



2023 PES Network
Stakeholder Conference

Empowering the Workforce, Bridging the Skills Gap

30 March 2023

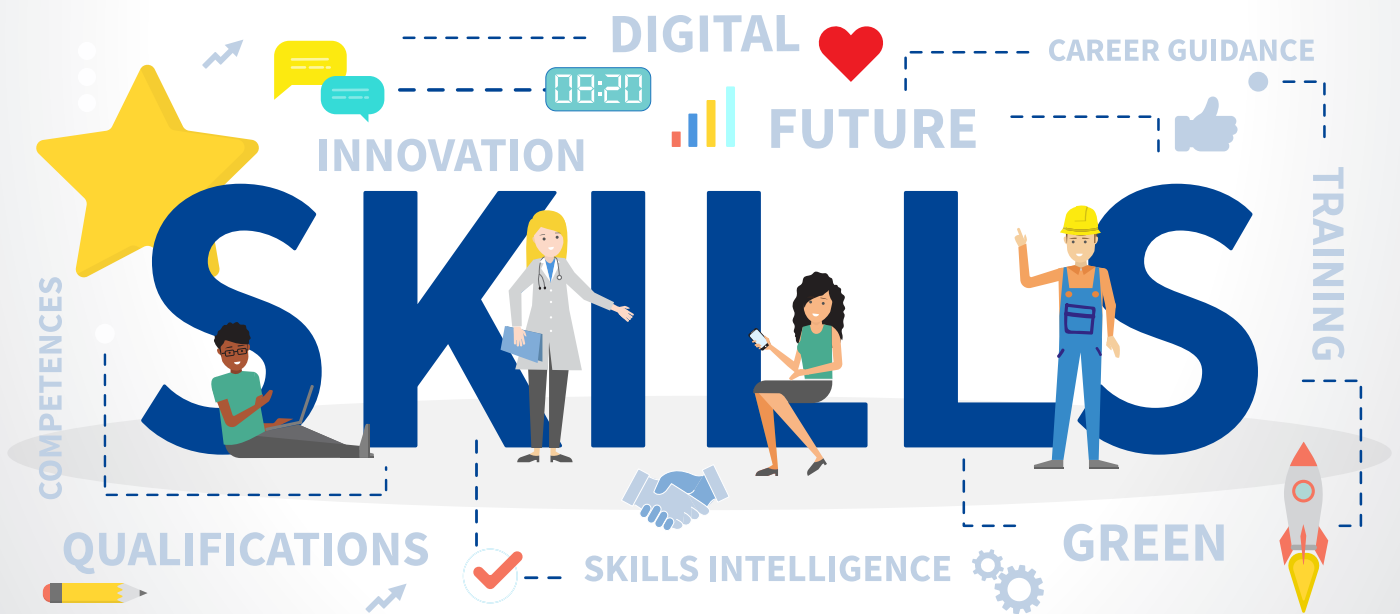


Table of Contents

Introduction	4
1. Tackling Europe's Skill Needs: the role of public employment services and their partners	6
2. The changing demand for skills in Europe – trends and challenges	10
3. A final word	14
ANNEX - EU initiatives to support skills development	15

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Introduction

This paper provides background context for the **2023 PES Network Stakeholder Conference** dedicated to “Empowering the Workforce, Bridging the Skills Gap.” It is intended to **showcase the contribution which Public Employment Services (PES) and their stakeholder partners** can provide to address skill challenges, in support of the [2023 European Year of Skills](#).

The conference will be attended by Heads of PES and other PES staff, social partners, labour market and skills experts from EU institutions, private employment services, education and training providers, NGOs, and international organisations. Participants will be invited to learn more about the latest skills-related trends and developments, to discover what PES and their partners can do to successfully address skills challenges, and to imagine the future role of PES and stakeholders in this regard.

In her **State of the European Union Address** on 14 September 2022, President von der Leyen identified a “workforce with the right skills” as a crucial factor underpinning the current and future competitiveness of the social market economy. Four key objectives were identified to reach this vision: promoting and increasing more effective and inclusive demand in training and upskilling, ensuring that skills are relevant to labour market needs, matching aspirations with job market opportunities, and attracting third-country nationals with the skills needed in the EU.

The conference will facilitate discussion and debate amongst PES and stakeholder partners of their respective roles and their potential for increased collaboration to deliver the [2020 European Skills Agenda](#). This stated that equipping the EU workforce with the required skills is crucial to ensure that the green and digital transitions are socially fair and just. The [Porto Declaration](#) agreed upon in May 2021 builds on this with a commitment to

upskilling and reskilling to improve employability. In turn, the [European Pillar of Social Rights Action Plan](#) targets at least 60% of adults participating in training every year, and an employment rate of at least 78% by 2030.

