furthermore, they improve the motivation of pupils and students to study informatics and ICT, and help to develop scientific abilities of both pupils and students. Following the requirements of the IT sector, in 5 to 8 years' time the project aims to adjust the educational system to educate 1,000 new specialists, as compared to the current state. Project activities are designed for a minimum of 24,000 pupils of primary school, 9,000 pupils of secondary schools, 3,000 students of universities and 1,800 teachers of primary and secondary schools. It also incorporates the partnerships of all subjects within Slovakia that co-create the system itself, i.e. IT companies, universities, secondary school, primary school, self-government, and other subjects. Partnerships with the IT Academy are established under a contract or memorandum of cooperation, giving the entity the status of "IT Academy partner"[6].

Some other countries have introduced changes to their educational programmes, including more simplified, individualised vocational training (**Finland**), adapting the curricula to the types of skills that fit the future such as digital skills and soft skills (**Finland**, **Sweden**), and more emphasis on STEM education (**Cyprus**).

Improving career guidance on skills and competences and better targeting of services to those most in need was mentioned as a specific policy focus in **Norway,** where the government fund for basic skills has now been extended to help workers acquiring basic digital skills[7].

1.2 Basic competences and skills development

In **Bulgaria** there are learning programmes that provide tailored learning offers[8]:

- *National Strategy for Promotion and Improvement of Literacy Skills (2014-2020).* The strategy aims to ensure that individuals have access to quality, affordable courses for adult literacy and ICT, and can work or live in environments where reasonable adjustments can be made to compensate for literacy and ICT problems. The strategy proposes the collection and use of data on school, regional and national levels to map the needs of adults and create corresponding offers (for example, evening classes or distance learning for employed).
- *National Action Plan for the period 2015-2020* for the implementation of the *National Strategy of the Republic of Bulgaria for Roma Integration (2012-2020)*. The action plan contains measures aimed at reducing the drop-out rate of Roma adult learners and improving their literacy skills and participation in continuing education[9]. It uses an integrated approach, combining an adult literacy module with a vocational education module. Initial literacy courses were financed as a first step towards training for the first degree of professional qualification[10].
- A new *Pre-school and School Education Act (2015)* requiring schools to organise and conduct literacy programmes and courses that enable adults over 16 to work

[5] Seminar on "Work 4.0 digitalisation of the labour market" – Synthesis report, March 2018, conclusions.

[6] https://ieeexplore.ieee.org/document/8102475.

[7] Seminar on "Work 4.0 digitalisation of the labour market" – Synthesis report, March 2018, conclusions.

[8] Mutual Learning Workshop, Implementing Upskilling Pathways, 2017.

[9] Ministry of Education and Science (2014), National Action Plan for the period 2015-2020.

[10] Independent national experts' network in the area of adult education/adult skills (2017) Bulgaria country report (internal).

towards gaining formally recognised professional competences. This is expected to increase the flexible learning offer available for low-qualified and/or low-skilled adults.

In order to support access to flexible training for low-skilled adults, some governments have recently introduced new training voucher schemes and individual training accounts (see some examples in section 4 below). In Bulgaria, training vouchers are a mechanism for financing the training of adults with secondary or lower levels of education and are provided for vocational education and training in key competences (e.g. digital skills or foreign language training)[11].

In **Norway**, within the *Programme for basic competences in working life*, "motivation agents" are recruited to stimulate adult learning and to encourage companies to provide learning and training opportunities for key competences[12].

1.3 Lifelong learning

From a broader perspective, in a number of countries, PES and stakeholders have set up tools in order to promote lifelong learning and training. Lifelong learning has also become a key area for PES. While the original main purpose of PES was to bring unemployed workers into work, there is now a tendency that activities also aim at preventing unemployment. Promotion of lifelong learning and upskilling encompass a wide range of issues that are not necessarily related to digitalisation. Main approaches include the following.

In **Portugal,** the new Qualifica programme managed by the National Agency of Qualification and Training (ANQEP) is focused on upskilling low-skilled adults, unemployed and NEETs. It aims at increasing the qualification level of adults, to increase digital and functional literacy and to facilitate tailored training pathways by better combining them with the recognition, validation and certification of competences scheme and with adult education and training. For this purpose, a network of more than 300 Qualifica centres has been set up across the country[13].

Italy[14] currently offers skills assessment tools and provides a tailored, flexible learning offer, plus a system of validation and recognition of qualifications[15].

