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**NOTE**

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From: Presidency  
To: Permanent Representatives Committee/Council  
Subject: Matching skills and labour market needs in the changing world of work - strategic approach on continuous lifelong learning

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Delegations will find attached a discussion paper prepared by the Presidency, in preparation of the policy debate at the Council (EPSCO) on 24 October 2019.

## **Matching skills and labour market needs in the changing world of work**

### **- a strategic approach to continuous lifelong learning**

A strong economic base, social inclusion and sustainable growth are of key importance for Europe's prosperity and for job creation, and for its role on the global stage. One of the main ways to enhance competitiveness, productivity and social inclusion in Europe is by investing in education and training, especially through continuous lifelong learning. It is particularly important to ensure that people have the skills that are needed in a digital world, characterised by industrial transformation and a fair transition to a climate neutral economy, and that skills shortages do not hamper Europe's competitiveness.

A more strategic and coordinated approach to lifelong learning is needed in the EU. A significant boost to active, effective and future-oriented lifelong-learning strategies and policies is necessary, aimed at enhancing broad participation in education and training, including reskilling and upskilling. Lifelong learning policies should respond to learning needs arising from changes in society and the world of work and involve all relevant stakeholders, including the social partners. Lifelong learning should also include opportunities for continuous, multiple and seamless transitions between education and training and work for everyone, regardless of their background and prior educational attainment.

The European Pillar of Social Rights promotes the right to quality and inclusive education, training and lifelong learning, as well as the right to receive support for training and reskilling. Lifelong learning also enables citizens to keep pace with digital and technological developments and thus increases inclusion, equality, resilience and wellbeing, as emphasised in the notion of an “economy of wellbeing”.

Upskilling and reskilling are a joint responsibility shared by individuals, the public sector and employers. The public sector has a particular role in education and training provision and in offering financial and non-financial support for skills development. Employers need to deploy the right mix of approaches to skills development, combining recruitment with measures to support upskilling and reskilling of employees, including when needs for new skills arise. Education and training should also be provided to employees at risk of unemployment, either to enhance their skills so they can stay in their current jobs, or to gain skills needed for new jobs. It is equally important to cater for employees with flexible labour contracts, employees of SMEs, older employees and people with lower levels of education.

### **The need for skills**

The number of adults in Europe with low levels of education or low basic skills is high. These adults are often in a vulnerable position on the labour market and, even when employed, they are less able to adapt to changes in the labour market or in the work environment than their higher-skilled colleagues. According to Eurostat, in 2018 in the EU28, the unemployment rate for people with tertiary education aged 20–64 was 4.2%, while the corresponding rate for people with low education levels was 13.2%.

Furthermore, it is not only people with a low education level who find themselves in a vulnerable position on the labour market. A person with a disability may have a partial working ability and be able to contribute positively at work provided that appropriate training is offered to them. Lack of care services for children or the elderly may hinder some people's participation in the labour market or in education and training. Some minorities are discriminated against in both the labour market and society as a whole.

At all skills levels, new technologies and changes in work organisation as well as the transition to a climate-neutral economy are creating new jobs with very different skills needs from the ones they are replacing. In particular, there is an increasing demand for high-level skills. The required skill-sets are also becoming more complex. In addition to learning to use the new tools, we need to adapt to changing work environments in which skills such as self-management and communication are becoming increasingly important. Opportunities to develop new skills should be offered in particular to those working in declining sectors, to make sure that no-one is left behind.

In general terms, so-called soft skills or transversal skills are even more important than before. For example, the ability to learn, to communicate and collaborate, to work in different teams and networks, to solve problems, and to manage time and work tasks are nowadays regarded as essential skills. Adaptability and critical thinking, for instance, can support innovation and thus enhance growth and competitiveness. These skills can be taught and learned; they are not qualities one is born with.

Skills have been high on the EU's agenda: as part of the New Skills Agenda for Europe, the Council adopted the Recommendation on Upskilling Pathways in December 2016. It aims to support low-skilled or low-qualified adults acquire a minimum level of literacy, numeracy and digital skills and/or a broader set of key competences enabling them to progress towards an upper secondary qualification or equivalent.<sup>1</sup> Essentially, it recommends a sustainable and coherent approach for adult upskilling and reskilling.

Planning of lifelong learning strategies will benefit from appropriate data and analysis. Forecasting skills needs relies on information about which skills and qualifications are required in the labour market. Information is also needed on the geographical spread of the needs, in particular in those Member States where distances are so great that commuting options are limited. Forecasting also plays a key role in matching employers' needs with the people with the relevant skills. Cooperation between employers, forecasting institutions, social partners, and education and training providers is essential.

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<sup>1</sup> OJ C 484, 24.12.2016

The transition to a climate-neutral economy is having a major impact on skills needs. In a number of sectors, new employment opportunities are arising. In some sectors, the transition is posing a substantial challenge. Production processes will need to be adapted and new products and innovations will change the way of working.

### **Many ways of learning**

Reskilling and upskilling do not necessarily require studying for a new qualification. To keep up with the changes in working life, there is a need for flexible and shorter types of learning opportunities, which match labour market needs and allow for fast progression. Possibilities for learning as part of the current job, or alongside a job, should be available, including through digital, online means.

Lifelong learning opportunities and guidance should be available to everyone. Those with the highest skills/educational attainments, white-collar workers and those working in big companies are much more likely to take part in lifelong learning. Those working in routine occupations with a high risk of automation are less likely to participate in training. Careers guidance should be easily accessible and focus on the current situation and the needs of the individual, while offering forecasting information on future labour market needs.

Validation of skills acquired outside formal education and training is also important. This recognises people's skills and makes them visible, helping set the people on a path towards further training or a job, thereby making full use of their talent.

For those who are working, lack of time and/or family reasons are common obstacles to skills development. Lack of financial resources is also an obstacle for many. This highlights the importance of how work is organised and how learning opportunities are embedded in work, as well as the responsibilities of the different actors involved. Measures should be put in place to incentivise all actors, including individuals, to engage in further upskilling and reskilling.

Against this background, the Presidency invites Ministers to discuss how to promote continuous lifelong learning most effectively from a labour market perspective.

**Questions:**

1. How should lifelong learning be improved, so that people have real possibilities to upskill and reskill themselves continuously throughout their careers taking into account the needs of the labour market? How should the responsibility for skills development best be shared between the public and private sectors and individuals?
  2. How can the participation of disadvantaged groups of people in lifelong learning be improved?
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