In contrast, the latest figures from Eurostat and the [Digital Economy and Society Index](#) state that only 37% of adults regularly participate in training, while 4 out of 10 adults and every third person who works in Europe lacks basic digital skills. Gender gaps further exacerbate this issue, with women representing only 1 in 6 of those working in the IT sector and 1 in 3 STEM graduates.

The first chapter of this paper discusses the **Role of PES and their partners in tackling skills needs**. This section provides an overview of the latest practices developed by PES and their partners regarding various dimensions of skills challenges and considers themes which will be addressed during the morning workshops at the conference. These include career guidance, skills intelligence, developing skills for the digital and green transitions, and improving skills assessments.

The following chapter of the paper considers **Trends and challenges in the changing demand for skills in Europe**. This section sets the stage for the discussions that will take place during the afternoon workshops on the role of PES and their partners, and how this will need to evolve in future years. It provides an overview of key challenges facing skills development in Europe regarding both the current situation and likely future developments including the twin transitions, the various factors which are driving skills demand and supply, and their potential labour market implications. The chapter explores themes including the impact of automation and digitalisation, the evolving skills profile of existing occupations, partnerships for upskilling and reskilling, and the issue of qualification recognition of third-country nationals.

Tackling Europe's Skills Needs: the role of public employment services and their partners

Matching aspirations with labour market opportunities through career guidance

Skills intelligence: understanding current and future labour market needs

Developing skills for the digital and green transitions

Improving skills assessment and labour market integration

The changing demand for skills in Europe - trends and challenges

Supporting those impacted by automation and digitalisation

Evolving skills profiles of existing occupations
- Towards more frequent re/upskilling and job-to-job transitions

Partnerships for upskilling and reskilling an evolving ecosystem

Third-country nationals and qualification recognition in Europe

1. Tackling Europe's Skill Needs: the role of public employment services and their partners

During the 2023 PES Network conference, four workshops in the morning session will be dedicated to discussing the different ways in which PES can help to address skills challenges, also considering their role in the wider skills ecosystem. These four workshops will offer an overview of the latest practices developed by PES regarding the various dimensions of skills challenges: career guidance, skills intelligence, upskilling/reskilling, and skill assessment/profiling.

1.1 Matching aspirations with labour market opportunities through career guidance

Career guidance (also referred to as career counselling) describes the services which help people of any age to manage their careers and to make the educational, training and occupational choices that are right for them. This involves a range of connected activities, including provision of career information, personalised guidance/counselling, skills assessment, engaging with the world of work and the teaching of decision-making and career management skills¹. As demonstrated by the [flash survey run by Cedefop in 2020](#), the role of career guidance has been further emphasised during the COVID-19 pandemic, mainly as it has provoked social and economic uncertainty for people of all ages, leading to increases in career guidance service demand, especially for careers and labour market information, individualised career counselling, and psychosocial support. It has also been recognised as an important factor of preparing the workforce to reskilling and upskilling in times of change.

Career guidance providers include the education sector (schools, universities and training centres), career guidance centres (national or municipality-operated), employers and trade unions, as well as employment services. PES have also been widely recognised as providers of professional career counselling². Indeed, through their counselling activities, PES have a crucial role to play in helping jobseekers to cope with technological (and other)

changes in the labour market, that affect their jobs and required skills. From the employment perspective, career counselling is a method of supporting employees in their labour market transitions, as it can prepare jobseekers and workers for developing the skills they will need in the future. As such, counselling is inevitably linked to reskilling and upskilling activities as well as to skills assessment and validation (especially for skills obtained in non-formal and informal learning).

As stated in the [PES vision 2020 strategy](#) and [PES Network Strategy](#), PES are aiming to harness their unique position at the centre of the employment system and to act as 'conductors', building bridges, cooperation and partnerships – including for career guidance. According to the [Toolkit for PES building career guidance and lifelong learning](#), this requires knowledge of the stakeholders within the labour market field, as well as other related areas (like education), and a clear understanding of customers' career guidance needs and how the services should be organised to enhance active movement in labour market transitions. A 'conductor role' also requires adopting active partnership-building approaches. This is often done in PES by formal cooperation in running career guidance centres, co-creation of services (including e-guidance services, which have been strongly developed during the COVID-19 pandemic³), as well as active participation in other institutions' initiatives – like graduate tracking surveys⁴ – which help to limit the "silo thinking" in providing services to customers and society.