In terms of *skills assessment*, individuals receive support from an adviser alongside a skills profile assessment and an in-depth interview[16]. In 2005, the country introduced a citizen's training logbook (*Libretto formativo del cittadino*). The aim and format of the logbook is similar to the European Skills Portfolio, but it is managed through a public skills audit support service (at regional/provincial level). The training logbook was implemented in 2006 by all Regions and Autonomous Provinces as part of their devolved responsibilities for conducting VET and skill assessment and certification. The logbook includes skills

[11] Independent national experts' network in the area of adult education and adult skills (2017): Bulgaria country report.

[12] The Royal Norwegian Ministry of Education and Research, 2008.

[13] Düll, N. et al. (2018), "Faces of Joblessness in Portugal: A People-centred perspective on employment barriers and policies", OECD Social, Employment and Migration Working Papers, No. 210, OECD Publishing, Paris. http://dx.doi.org/10.1787/b0fa55e7-en.
https://eu.eventscloud.com/file_uploads/c3a0bef69b7531adda790f0d2820721a_TheQualificaProgramme2cPortugal-GonaloXufre.pdf.

[14] Mutual Learning Workshop, Implementing Upskilling Pathways, 2017.

[15] Cedefop (2017). Update on the European inventory on validation of non-formal and informal learning, Italy country report.

[16] Cedefop (2014) Vocational Education and Training in Italy: Short description.

acquired through vocational education and training, work experiences and self-acquired competences. It also contains data on individuals' socio-demographic, educational and work characteristics.

Italy has also recently re-organised its adult education to make it more flexible and tailored while better recognising prior learning. Since 2014/15, new Centres for Adult Education (*Centri provinciali per l'istruzione degli adulti – CPIAs*) became autonomous education institutions organised in local networks, in order to ensure that they establish close contact with local governments and businesses[17]. The Jobs Act has also introduced important measures to increase access to active labour market programmes (ALMPs) in general and to training in particular[18].

In 2015, the *National Framework of Regional Qualifications* was defined, stating that regional qualifications should be mutually recognised and that procedures for the identification/validation of non-formal and informal learning and the certification of competences should be fully operational.

Within the ET2020 framework and national law 107/2015 ("The good school"), the National Operational Programme (NOP) "For school – Skills and Learning environments" includes specific actions for strengthening equal access to lifelong learning for all age groups in formal, non-formal and informal education.

1.4 Skills development in the context of economic restructuring

The social partners in **Sweden** have negotiated a wide range of job security agreements, including transition funds, to manage effectively enterprise restructuring; these have been referred to as 'transicurity'. Displaced workers may, in addition to individual career guidance, participate in further education while receiving compensation for their lost earnings. In this context, workers who have not been laid off are also granted training to maintain their competences in the event of structural changes[19].

In **Denmark**, sectoral agreements set the framework for training policies in companies. The social partners generally devolve the design of interventions to joint 'competence development' or 'vocational training' committees at sectoral and company level, in both public and private sectors. For instance, the sectoral agreement for industry recommends a 'systematic education and training plan for the company's employees' and devolves to the 'education committee' the decision about the type of continuing training needed at company level[20].

1.5 Skills development for PES staff

Learning organisations[21] were established both by the French and the Latvian PES. The **French PES** established a university (*Université-Pôle emploi* which includes the University of Management and Interregional Campus) for the development of the skills and careers of managers and PES staff. It trains 2,000 PES staff a day with an average of eight days of professional training per person, per year. Support is provided to managers, focusing on managerial skills training, mentoring, individual or collective coaching, etc. It is assumed that trained managers will relay the messages learned to their staff. For the

[17] Eurydice (2015). Adult Education and Training in Europe: Programmes to Raise Achievement in Basic Skills.

[18] *Ibid*.

[19] Cedefop, 2010e.

[20] Eurofound and Cedefop, 2009, p. 15.

[21] European Network of Public Employment Services Mutual Learning Key considerations paper: Implications on Strategic Human Resource Management (HRM) for Future PES Organisations.

counsellors, the training available at the University aims at developing soft skills, hard skills and digital skills. Note that in **Germany**, the PES runs its own University of Applied Labour Studies[22] focusing on labour market intermediation, and also offers a part-time master course (since 2015).

