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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee

Subject: Reskilling and upskilling as a basis for increasing sustainability and employability, in the context of supporting economic recovery and social cohesion

- Draft Council Conclusions
- *Preparation for the approval*
- *Decision to use the written procedure*

The Presidency presented draft conclusions on 26 March 2020 (6885/20).

In light of the fact that, due to the COVID-19 crisis, no meetings of the Social Questions Working Party could be organised to examine the text, the Presidency organised three rounds of informal written consultation with the members of the Working Party on the basis of the initial and revised drafts.

While the issue of reskilling and upskilling was a priority of the Croatian Presidency from the outset, the outbreak of COVID-19 has given to the topic additional impetus. The initial Presidency draft and subsequent drafts following comments received from the delegations have paid substantial attention to skills needs aggravated by the crisis and to the need to find solutions both to immediate (crisis-induced) and to longer-term problems in the areas of reskilling and upskilling.

As a result of such consultations, the attached text now meets with the agreement of all delegations at the Working Party level (please see 8318/20 for an outcome of proceedings on the overall process of written consultation).

Given the current exceptional circumstances, in which no Council meetings are scheduled to take place, the Permanent Representatives Committee is invited to

- confirm the agreement reached by the members of the Social Questions Working Party on the attached text;
- decide, in accordance with the first subparagraph of Article 12(1) of the Council's Rules of Procedure and Article 1 of Council Decision 2020/556, that the Council uses the written procedure for the approval of the attached text.

Reskilling and upskilling as a basis for increasing sustainability and employability, in the context of supporting economic recovery and social cohesion

Draft Council Conclusions

RECALLING that

1. The first principle of the European Pillar of Social Rights states that everyone has the right to quality and inclusive education, training and lifelong learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.
2. The United Nations Sustainable Development Goals for 2030 commit to providing inclusive and equitable quality education at all levels and to promoting lifelong learning opportunities for all, especially for those in vulnerable situations.
3. The New Strategic Agenda 2019-2024 recognises the need to step up investments in people's skills and education in order to enable them to take advantage of the opportunities created by economic and societal transformations.
4. The 2016 Council Recommendation on 'Upskilling Pathways: New Opportunities for Adults' calls on Member States to support adults with low levels of skills and qualifications to acquire a minimum level of literacy, numeracy and digital skills and/or to acquire a broader set of skills by progressing towards higher qualifications.
5. The 2019 Employment Guidelines (Integrated Guideline 6) call on Member States to promote productivity and employability, in cooperation with the social partners, through an appropriate supply of the relevant knowledge, skills and competences throughout people's working lives that respond to current and future labour market needs.

6. The Commission Communication on the European Green Deal makes it clear that managing an effective and socially just transition to a sustainable Europe will require changes in skills and attitudes for people of all ages and ambitious programmes to upskill and reskill the workforce. The Communication announces the establishment of the Just Transition Fund, the development of a dedicated European competence framework and the updating of the Skills Agenda and the Youth Guarantee. The proposal for a Regulation establishing the Just Transition Fund includes upskilling and reskilling of workers among the activities eligible for support.
7. The Commission Communication on a New Industrial Strategy for Europe states that a competitive European industry respecting the highest social, labour and environmental standards requires a skilled workforce, able to adapt their skill sets to radical changes. It recommends that industry, national authorities, social partners and other stakeholders should join a Pact for Skills, which will unlock public and private investments in upskilling and reskilling the workforce.¹
8. The Commission Communication on an SME Strategy for a sustainable and digital Europe notes that the digital and green transitions pose particular challenges for small and medium-sized enterprises (SMEs), which lack workers with the right skills. It notes that Member States, social partners and the EU can facilitate access to skills development opportunities for managers, employees and potential founders of SMEs, and in particular for women. The Commission Communication on Shaping Europe's digital future emphasises that improving skills is a key part of the overall vision for digital transformation in Europe and goes beyond the job market. It also emphasises that the digital transition must be fair and just and must encourage women to fully take part.

¹ On the launching of a Pact of Skills, see Commission communication in 6782/20, pp. 11-12.