With the changing environmental factors (including societal, technological and economic developments) and changing needs of employers, there is a growing need for lifelong guidance to jobseekers throughout their working lives. PES need to further improve their career guidance services by providing innovative, practical, adaptive and cooperative approaches, quality information and labour market-related data, better use of tools and resources; increased focus on customer's needs and perspectives; as well as use of evidence-based outcomes and research⁵.

1 See the interagency [Investing in career guidance](#) report from 2019.

2 See the European Commission paper from 2020 on [Lifelong guidance policy and practice in the EU: trends, challenges and opportunities](#).

3 Cedefop (2020). [Note on lifelong guidance and the COVID-19 pandemic: Responses from Cedefop's CareersNet](#).

4 Graduate tracking focuses at obtaining information about labour market integration, transitions and career paths of graduates (both higher education and VET).

5 European Commission (2017). [PES Network Seminar: career guidance and lifelong learning](#).



A conference workshop will discuss how changes on the labour market, driven by wider technological, demographic and social trends, affect individual career paths, with an increasing number of transitions and altering aspirations and attitudes at work. This in turn affects the needs and directions of PES services – both to jobseekers and workers – by assuring lifelong careers guidance and support. The workshop will discuss some recent developments regarding career guidance from the perspective of PES and other stakeholders.

How can public employment services and their partners help jobseekers and workers adapt to the changing labour market? What role should career guidance play and what is the best practice in this regard?

1.2 Skills intelligence: understanding current and future labour market needs

Skills intelligence is the outcome of an expert-driven process of identifying, analysing, synthesising and presenting quantitative and/or qualitative skills and labour market information. This may be drawn from multiple sources and adjusted to the needs of different users⁶. Diagnosing current and future skills needs is an increasingly important part of employment policies, including activities of PES and their partners. One of the key actions under the European Skills Agenda is strengthening skills intelligence in European countries, in which PES play a vital role.

Approaches towards analysing future skills requirements in the labour market vary significantly among PES in the European Union. According to the 2022 report Future skills, career guidance and lifelong learning in PES, 18 PES currently analyse future skills needs and eight report setting up a new system. PES often undertake a number of activities aimed at analysing skills and occupational needs. These often lack the systematic approach needed to develop them into fully-fledged skills intelligence systems, but they nonetheless provide important information to PES staff (e.g. employment counsellors, career guidance professionals), and customers (both jobseekers and employers). In most cases, forward-looking tools are limited to the short or medium timeframe, with forecasts available for up to five years only.

6 See the [Skills intelligence](#) page on Cedefop's website.

7 Cedefop (2020). [Empowering adults through upskilling and reskilling pathways. Volume 1.](#)

For a majority of PES, the skills intelligence analyses are performed mostly in-house, with some having a specialised PES unit or department responsible for skills intelligence (its design, analysis, reporting or dissemination). However, some PES do not perform skills analyses themselves and use inputs, data and reports from other responsible governmental institutions or bodies. PES often use combinations of different methods. Internal PES skill intelligence comprises most often of descriptive statistics (used in 23 EU PES), skills and jobs surveys (questionnaire surveys) (15 PES), qualitative research (13), foresight methods (12) and quantitative forecasting (10). Recent developments include more advanced approaches, including text analysis and machine learning models, web scraping / web crawling of vacancies or more advanced AI-based applications. These however, are still often in their infancy stage and need further refinement and development to be fully operational and useful for service provision.

In the majority of PES, outputs are used in upskilling and reskilling programmes addressing future skills requirements and supporting and strengthening career guidance as an inherent element of the PES service process. A number of countries use outputs for shaping educational policies (including higher and vocational education). In order for PES to play a pivotal role in skills intelligence systems, they are advised to strengthen their skills focus, develop a more holistic methodological approach, actively involve stakeholders, balance and coordinate demand and supply perspective, and provide information for different timeframes and policy applications.



A conference workshop will provide examples of skills intelligence developments within PES, and the role it plays in understanding current and future labour market needs. Practices that enable effective future-looking skills analyses to be applied in the design of skills demand-focused training programmes will be presented during this workshop.

How can we harness the potential of skills intelligence to inform and design policies and labour market measures? What role should public employment services play in this regard?