1.6 PES activities to prevent unemployment

PES activities in the area of skills policies to prevent unemployment or long-term unemployment also include:

- Vocational guidance for adults; guidance for further training (provided by PES and/or other specialised organisations);
- Early intervention and training measures in the context of social plans in case of mass dismissals / economic restructuring;
- Early intervention: need to notify dismissals early (e.g. in Germany);
- Measures to train IT / digital skills (e.g. in Greece for older workers; IT skills for use at professional level; training courses in software development);
- Upskilling programmes for low-skilled workers, financed by the PES: e.g. WEGEBAU (Germany);
- Other countries set up *Learning leave* schemes, financed by the PES (e.g. **Austria**).

Many of these schemes are general, or targeted at groups of workers with low educational levels, or workers with other socio-economic characteristics, and are not necessarily focused on technological change. Some other programmes seek to provide retraining in occupations for which a shortage exist, e.g. elderly care in **Germany**[23]**.**

2. Challenges for PES

- New target groups for the PES in many countries include workers at all skills levels. This requires new mechanisms to reach out to workers; new logics of intervention; new forms of cooperation with other actors; new ways to identify skills needs, including task-based and occupation-based skills and competencies.
- How to identify demand for specific skills and competencies in the local labour market? How to identify bottleneck occupations in the context of technological change (such as demand for ICT specialists; demand for specialists with interdisciplinary skills)?
- Deciding for whom the training content in the context of technological change needs to be developed. Exploring to what extent voucher systems or similar funding mechanisms that allow people to choose for themselves the right training content are likely to provide better results.
- Identifying sectors and occupations at local and national level: (i) at risk of automation in the context of technological change – need for retraining/occupational conversion; (ii) likely to be subject to change in the make-up of occupations and tasks – need for a mix of upskilling and retraining.

[22] http://www.hdba.de/en/home/.

[23] https://www.bmfsfj.de/blob/135564/63509cfe1ba9a83a10e1cc456320c001/ausbildungsoffensive-pflege-2019-2023-data.pdf; https://www.pflegeausbildung.net/ausbildung/informationen-zur-altenpflegeausbildung/ausbildungsfinanzierung.html

- Skills forecasting.
- Striking the right balance between short-term upskilling courses and longer vocational retraining courses.
- Resources available for upskilling, skills adaptation and retraining.

3. Good practices

Only in very few European countries do PES-activated measures aim at up-skilling current employees and preventing unemployment. Some practices that are more focused on achieving this objective and some of the best practices regarding training programmes are summarised below.

3.1 Skills anticipation and services to prevent unemployment[24]

These good practices are presented according to how they respond to these crucial questions in order to prevent unemployment due primarily to technological progress:

(i) which professions and workplaces are most at risk?
(ii) which professions are likely to be in high demand in the near future and what skills are needed for these jobs?
(iii) to what extent do workers at high risk of losing their jobs have competences and skills which can be easily transferred to jobs that are in demand?

Skills surveys, vacancy surveys and competence-based job matching to uncover skills gaps were the answers provided by the European PES and stakeholders.

The German PES: In response to question (i), the *Bundesagentur für Arbeit (BA)* uses a large range of surveys and a variety of data sources to underpin skills forecasts and statistic evaluations, such as the bottleneck analysis, and industry assessments in order to determine qualification requirements.

In response to question (ii), the BA uses different information sources and approaches in order to discover skills gaps and in order to analyse the transferability of skills. *Bi-directional matching* has been used in the German PES since the introduction of the *Virtual Labour Market in 2005*, which can include (in addition to the standard demographic information) competencies and skills. More recently, the Institute for Employment Research (the research institute of the German PES) has developed the additional statistic of occupations required by the job in which a person actually takes up employment *(Ein-mündungsberuf)*. It can differ from the trained occupation, and/or occupation of previous employment. A number of occupations in the fields of ICT are bottleneck occupations. In addition, the PES carries out analysis of skills shortages or skills bottlenecks (*Fachkräfteengpassanalyse*), mainly based on the time needed to fill a vacancy and the jobseeker/vacancy ratio in a given occupation[25]. Bottleneck occupations are published every six months. The Federal Ministry of Labour and the Federal Ministry of Education carry out skills forecasts by occupation. These forecasts are also developing digitalisation scenarios[26].

[24] Csillag, Sharle, How do PES Act to prevent unemployment in a changing world of work?, 2019.

[25] Federal Employment Agency (BA) (2019): Fachkräfteengpassanalyse. Berichte: Blickpunkt Arbeitsmarkt, Juni 2019. Online: https://statistik.arbeitsagentur.de/Statistikdaten/Detail/201906/arbeitsmarktberichte/fk-engpassanalyse/fk-engpassanalyse-d-0-201906-pdf.pdf

26 Zika, G.; Schneemann, C.; Grossman, A.; Kalinowski, M.; Maier, T.; Mönnig, A.; Parton, F.; Winnige, S.; Wolter, M.I. [Zika et al.] (2019): BMAS-Prognose „Digitalisierte Arbeitswelt". IAB Forschungsbericht 5/2019.