9. A future strategic framework for EU cooperation in education and training for the period after 2020 is important in order to ensure fruitful and efficient EU cooperation in the area of education and training. A comprehensive EU framework that encompasses all forms and levels of education and training is important in order to foster inclusive, lifelong, continuous learning as well as to allow flexible and adaptable learning pathways.
10. The recent international reports by UNESCO and the OECD highlight the fact that the responses aiming to contain the COVID-19 pandemic, in particular social distancing, have disrupted the functioning of social and economic structures and are having a significant impact on education and training systems.

CONSIDERING that:

11. Even before the outbreak of COVID-19, the EU economy, industry and social model were being affected by climate change, globalisation, demographic challenges and digital transformation. All these factors were shaping skills demands through the creation and destruction of jobs as well as by changing the nature of existing occupations. The resulting changes in skills needs had translated into skills imbalances in various economic sectors and several geographical areas. Such transitions affect every part of our economy and society.
12. The outbreak of COVID-19 is having a strong negative impact on European economy and society, calling for a robust recovery plan. The crisis has highlighted the crucial role played by digital skills and competences in ensuring sufficient levels of business continuity of companies and of services provided by public administration through distance working, delivering and receiving education and training, as well as a minimum level of social interaction. The effects of the crisis will further change the skills demand in a labour market already challenged by major transitions.

13. The overall functioning of the economy, including the sustainability and competitiveness of different industries and economic sectors, as well as the role and place of the European Union in the worldwide value chains, depends on training, recruiting and retaining a qualified workforce. Europe will need to ensure that education, training and lifelong learning systems develop ways to keep pace and to equip all generations of workers with the appropriate skills, knowledge and competences, both transferable and specific. Member States will also have to ensure that all regions benefit from those efforts and that no one is left behind, by ensuring that particular attention is paid to least developed territories and vulnerable groups in vocational education and training, and in particular in work-based learning.
14. The outbreak of COVID-19 has also disrupted, amongst other things, the formal and non-formal provision of initial and continuing education and training and related services, affecting those with a disadvantaged background, special needs, and who are geographically isolated especially hard; it has often also highlighted the need to develop and ensure capacity – in terms of infrastructure and skills – to take proper advantage of communications technology; and it has demonstrated the need to enhance learners' autonomy.
15. The outbreak of COVID-19 has forced a significant number of individuals, public organisations, educational institutions and businesses to take a digital leap and use various methods of distance working, teaching and learning, confirming that digital skills are an essential component of lifelong learning.
16. It can be expected that the COVID-19 pandemic will have significant and long-lasting effects on skills needs and the aggregation of existing skills imbalances. The crisis shows that it is necessary to invest broadly in education and training in all sectors, in order to foster the resilience of the economy and society of the European Union.

17. For individuals, their knowledge, skills and competences are a pathway to personal development, active citizenship, employability, well-being, prosperity and personal growth. Given that jobs are subject to accelerating change and that flexible working patterns are becoming more prevalent, there is a continuous need to learn, upskill and reskill everywhere and in different ways that also enable both workers and firms to create and foster innovation.

Before the outbreak of COVID-19 it was estimated that at least half of the current workforce will need to update their skills within the next five years, and evidence suggests that those with the greatest needs are the least inclined to take part in upskilling activities².

18. The challenge of reskilling and upskilling the adult population is massive, as adult participation in learning activities is still low. Inequalities in terms of access to and the provision of quality adult education and training persist, especially among low-skilled adults who need more intensive support in engaging in learning that can effectively change their situation. Well-organised campaigns should reach out to them, to inform them of the changing needs in the labour market. A greater effort should be made to involve socially disadvantaged people and to enable them to enter, re-enter or remain in the labour market to prevent loss of their skills and support their career development.
19. Given present and future employment demands it is critical to make full use of the talent pool available. Efforts are needed to give incentives to both women and men to consider reskilling and upskilling in gender-atypical sectors.

² OECD (2020), *Increasing Adult Learning Participation: Learning from Successful Reforms, Getting Skills Right*, OECD Publishing, Paris, <https://doi.org/10.1787/cf5d9c21-en>.