1.3 Developing skills for the digital and green transitions

In 2020, Cedefop⁷ estimated that some 128 million adults in the (then) EU-28, Iceland and Norway are either low-educated, have low digital skills, have low cognitive

skills, or are at risk of skill loss and obsolescence. As such, upskilling and reskilling of adults – both those in and out of work – is an urgent priority for European policy-makers and stakeholders⁸. A number of stakeholders – public, private and non-profit – are engaged in the process of skills development of the adult population in Europe – including digital skills and those needed for the green transition. As such, public employment services and their partners are also strongly involved in the process.

In the 2022 conference paper [Jointly addressing labour and skills shortages, preparing for Europe's Future Labour Market](#), the PES Network underlined the increasing importance of reskilling and upskilling for jobseekers and workers who are expected to change sectors, tasks or occupations. This has also been stressed in the [Council Recommendation on ensuring a fair transition towards climate neutrality](#), while the 2020 report [Upskilling, reskilling and prevention in times of crisis](#) by the PES Network also identified crucial areas of consideration while planning, implementing and evaluating upskilling and reskilling programmes. In terms of planning, it is vital to define the training skills content with the support of well-developed, forward-looking skills intelligence systems. This often involves PES own developed methodologies, but also use of external knowledge sources and providers. However, the scale of the new reskilling and upskilling initiatives of PES is unknown, as they fall into a broader category of Active Labour Market Policies (ALMPs). This is a fast-moving area – in 2021, 20 PES reported the introduction of new active labour market policy (ALMP) interventions and 23 PES reported amending existing interventions in 2021⁹.

One important challenge is to ensure that the skills developed are those which are effectively needed on the labour market – currently and in the foreseeable future. Careful considerations also need to cover effective targeting of services, by identifying which jobseekers should be supported by what means (including the training content, methods, and other supporting services – including counselling), but also which employees might be the most at risk of losing their jobs. The implementation phase requires effective promotion both to individuals and to companies, limitation of administrative burden, convenient access to services (online and on-site) and cooperation with relevant stakeholders. Assessment of upskilling and reskilling programmes requires further development of evaluation methodologies, where the experiences of PES with programme monitoring are invaluable.

There is increased awareness that upskilling need not mean a long retraining course and that it may be more

cost-effective to provide shorter courses. Also developing e-learning courses and hybrid learning formats are seen as means for PES to reduce individual training costs and allow a wider group of learners to access programmes. However, for short trainings, some challenges emerge, including the portability and stockability of learning outcomes.

Policies to incentivise the upskilling of staff through training and development can assist in dealing with recruitment shortages. Stakeholders including employment services, VET providers, and employers should collaborate to design and implement the most effective pathways of training. However, this cooperative approach can also be challenging. Sharing of beneficiaries' registration data across services such as schools, social security, PES and NGOs requires ethical handling of personal data, updating registries and efficient case management¹⁰. It also poses significant legal challenges in terms of data protection (in line with General Data Protection Regulation - GDPR).

A PES Network paper from 2019 identified five key 'task areas' which require action from PES in order to tackle skills-related challenges: proactively seeking information on skills needs identification methodologies; engaging in high-profile marketing of PES products and services; creating mutually-beneficial relationships with other stakeholders; creating permanent synergies with education and vocational training; and utilising fully the wide range of EU labour market institutions and instruments.



A conference workshop will discuss how to effectively equip workers and jobseekers with market-relevant skills through reskilling and upskilling. This will be done through the lens of skills needed for digital and green transitions. PES will share effective and emerging practices in this field, and discuss observed challenges and opportunities.

How can we equip workers and jobseekers with the right skills for the digital and green transitions?

1.4 Improving skills assessment and labour market integration

A skills assessment (also 'skills audit' or 'skill profiling') is a process in which an individual's learning outcomes are

8 Cedefop (2020). [Empowering adults through upskilling and reskilling pathways. Volume 2.](#)

9 See the 2022 [Assessment Report on PES Capacity.](#)

10 Cedefop (2020). [Empowering adults through upskilling and reskilling pathways. Volume 2.](#)



checked against specific reference points or standards¹¹. In the context of upskilling pathways, skills assessments focus on the identification and documentation of an individual's learning in any context (formal, non-formal and informal¹²) and of any gaps in relation to their desired level of skills.

Skills assessment processes and procedures are usually well-established in PES in Europe¹³. In recent years, increased efforts have been undertaken to develop tools and practices aimed at analysing jobseekers' skills for the purpose of skills-based job matching and counselling. These include shifting from a qualification and occupation perspective towards skills-based profiling; comprehensive assessments including job-related and 'soft' skills; and multi-level skills assessments including self-assessment (usually through online testing), counsellor support (interviewing, professional tests), practical assignments, etc.