Belgium-Flanders: The Belgian-Flemish PES has characteristics that will allow it to increasingly work with (at-risk) employees, such as an exceptionally well-developed use of ICT solutions (high potential to reach employed jobseekers). Given the apparent skills shortages, the Belgian-Flemish PES will likely need to focus more efforts on up-skilling. The next step to take in the future is providing more services to at-risk employees.

In order to provide an answer to (i) (understanding which skills are at risk), the Belgian-Flemish PES relies on a number of different skills anticipation exercises such as the skills forecast made by the Centre of Expertise for Labour market Monitoring (CELM), a university-based knowledge centre for the monitoring and analysis of the labour market. Furthermore, the Belgian-Flemish PES undertakes two yearly research projects to gauge the scarcity of certain skills in the current labour market.

In order to uncover skills gaps (ii), the Belgian-Flemish PES has been developing the approach of competence-based matching for a long time. The Flemish PES is based on the idea that working with competences throughout the job-matching process, instead of simply working with professions and (formal) certificates, is more efficient as it can solve firm's skills shortages by giving access to a larger pool of jobseekers to choose from. Competence-based matching also gives jobseekers a broader perspective on career possibilities. Through the online career portfolio (Mijn Loopbaan), workers can manage their CV and enter and update their competences.

Estonia: The focus of the PES on up-skilling workers as a preventive measure was stated by the Supervisory Board of the Estonian PES. The need for it was due to a lack of skilled labour for employers. Before providing an answer to (i) (understanding which skills are at risk), and before launching its new prevention and up-skilling measures, the Estonian PES faced a difficult situation: it needed to decide what fields of study ought to be supported through financial incentives (no tolls seemed to be specific enough to achieve the objective). The solution found was a new set of analyses (called OSKA forecasts), coordinated by the Estonian Qualification Authority, which started with the objective of revealing the needs for labour and skills necessary for Estonia's economic development over the next 10 years. Finally, the surveys also assess labour requirements in quantitative terms and training capacities broken down by key professions.

In terms of competence-based job matching (ii), the automated matching algorithm is currently being redesigned.

3.2. Training programmes and incentives for employees

The *Noste programme*, which ran in **Finland** from 2003 to 2009 with the aim to increase qualification and skill levels of low-qualified employees, recruited and trained employee representatives of SAK (the main trade union for blue-collar workers) as learning agents, who successfully encouraged many low-skilled employees to undertake training. With their help, the programme managed to involve workers who would otherwise have been unlikely to participate in learning activities, due to low self-confidence or learning difficulties for example. Learning agents also acted as contact points between education establishments, programme participants and enterprises. The programme was initiated by one of the major trade confederations and implemented on a tripartite basis. Validation of prior learning was

Online: http://doku.iab.de/forschungsbericht/2019/fb0519.pdf. And Vogler-Ludwig, K., Düll, N., Kriechel, B. unter der Mitarbeit von Tim Vetter (2016), Prognose 2016 Wirtschaft und Arbeitsmarkt im digitalen Zeitalter Studie im Auftrag des Bundesministeriums für Arbeit und Soziales, [Forecast 2016. The Economy and the Labour Market in the Digital Era. Study on behalf of the German Federal Ministry of Labour], published by W. Bertelsmann Verlag.

also an important element as it allowed the programme to shorten the study periods of learners who wanted to pursue full qualifications. It also allowed programme organisers to tailor learning provision to participant needs[27].

In **Norway**, the programme *Vocational pedagogy in enterprise*, which combines theoretical learning and day-to-day work in the workplace, has proved to be an efficient way to overcome employers' unwillingness to invest in the professional development of in-company trainers, particularly in the context of the global economic crisis. In-company trainers become familiar with different training practices and techniques by developing a training project that is linked to the priorities of the business for which they work. In agreement with their employers, programme participants develop a training solution for the competence gaps of the company as a whole or a specific department. Training projects may even transform the company's general learning environment. Through networking with trainers working in different sectors and types of enterprises, in-company trainers get alternative views on their own work and share resources and strategies. In the companies, training projects raise awareness of the importance of trainers' professional and personal development. The final evaluation considers the extent to which the expectations of both the employer and the employees have been met and whether the project has improved the learning environment in the company: this means that the initiative is taken very seriously by employers. Trainers receive a certificate from Akershus University College, stating the ECTS received, thus opening the way to further education through bachelor or master programmes at the college. The involvement of the Association of Norwegian Process Industries in the design helped to build a programme that would be relevant to sector and company changing needs[28].