20. The country reports produced within the framework of the European Semester provide a detailed picture of the skills challenges in the Member States, and Country-Specific Recommendations regularly include suggestions for responding to these challenges, with particular reference to the need to upskill and reskill the workforce, raise the skills and competence level especially of those with low formal qualifications, provide fulfilling professional options to everyone, and increase the labour market relevance of education and training.
21. Effective outreach, counselling, lifelong guidance policies and support measures help women and men to become motivated, develop their skills and competences, engage in validation processes in accordance with national systems and embark on the most appropriate learning pathways to further develop their skills.
22. In the context of the shortage of skilled labour in many sectors and/or regions, and the need to increase the competitiveness of enterprises and the employability of workers, including during and after the COVID-19 pandemic, it is necessary to consider how to increase the participation of both individuals and employers in skills development.
23. Lifelong learning is a joint responsibility shared by the public sector, social partners, employers and individuals, amongst others. The public sector has a particular role to play in terms of providing effective forms of education and training and offering financial and non-financial support for skills development and recognition. Employers have a key role and responsibility in upskilling and reskilling their employees when needs for new skills and competences arise, as well as providing work-based learning and traineeship places. While support from the public sector and employers is crucial, individuals also need to acknowledge their responsibility in engaging in their own lifelong learning pathways. In this context, further attention should be given to the difficulties the most vulnerable have in accessing tools and resources.

24. The demand for public employment services (PES) and other relevant public organisations in supporting upskilling, reskilling, prevention of skills loss and other lifelong learning activities as well as in managing transitions is increasing, as well as the need for their enhanced cooperation with education and training providers, with special attention devoted to updated learning provision by recognised training providers, educational institutions and online platforms as regards training, including distance learning and e-learning. Better identification of clients' potentials and skills needs, including through profiling, is key to broadening the client base among both job seekers and employers, and to improving and extending tailor-made support and career guidance services. Public and private employment services and social partners could support employers looking for ways to increase the skills of their workforce and individuals wishing to increase their employability and career prospects.
25. Skills forecasting and anticipation play a vital part in terms of planning the supply of education and training, which includes cooperation and networking between employers, social partners, chambers of commerce, education and training providers and other relevant organisations.
26. The update of the European Inventory of validation of non-formal and informal learning (2018) published in 2020 has shown that the provision of validation opportunities has increased, but more progress is needed to make validation available and accessible to all potential beneficiaries.

THE COUNCIL OF THE EUROPEAN UNION

INVITES THE MEMBER STATES, in accordance with their competences, and taking into account national circumstances, while respecting the role and autonomy of the social partners:

27. TO STRIVE TO ENSURE that recovery plans in respect of the COVID-19 crisis include a strategic approach to reskilling and upskilling, including skills analysis, development and recognition as a means of economic recovery and social cohesion, as well as measures to adapt education and training based on the lessons learned from the crisis;
28. TO SHARE and promote international exchanges and best practices of upskilling and reskilling measures among relevant educational and training institutions, industries, entrepreneurs, students, learners, teachers, trainers and other relevant stakeholders;
29. TO BOOST lifelong learning policies in response to the technological and green transition and TO PROMOTE and IMPLEMENT accessible, effective, flexible and work-related initiatives for individuals and employers to reskill and upskill the workforce, to improve their continuous personal and professional development, employability and productivity, and to keep the European economy sustainable and competitive in the context of a dynamic labour market and the current significant changes to business and public service processes, especially due to digitalisation, artificial intelligence and automation, as well as demographic and environmental challenges, health crises and other large-scale crises;
30. TO PROMOTE, where appropriate, the further diversification of the delivery modes of formal and non-formal education and training for adults, upskilling and reskilling initiatives, guidance and validation services, by further developing and establishing the relevant infrastructures and use of on-line provision as a complement and/or as an alternative to on-site provision of lifelong learning courses or activities; in this context, the role of work-based learning and on-the-job mentoring systems could be further developed;
31. TO TAKE FURTHER ACTION in response to the Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning, in particular by making validation arrangements more comprehensive and accessible, building upon the results of the Recommendation's forthcoming evaluation;