PES in Europe are also getting involved in the processes of skills recognition and validation, also covering the outcomes of non-formal and informal learning. PES undertake – often in cooperation with partners – increased efforts in terms of skills recognition and validation, especially of skills of migrants and refugees. New PES initiatives aim at building a comprehensive skill-focused system, often based on the idea of individual learning (training) accounts, with the view of strengthening the promotion of skill-based matching in PES services, developing tools and procedures of skills testing (including self-assessment online testing and counsellor-supported testing), and integrating skills data/information into a single database used by all parties and providers. PES also report new developments in providing skills training that leads to formally recognised qualifications.

A conference workshop will discuss the current practices of skills assessment of PES customers and the role these play in supporting the integration of workers. A particular focus will be placed on the recognition of skills (including soft skills) and the validation of learning outcomes in non-formal and informal contexts. PES will exchange ideas and developments related to the inclusion of skills acquired in these different contexts in supporting lifelong, sustainable careers.

How can skills assessments contribute to reinforcing labour market integration of workers and non-workers alike? What is the best practice in this regard?

11 Cedefop (2020). [Empowering adults through upskilling and reskilling pathways. Volume 2.](#)

12 See the [OECD website](#) for more information on the differences between formal, informal and non-formal learning.

13 European Commission (2023). Discussion paper on New forms of skills assessment and validation – impact on PES services and counselling (forthcoming).

2. The changing demand for skills in Europe – trends and challenges

The workshops in the afternoon of the conference will concentrate on the future role of PES and partners as well as how this may need to evolve in the coming years. This will take place through a series of interactive discussions where participants will be invited to debate the key challenges facing skills development in Europe, regarding both the current situation and likely future developments. Each workshop will focus on a particular challenge or key development: automation and digitalisation, the evolving skills profiles of existing occupations, the need for further partnerships for upskilling/reskilling, and the issue of third-country nationals and qualification recognition in Europe.

2.1 Supporting those impacted by automation and digitalisation

Studies confirm that routine tasks that can be easily optimised and codified are easiest to automate¹⁴. Specific sections of the population, especially less educated workers, the long-term unemployed, youth, migrants, persons with disabilities, and some women, are likely to be the most affected by this, further exacerbating their existing labour market vulnerability. This is the result of structural factors which inhibit their labour market access, restrict progress once employed, and prevent changes in jobs and occupational sectors. Persons in these groups are disproportionately employed in low-skilled, highly automatable jobs, such as office support, production, customer service and sales, which have the highest potential for displacement.

Digitalisation is also enabling increased automation of white-collar jobs, enabling tasks that were previously undertaken by middle-income workers – such as information processing – to be computerised. Many routine manual and cognitive tasks have been automated, which has reduced the need for workers, however new technologies have been introduced which create new non-routine cognitive and social tasks.

This has increased productivity and created new jobs. Automation has polarised labour markets, lower-skilled jobs have stagnated, there are fewer jobs for medium-skilled workers along with higher pay for high-skilled workers, increasing wage inequality¹⁵. Advances in AI may accelerate computers' abilities to perform cognitive tasks, leading to automation of even high-skilled jobs¹⁶.

Another profound change in the operation of the labour market driven by digitalisation is the growth of the platform economy. A continuing increase in the sharing economy will be driven by demographics, particularly the ageing population. Increasing numbers of older workers whose jobs have been eliminated or who have been forced to seek alternative employment due to health problems may be required to engage in non-standard forms of employment to supplement their incomes, especially if they have had an intermittent employment pattern during their earlier working life and limited pension benefits¹⁷.

At the end of 2021 there were an estimated 28.3 digital platform workers in the EU. This figure is expected to grow rapidly, with a 52% increase to 43 million predicted by 2025. The platform economy has led to standard employment being increasingly supplemented or substituted by temporary work. Non-standard forms of employment are increasing across Europe with a larger proportion of workers employed on other terms than under a full-time contract. Whilst it is important to note that some platform work covers well-paid, high-skilled jobs, studies¹⁸ report most non-standard employment as involuntary and associated with insecurity whilst becoming widespread across sectors and occupations.