In **Greece**, *50plus Hellas*[29] has been providing ICT training to older people with the support of a national telecommunication company, COSMOTE, and local authorities. The current largest programme, ACCESS TO THE DIGITAL WORLD, started modestly in 2012 with classes in one Athens Municipality, expanding steadily to its present coverage of 11 Municipalities in the wider Athens area. Over 2,500 older people have completed the free courses (June 2012 - Dec. 2016) and received their diplomas, and within 2017 nearly another 5,000 became "digital". The success of the programme came from the cooperation of 50plus Hellas with the various local authorities and with OTE Group and its subsidiary, Cosmote SA, the largest telecommunications provider in Greece[30].

In **France,** a new individual learning account scheme (*compte personnel de formation*) was introduced with the national multi-sectoral agreement of 11 January 2013. Upon entering the labour market, every person has a personal training account. The person uses this account, whether employed or looking for work, to access training on an individual basis. Each member of the workforce has a credit of training hours (24 hours a year and after five years, 12 hours a year, capped to 150 hours) that they can use at any time for vocational training leading to a certificate. This credit is portable from one company to another. The first results showed that by the end of 2015 about 2.5 million people had opened an individual training account: 210,000 training sessions were engaged in, 79% by jobseekers, through the individual training account at the national and regional level. The first results are positive but limited by the high rate of jobseekers among the users[31].

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[27] Ministry of Education, Department of Education and Science, 2008; Cedefop, 2008.

[28] Cedefop, 2010.

[29] http://old.50plus.gr/english.

[30] OECD, "Key policies to promote longer working lives. Country note 2007 to 2017", Greece, 2018.

[31] CNEFOP, Premier Rapport sur la mise en œuvre du Compte personnel de formation et du Conseil en évolution professionnelle, April 2016.

The individual training account has become part of the individual activity account. Along with the arduous work account and the community service account, the individual training account forms part of the individual activity account designed to safeguard individuals given increasingly fast-moving career paths. Since January 2017, all salaried workers have been able to create their individual activity account on the internet or via a mobile app. Self-employed workers have had access to the individual activity account since January 2018.

3.3. Services for employed job seekers[32]

3.3.1 Career counselling

Lifelong Training Centres were established both in **Croatia**[33] and **Slovenia**, at the regional level. They offer career counselling equally for employed jobseekers. All these centres use a partnership approach, as some services are delivered by NGOs or employer organisations. While the core staff of these centres are PES employees in both countries (typically two people for a centre), they are physically independent of the PES regional offices. Other workplace training programmes also make use of *Learning Ambassadors*.

In **Germany**, given the early registration of those threatened by job loss, employed job seekers can have access to the full range of services that those registered as unemployed can use, according to the practice *The 4phase model of activation and counselling*[34]. There do not seem to be employment counsellors specialised in working with employed jobseekers, but counsellors are regularly informed about skills forecasts and use the results of (automated) job-matching systems[35]. In 2019, the German PES decided to introduce a concept of lifelong career guidance all over Germany (*Lebensbegleitende Berufsberatung*)[36].

The **Belgian-Flemish** PES allows great information sharing. Counsellors are trained to interpret the results of competence-based matching and to encourage job seekers to apply for a wider range of jobs. Employed and self-employed citizens are entitled to low-cost "career counselling vouchers" and are offered online career counselling.

In the **Latvian** PES, a recent reform developed a *Competency-Based Development Programme for Senior Managers*, including assessment of competencies and the development of individual action plans, in addition to a well-being programme and an international exchange programme.

3.3.2 Instruments to support jobseeker participation in relevant training programmes

The Belgian-Flemish PES: All employed citizens are entitled to subsidised training via training vouchers related to their job, and firms can request training programmes, receiving substantial reimbursement. A large number of online courses are offered for free.

Estonia*: The Work and Study Programme for prevention of unemployment*[37] was launched to support up-skilling of at-risk employees through financial aid for studying (for employees, employers and unemployed). Participants were given access to financial aid

[32] How do PES Act to prevent unemployment in a changing world of work?, 2019.

[33] ec.europa.eu/social/BlobServlet?docId=15225&langId=en.

[34] https://www.pesnetwork.eu/download/pes-network-the-implications/.