32. TO SUPPORT individuals as they take responsibility for their continuous skills and competences development and acquisition of a higher level of education, by providing access to services that are tailored and relevant to the individual, such as high-quality lifelong career guidance and management, in-work individual career assessment, appropriate high-quality education and training opportunities for all and especially targeted to those most in need, including the low-skilled. TO ENABLE the appropriate provision of learning pathways and skills validation opportunities, effective tools for tailored skills assessment, direct financial incentives or indirect aid such as paid leave, and special support for SMEs and the self-employed;
33. TO IMPROVE skills monitoring and forecasting and TO ENHANCE systematic data collection and analysis for skills anticipation, development, delivery and recognition; in this context, it is important TO CONTINUE WITH the development and implementation of the tools required for anticipating future labour market and public service needs;
34. TO SUPPORT and, where necessary, increase capacities of public and private employment services as they play a key role in matching skills demand and supply, in cooperation with the education and training sector, and will play a crucial role in the recovery;
35. TO EXPLORE possible models for public and private financing of lifelong learning and the development of skills on an individual level, since sustainable funding is especially important in the context of the shortage of skilled labour, and to pay particular attention to vulnerable groups and low-skilled workers;
36. TO PROMOTE the active participation of all stakeholders such as companies, administrations on various levels, regions and sectors, social partners, chambers of commerce, industry and skilled crafts, education and training providers and other relevant partners in action to identify skills challenges and transform them into opportunities;

CALLS UPON THE EUROPEAN COMMISSION, in line with its competences:

37. TO MAINTAIN the need for continuous upskilling and reskilling of the labour force and, in general, of European citizens as a whole, as a priority on the agenda of the Union;
38. In line with the principles enshrined in the Pillar of Social Rights TO REINFORCE AND UPDATE the ‘Skills Agenda for Europe’ to support Member States putting in place labour market-relevant education and training systems and accessible upskilling and reskilling opportunities for all adults, with a focus on digital skills and skills to adapt to transitions, including validation and transparency of learning outcomes and helping ensure that skills policy supports recovery from the COVID-19 crisis;
39. In order to better match demand and supply of skills, TO CONTINUE TO SUPPORT and, where necessary, strengthen the capacity of public employment services, including through appropriate financial resources;
40. In the context of the New Industrial Strategy for Europe, TO CO-DESIGN AND CO-CREATE skills strategies with the industry itself, with education and training providers, as well as with social partners and other stakeholders;
41. TO PROMOTE, in cooperation with the relevant programming committees, better use of available resources under the existing European financial instruments, namely the European Social Fund, Erasmus+ and InvestEU, including allocations for activities aimed at skills anticipation, development and recognition, with a particular focus on the upskilling and reskilling of the workforce, taking into account gender equality, environmental sustainability, the need to foster territorial cohesion and thus reduce geographical inequalities, and the need to support recovery from the COVID-19 crisis, particularly with regard to SME workers and the self-employed;

42. TO SUPPORT AND PROMOTE initiatives that will strengthen social dialogue in Member States within the skills agenda in the light of the important role to be played by the social partners in skills upgrading and development;
43. TO SUPPORT action by Member States to establish readily accessible remote provision of education and training, upskilling and reskilling opportunities and related services, taking into account national circumstances.

INVITES THE EMPLOYMENT COMMITTEE:

44. TO USE in its work within the European Semester on skills needs and matching, the information available on higher education, vocational education and training and adult learning;
45. TO CONTINUE with thematic and country-specific multilateral surveillance, where appropriate, of Member States' performance and policies concerning skills development, lifelong learning, upskilling and reskilling; in this context, fostering a better dialogue with and drawing on the expertise of the education and training field is crucial.

INVITES THE SOCIAL PARTNERS, with full respect for their autonomy, to reflect on possible steps:

46. TO STRENGTHEN dialogue on a national and sectoral level, taking into account industrial relations and educational and training practices in individual Member States, on the possibility of further developing public and private investment, especially as regards early measures, and incentives and tools for implementing the upskilling/reskilling of the workforce, including a focus on personal commitment and efforts to work with micro, small and medium-sized enterprises which may lack the capacity needed to support the development of skills within the enterprises themselves;

47. TO CONTINUE WORKING on tailor-made approaches to lifelong learning and career guidance/career development in the workplace, also reinforcing cooperation with education and training providers and existing networks of employment, guidance and social services. Such approaches might in particular be tailor-made for specific occupations and/or sectors and should provide flexibility and take into account the work-life balance of workers participating in learning;
48. TO FURTHER ENGAGE in skills anticipation, development and recognition.
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