14 Manyika, J., et al. (2017). [Jobs lost, jobs gained: What the future of work will mean for jobs, skills, and wages.](#)

15 US Government Accountability Office (2022). [Workforce Automation: Insights into Skills and Training Programs for Impacted Workers](#)

16 Gibbs, M. B. (2022). [How is new technology changing job design?](#)

17 Berde, É. and Tóké, L. (2020). [The platform economy as a working opportunity for older people: The case of the Hungarian carpooling company Oszkár.](#)

18 Kilhoffer, Z., et al. (2019). [Study to gather evidence on the working conditions of platform workers.](#)



A conference workshop will consider how employment service providers and stakeholders can support those most affected by automation and digitalisation, particularly in addressing the implications of updating career guidance and training to equip clients to deal with new labour market challenges. This can enable jobseekers to increase their understanding of the nature of platform work and make the best decisions to facilitate their continuing labour market attachment. For some jobseekers this will involve upskilling to acquire digital skills, while those affected in work will need to change jobs or move to new sectors. In a rapidly transforming labour market, people will often need to both upskill and transfer to new employment opportunities.

What measures should employment service providers and their partners put into place to alleviate the effects of job automation on those most exposed? What are the implications and challenges for career guidance and training, particularly for young people, persons with disabilities and those without higher education? How do training design and service provision need to change to meet the challenges of automation?

2.2 Evolving skills profiles of existing occupations - Towards more frequent re/ upskilling and job-to-job transitions

The effects of these changes on the world of work cannot be understood simply in terms of job creation and destruction. The nature of work itself is likely to be transformed, with an increased demand for digital and socio-economic skills and working patterns becoming increasingly flexible, decentralised, and knowledge-based.

Whilst technological change has had little effect on the aggregate number of jobs in the EU so far, Artificial Intelligence (AI) is likely to expand the scope and spectrum of future job automation. Consequently, jobs requiring the use, maintenance and upgrading of new technologies are expected to emerge and grow faster than others. Much change will involve existing job roles being reconfigured rather than the simultaneous wholesale destruction of old jobs and the creation of new ones.

New professions will also emerge in areas which are still difficult to predict. These may include AI trainers (workers

performing tasks useful to train AI systems so that they are able to continue to adapt, progress, and enhance their capacity), AI explainers (workers interpreting the outputs generated by AI systems), and AI sustainers (workers monitoring the work of AI systems). Robot density – i.e. the proportion of robots installed per 10,000 employees in manufacturing – grew by 15% in the EU in 2022¹⁹, presenting new employment opportunities e.g. for programmers and specialists in robot maintenance, robot manufacturing, or providing robotics support services. Across the EU, the number of ICT practitioners has already grown by 50.5% between 2012 and 2021²⁰.

Skills requirements are also being altered by changes in the worker-employer relationship and fundamental shifts in the nature of work. Technological advances are transforming job design so that the classic employer/employee model often no longer applies. There has been a significant increase in teleworking and bogus self-employment. This has legal implications and raises challenges in ensuring fair employment conditions. The demand for labour is expected to become increasingly skewed towards relatively high technology and high-skilled profiles, with a simultaneous demand for green jobs which are less susceptible to automation, such as jobs in green tourism.

More people already hold several jobs simultaneously with multiple income sources. The work-leisure balance is also changing, with workers placing increasing importance on self-actualisation, and increasingly pursuing self-employment and entrepreneurship. Increases in hybrid working structures and inquiry-based learning are promoting creativity and critical thinking and driving a greater demand for skills utilising new technologies and AI tools.

As automation and AI increase, the demand for technological skills will increase as that for basic cognitive, physical, and manual skills will decline. By 2030 the demand for advanced IT and programming skills in Europe is expected to have almost doubled compared to 2015, whilst that for basic digital skills is expected to have increased by two-thirds. It is estimated that 96% of workers in Europe with jobs at risk due to technology could find similar or better work with sufficient training. However, in 2016, only 44% of adults aged 25-64 participated in training²¹, while the European Pillar of Social Rights has a target that by 2030 60% of adults participate in training every year. Those persons most in need of training to maintain their labour market attachment and increase their employability are often least likely to seek upskilling opportunities. Therefore, PES have an important role to engage with individuals to

19 International Federation of Robotics (2022). [World Robotics report 2022](#).

20 See the [EU Digital Skills and Jobs Platform](#).

21 [Eurostat Adult Learning Statistics](#).

actively promote upskilling programmes and encourage participation in training activities.



A conference workshop will explore how prevention and support services can be designed to equip workers with the right skills to access future occupations and deal with more frequent transitions.

What measures should employment service providers and their partners put in place to prepare those that are currently in employment for future occupations and more frequent job transitions? How can partnerships support the design of support measures, particularly reskilling and upskilling measures supporting labour market attachment? What role should employers play in supporting labour market attachment through dedicated training and other support measures?

