Anticipating labour market needs via the "OSKA" skills forecasting system

BASED ON QUANTITATIVE DATA AND EXPERT EVALUATIONS, "OSKA" ANALYSES AND FORECASTS WHICH SKILLS WILL BE REQUIRED BY THE ESTONIAN ECONOMY IN THE FOLLOWING 5-10 YEARS.

Publication date: December 2022

ESTONIA

The "OSKA" forecasting system is an applied research survey in Estonia on sectorial needs for labour and skills, developed and run by the Estonian Qualifications Authority. The research results are used for developing training and educational programmes to meet the future labour market skills needs required for Estonia's economic development in the next 5-10 years.

Results from the analysis serve as input to develop educational curricula, set admission quotas, indicate skills needs for PES, and give employers directions for sectorial shifts. The results also provide input to policy making and implementation, which in turn can create problems if the projections are not correct or if there are drastic global or local shifts in the external environment that were not included in the projections.

Name of the PES	Eesti Töötukassa (Estonian Unemployment Insurance Fund / EUIF)
Scope of measure (a pilot project or a national reform)	Nationwide with many beneficiaries including PES.
When was the practice implemented? (including start and end date for pilot projects)	In 2014, the Estonian government approved the labour market monitoring, forecasting and skills development concept. The Estonian Qualifications Authority started to develop the "OSKA" methodology in the same year, as an ongoing process. EUIF started to implement the results of the "OSKA" sectorial surveys from 2017 by connecting them to policies and services.
What was the driver for introducing the practice? Was it internal or external?	Increasing mismatch problems make it necessary to intensify efforts to analyse and forecast future needs for occupations and skills. As EUIF is a member of the "OSKA" Coordination Council and Panel of Advisers, implementing "OSKA" results in EUIF services and policies was embedded into the cooperation model.
Which organisation was involved in its implementation?	"OSKA" was developed by the Estonian Qualifications Authority, and analysis is done with the involvement of employers, educational institutions, professional associations, training institutions, etc. EUIF is implementing "OSKA" results in its services and policies.
Which groups were targeted by the practice?	Policy-makers, career counselling services, vocational schools, training institutions, higher education institutions, PES, social and economic partners such as chambers, trade unions, employers' organisations, etc.
What were the practice's main objectives?	To find out what should be changed in education and training, anticipating relevant labour market trends. With this information, it will be easier to prepare the future labour force for the relevant skill needs covering the 5 to 10 years ahead.
What activities were carried out?	The quantitative analysis builds on the data from the relevant registers and surveys as well as on the forecasts of labour requirements. The qualitative data on employment, skills, and qualifications is collected from personal interviews with sectoral experts and from group discussions. The interviews examine future economic trends and the resulting changes in the needs for workers, skills, education, and training in each sector and provide input with suggestions for improving qualifications. Data is analysed and used for projecting labour force developments and skills demand in the next 5-10 years. By combining all the data, the suggestions for changes in educational programmes and training are derived to meet shifts in labour force and future skills demand. The analysis is done for each sector or industry separately, and industry expert groups validate the outcomes at each stage of the research before they are used in the decision-making process. EUIF uses the analysis to design its services and prepare policies for decreasing unemployment and enhancing preventive measures.

What resources and other relevant organisational aspects were involved?	The know-how of the Estonian Qualifications Authority was used to create and continuously adapt the "OSKA" forecasting model. Information is provided by employers, educational institutions, professional associations, training institutions, the EUIF, and other organisations.
What were the source(s) of funding?	The implementation of "OSKA" is funded by the European Social Fund (ESF).
What were the outputs of the practice: people reached and products?	"OSKA" research is one of the most used studies serving as input to policy making and implementation.
What outcomes have been identified?	The results of the "OSKA" sectorial analysis are the input for the policy that regulates what skills need to be developed for unemployed individuals and for preventive measures. For example, the "OSKA" forecast for long-term skills development indicates that there is a decreasing need for preschool teachers, accountants, clerks, car repair technicians, employees for carbon-intensive industries, and the transportation sector. However, other external factors are also taken into consideration, such as the energy crisis and Russia's invasion of Ukraine, which have impacted the need for employees in the transportation and shale oil industry. Thus, while creating policies and making decisions, EUIF uses other data besides "OSKA" results to accommodate all relevant changes.

With a view to the COVID-19 pandemic, analytical results showed a decrease in the workforce in certain sectors (e. g. accommodation, tourism, catering) and an increase in youth unemployment. At the same time, some sectors experienced growth in the number of employed individuals (e.g., industrial sector, ICT, social affairs, health care, and education) and faced shortages in skilled labour. In general, the crisis created a demand for continuous training of employees in the areas of digital skills, risk management and analysis, product development and marketing, communication, and collaboration skills. The acceleration of the digital and green transitions created a need for reskilling. |
| **What are the lessons learnt and success factors?** | One challenge is that changes in the global arena have a huge impact on Estonia, and thus, the 5-10 years projections might not be valid. Another challenge is systematically and continuously ensuring that all relevant research results are further integrated into the "OSKA" methodology. |

Contact details for further information

Name: Dr Elina Kallas

Email: Elina.kallas@tootukassa.ee