[35] Analytical Report (2019).

[36] https://con.arbeitsagentur.de/prod/apok/ct/dam/download/documents/Weisung-201810016_ba021961.pdf.

[37] ec.europa.eu/social/BlobServlet?docId=20007&langId=en.

for studying to develop general skills and to support the development of knowledge in professions with increasing demand in the future (following a previous analysis). Participants also had to undertake compulsory personalised career counselling.

Malta*:* The PES launched a new set of measures aimed at encouraging up-skilling of both unemployed and (at-risk) employed people: the *Average Wage Earners Scheme,* providing allowances for low-earning individuals (free for participants); the *Training Pays Scheme,* providing off-the job training (costs to participate were reimbursed); and the *Investing in Skills Scheme* (subsidies were given in order to participate). All these training courses are targeted according to information on skills demand (finding skills surveys, skills forecasts etc.).

Germany: In order to encourage individual investments in vocational continuing training for those who have a low income, a continuing education voucher (*Bildungsprämie*) was introduced in 2008. This programme is financed by the Ministry of Education and research and ESF. Subsidies are degressive with increasing skills levels. A counselling centre is in charge of verifying eligibility and of receiving advice on the suitability of the courses. In 2018, approximately 380,000 vouchers were issued. Experience of the previous year showed that about 75% of the vouchers were effectively used[38]. The voucher is more often used by women than by men, and over 40% were employed in the health care and welfare system. Two-thirds of beneficiaries have an ISCED level of 3-4, a third an ISCED level of 5-6 and only 3% were low-skilled (in 2018). Thus the voucher does not seem to be effective for the low-skilled.

3.4. Challenges and solutions[39]

The two main challenges of up-skilling measures are (i) leading to deadweight if the targeting is not appropriate and (ii) ensuring that clients comply to (buy-in) the offer of up-skilling measures. The PES practices described in the paragraphs above overcame these challenges by targeting their programmes and providing financial incentives and information sessions.

The Work and Study Programme in Estonia is relatively strictly targeted. The *Degree Study Allowance* is targeted on individuals who either have no vocational or professional qualification (but have upper-secondary education) or whose vocational skills have become obsolete. Employees with a lower than average salary can also apply for a *Training Voucher* if they are old, with insufficient language skills or without qualification. Employers can also apply for training grants which are targeted on those firms where the restructuring of operations or the installation of new technologies require the upgrading of skills.

The Maltese PES targeted allowances to participate in the programmes on employees earning below the average wage, but the courses cover only low levels of education. Similarly, enterprises that meet the Investing in Skills eligibility criteria can receive subsidies that cover training costs, wage costs, and air travel. In Germany, a small-scale subsidy programme for supporting vocational training initiated by employees (*WEGebAU*) targets low-skilled employees who are vulnerable to becoming unemployed because of the lack or loss of skills. The programme is targeted on low-skilled SME workers with no vocational qualifications. The Belgian-Flemish PES does not target training for the employed by limiting eligibility, but by differentiating the financial incentives according to the target group.

[38] BiBB (Bundesinstitut für Berufsbildung) 2019: Datenreport zum Berufsbildungsbericht 2019. Informationen und Analysen zur Entwicklung der beruflichen Bildung. Online: https://www.bibb.de/dokumente/pdf/bibb_datenreport_2019.pdf

[39] Csillag, Shrale (2019), "How do PES Act to prevent unemployment in a changing world of work?", 2019.

Regarding compliance to the offer of the programmes, the Estonian Work and Study Programme gives financial incentives for employees to participate in the up-skilling programmes. Information about eligibility to the programme was also spread through diverse channels. The Maltese programme also provided financial incentives, while the German *Bildungsprämie (training voucher for continuing training)* highlights not only the importance of financial incentives, but also that of information and counselling services for employers.

The French programme of individual learning accounts is an interesting approach; however, training measures are mainly taken up by unemployed rather than employed workers.

In general, access to vocational guidance for employed workers is an important approach to foster labour market flexibility and at the same time to minimise the risk of longer unemployment periods.

A major challenge consists in setting strong incentives for low-skilled workers to engage in continuing learning, as these usually have a weak continuing training culture. Another challenge for the PES is to promote continuing training of workers while still in employment.

Questions for the workshop

- How can PES inform and attract workers who need skills updates / retraining?
- How can PES foster cooperation to develop individual social plans in cases of job loss due to automation?
- What measures can PES take to avoid dead-weight effects?
- What financing mechanisms for PES training and education measures work best?