2.3 Partnerships for upskilling and reskilling: an evolving ecosystem

Future jobs will require a wide range of skills. In an increasingly dynamic labour market, more effective and accessible career transitions and measures to untap the potential of people outside of the labour market will play an increasing role in reducing shortages. These will involve adapting existing skills, developing new skills, and identifying how the transferability and portability of skills between occupations can be developed. To deliver these objectives, PES will need to collaborate with employers, private agencies, NGOs, research institutions and VET providers to offer skills assessment and matching services, and to ensure improved labour market transparency.

The Pact for Skills has emphasised the importance of partnerships, while changing skills needs and an increasing demand for highly skilled workers resulting from technical change will require new approaches to skills partnerships. Skills partnerships will not only need to embrace improved cooperation and greater cohesion between training provision and the labour market but also encompass an increasingly wide variety of stakeholders. This will be necessary to ensure that partnerships can remain agile and become increasingly responsive to changes in labour markets and society.

Skills partnerships are needed to reduce skills mismatches, to make learning more attractive, to expand employment prospects, and to promote labour market-relevant skills and work-based learning. PES can

support employees and companies to respond to digital transformation and support occupational restructuring. Tripartite interventions with collaboration between social partners, employment agencies, employers and unions can also assist in anticipating change, providing people with the skills they need to remain in their current job or have a smooth transition to another role.

Partnerships can assist people to gain access to training and products to develop their skills and businesses. PES can combine with municipalities, universities, training institutes, businesses and NGOs to provide new learning environments including platforms and digital workshops to provide the required training. Skills delivery partners must have access to up-to-date skills intelligence and good mechanisms for engaging with employers.



A conference workshop will investigate how PES partnerships need to evolve to better meet current and upcoming skills challenges. This will consider which partners PES should engage with to increase future engagement, explore why and how they should link with specific stakeholders to achieve this, and identify changes to improve future skills partnership working.

How do PES partnerships need to evolve to better meet current and upcoming skills challenges? With which partner(s) should PES increase their future engagement, and how should they do so? How can we improve these partnerships and make them more impactful?

2.4 Third-country nationals and qualification recognition in Europe

Foreign citizens are more likely than nationals to be overqualified²². Indeed, the 2020 overqualification rate for nationals was 20.8% compared with 32.3% for citizens of other EU Member States and 41.4% for non-EU citizens²³. Migrants, both from other EU member states or Third Countries, tend to take longer to find employment than native-born workers. They are overrepresented in low-skilled work, even when they have similar levels of education and skills as native-born residents. Skilled migrants often face more limited opportunities than native workers, suggesting failures to recognise and utilise their qualifications. Many highly skilled refugees and migrants are working in low-skilled, temporary and badly paid jobs. This is detrimental to both the individuals affected and the wider economy.

Experience shows that where refugees' and migrants' qualifications are recognised and/or if they have the

22 Defined as persons with a tertiary level of educational attainment (ISCED levels 5-8) working in low or medium skilled occupations (ISCO groups 4-9) for which a tertiary educational attainment is not required.

23 [Eurostat Migrant integration statistics](#).



opportunity to update their skills and knowledge by undertaking additional training or education, they are more likely to find suitable and long-term employment, matching their skills and qualifications.

EU countries are dealing with the challenges of qualification recognition through a variety of measures to support newly-arrived migrants from third countries. These include systems for skills assessment, language training schemes, supplying migrants with information concerning skills recognition processes, and making validation tools available, including exclusively visual and multi-lingual tools. Mentoring can also be an important skills recognition and enhancement strategy, since a third country national may better understand and develop their own skills through dialogue with a colleague. Support from civil society organisations and use of digital systems are particularly useful in developing matching systems. Fast-track training schemes involving combinations of work and upskilling activities including language courses, the possibility of changing residence status, and the ability to move around a country to take advantage of opportunities are also important factors in promoting integration and skills utilisation of migrants from third countries.

A conference workshop will discuss crucial questions relating to third country nationals' qualification recognition, including how to efficiently and effectively recognise third country nationals' qualifications, how to assist PES in recognising qualifications to support intra-EU migration, how to improve the labour market integration of third-country nationals already resident in the EU, and how shortage occupation lists and targeted labour market tests can contribute to efficient and effective labour market integration.

What measures should employment service providers and their partners put in place to improve the labour market integration of third-country nationals? What should be the role of qualification recognition and how can this be improved? How can lists of shortage occupations and targeted labour market tests contribute to supporting worker integration?

3. A final word

As we have seen, **public employment services are already playing a key role in addressing the skills challenges that face us.**

There is, however, still much to be done in this regard. The following are just some of the key points which will retain our attention.



KEY CHALLENGES

1. The accelerating impact of automation and digitalisation will require agile and flexible responses from employment support services and skills providers.
2. Demographic and societal changes, particularly from Europe's rapidly ageing population, are increasing the importance of lifelong careers guidance and support.
3. The evolving design of existing and new jobs is leading to an increased demand for high technology/high skilled profiles.
4. There is an increasing need for cooperation in skills development. This will require PES to use their position at the centre of the employment system to build bridges, facilitating partnerships for skills development.
5. A variety of skills development pathways will be required to provide more personalised assistance to meet individuals' learning needs.
6. To fully benefit from the untapped potential of Europe's workforce, including migrants and refugees, innovative approaches to skills recognition and validation are needed. These must incorporate systems to recognise and validate the outcomes of non-formal and informal learning.

The upcoming 2023 edition of the PES Network Stakeholder Conference will be the chance to discuss these issues more in detail, and to explore together how the work of public employment services and their partners can be further improved. We look forward to seeing you.

ANNEX

EU initiatives to support skills development

The European Year of Skills builds on the many EU initiatives already ongoing to support skills and increase their take-up, including:

- The [European Skills Agenda](#) is the framework for EU skills policy cooperation and will continue to help individuals and businesses develop more and better skills and to apply them.
- As part of the Skills Agenda, under the [Pact for Skills](#) so far, more than 700 organisations have signed up and 12 large-scale partnerships in strategic sectors have been set up with pledges to help upskill up to 6 million people.
- The [Structured Dialogue](#) with the Member States on Digital Education and Skills.
- The Commission has also proposed new initiatives to address EU skills shortages and improve migration cooperation. The roll-out of an [EU Talent Pool](#) and of [Talent Partnerships](#) with selected third partners will help match the skills of candidates to work in Europe with labour market needs. This is a key deliverable under the New Pact on Migration and Asylum.
- The [New European Innovation Agenda](#), adopted in July, proposes a flagship initiative and set of actions to create the right framework conditions for our talents.
- The [European strategy for universities](#), adopted in January, proposes a series of 50 actions that are key to develop high level and future-proof skills for a wide range of learners, including lifelong learners, for them to become creative and critical thinkers, problem solvers and active and responsible citizens.
- The [European Digital Skills and Jobs Platform](#) is an initiative launched under the [Connecting Europe Facility Programme](#). It offers information and resources on digital skills such as a digital skills self-assessment tool, as well as training and funding opportunities.
- The [EU Digital Skills and Jobs Coalition](#) tackles the digital skills gap by bringing together Member States, social partners, companies, non-profit organisations and education providers to raise awareness and encourage organisations to take different actions to encourage digital skills training such as taking a pledge to boost digital skills.

EU funding and assistance to invest into skills

Significant EU funding and technical support is available to support Member States' investment in up- and reskilling, including:

- The [European Social Fund Plus \(ESF+\)](#) with a budget of more than €99 billion for 2021-2027 is the EU's main instrument for investing in people.
- The [Recovery and Resilience Facility](#) can support Member States' reforms and investments, including in the area of skills and jobs. In the national recovery and resilience plans endorsed by the Commission and the Council so far, around 20% of the social expenditure is dedicated to "employment and skills".
- The [Digital Europe Programme's](#) €580 million for development of advanced digital skills. It provides strategic funding and, among others, it supports the development of a skilled talent pool of digital experts, while at the same time enhancing cooperation between EU Member States and stakeholders in digital skills and jobs.
- [Horizon Europe](#) underpins skills for researchers, entrepreneurs and innovators notably through its [Marie Skłodowska-Curie Actions](#), the [European Innovation Council](#) and the [European Institute for Technology](#).
- [Erasmus+](#) with a budget €26.2 billion supports, amongst others, the personal and professional development of learners, staff and institutions in vocational education and training through funding mobility activities and partnerships for cooperation across Europe. It also funds European Universities which are pioneering the development of micro-credentials for training, up-skilling and re-skilling.

Additional programmes that can support skills development include the [InvestEU programme](#), the [European Globalisation Adjustment Fund](#) for displaced workers, the [European Regional Development Fund](#), the [Just Transition Fund](#), the [European Solidarity Corps](#), the [Programme for Environment and climate action \(LIFE\)](#), the [Modernisation Fund](#), the [Technical Support Instrument](#), and the [Neighbourhood, Development and International Cooperation Instrument](#).