



GOOD PRACTICES: REDUCING SKILLS IMBALANCES

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Opportunities

- **Opportunity 1: Ensure responsiveness of the tertiary education system to changing skills demand**
- **Opportunity 2: Stimulate demand for high-skilled workers**
- **Opportunity 3: Improve use of information about current and future skills needs**
- **Opportunity 4: Attract workers with relevant skills from abroad, promote labour mobility, and reengage discouraged workers in the labour market**



Opportunity 1:

Ensure responsiveness of the tertiary education system to changing skills demand



Recommendations for Opportunity 1

- Improve **linkages between employers and tertiary education** by such means as:
 - Improving the capacity of sectoral expert councils to update and design occupational standards in tertiary education,
 - Ensuring that councils are adequately funded,
 - Simplifying procedures for updating occupational standards.
- Develop high-quality **work-based learning opportunities** in tertiary education, by
 - providing financial incentives (e.g. tax incentive, subsidy) to employers who take on apprentices or trainees, particularly once the ESF funding runs out in 2023.
 - Integrating work-based learning into curricula in tertiary education programmes



Recommendations for Opportunity 1

- Provide students with a **balanced portfolio of skills** to make them labour market ready, by updating curricula to provide students with:
 - basic foundational / transversal skills such as communications skills, problem solving skills and digital skills,
 - as well as more advanced professional skills in STEM and business.



Improve linkages between employers and tertiary education



Norway:

- **Engaging social partners** to help inform the course offerings of higher education institutions.
 - By law, 4 out of 11 seats on each higher education governance board must be filled by an external member (including social partners).



Australia:

- **Engaging industry experts** to guide the development and review of curricula in vocational education.
 - Industry Reference Committees (IRCs) provide advice to the Australian Industry Skills Committee.
 - IRCs are volunteer bodies made up of industry experts from business, employers, unions and training providers



Develop work-based learning opportunities in tertiary education



Estonia:

- **Extending work-based learning** from vocational secondary education to tertiary education to provide students with skills needed in the labour market
 - A pilot project was launched in 2018/19.
 - work-based learning programmes will be offered at Tallinn Health Care College in occupational therapy and at Mainor Business School in the tourism and restaurant enterprise programme.



Links

Norway:

- **Higher Education in Norway: Labour Market Relevance and Outcomes,**
<https://dx.doi.org/10.1787/9789264301757-en>

Australia:

- <https://www.aisc.net.au/>
- https://www.oecd-ilibrary.org/employment/getting-skills-right-australia_9789264303539-en

Estonia:

- https://eacea.ec.europa.eu/national-policies/eurydice/content/national-reforms-higher-education-20_en



Opportunity 2:

Stimulate demand for high-skilled workers



Recommendations for Opportunity 2

- Support industry to **move up the value chain** and, thereby, generate higher skilled jobs that pay better and provide better working conditions by:
 - Coordinating and aligning education and skills strategies with industry and regional development strategies
- Provide targeted supports to SMEs to help them **make better use of the skills of their workers** by:
 - Providing support to overcome financial and other constraints, such as lack of HR and training knowledge and expertise.



Provide SMEs with support to move to higher value-added activities



Context:

- Italy has been trapped in a low-skills equilibrium
- In 2016, the government launched the Industry 4.0 initiative, which provides a range of incentives to help small firms make use of new and high value-added technologies and thereby boost sluggish skill demand.

Aspect of interest:

- Plan coordinates actions to boost the demand and supply of skills in tandem
- Strategic investments in R&D and innovation (demand side) are coupled with investment in the skills of the workforce, especially digital skills (supply side).

Who is responsible:

- Ministries, regional governments, academia, research centres, trade unions and business associations which are all represented on the national Steering Committee.



Italy:

- <https://ec.europa.eu/growth/tools-databases/dem/monitor/content/italy-%E2%80%9Cindustria-40%E2%80%9D>
- https://www.mise.gov.it/images/stories/documenti/INDUSTRIA-40-NATIONAL%20PLAN_EN-def.pdf



Opportunity 3:

**Improve use of information about current
and future skills needs**



Recommendations for Opportunity 3

- Introduce a **one-stop shop online platform** that:
 - Provides information about both current and future labour market demand and supply.
 - Supplemented with up-to-date information (ideally by region) on training opportunities, job opportunities, salaries and social guarantees.
- **Use skills needs information in policy-making** to:
 - Regularly update the national qualification framework and curricula.
 - Update occupational standards.
 - Attract and select talent from abroad to fill skills shortages.



Improve use of information about current and future skills needs



Context:

- The core of **Skills anticipation** in Sweden is based around the work of three government institutions: Statistics Sweden (SCB), the PES and the NIER. Each institution conducts its own research and analysis independently and then publishes the results
- In 2007, a government inquiry found that the publications complement each other well. When combined, they provide a comprehensive package of information about the current and future demand and supply for skills

Aspect of interest:

- Forecasts about future skills needs
- Reports about priority occupations characterised by skills shortages
- Social partnerships with employers, trade unions, representatives of education and training institutions and various third-party organisations with an interest in skills

Who is responsible:

- Statistics Sweden (SCB), Public Employment Service (PES) and National Institution of Economic Research (NIER), Ministry of Finance, Ministry of Employment



Improve use of information about current and future skills needs



Context:

- Australia employs a wide range of skills assessment and anticipation exercises to tackle skills shortages

Aspect of interest:

- A wide range of exercises: employer surveys, surveys of graduates, quantitative forecasting models, sectoral studies, qualitative foresight methods and labour market information systems
- This information is used in multiple policy domains, including:
 - Education policy: Career guidance, developing new qualifications, deciding which courses to subsidise
 - Migration policy: selection of migrants with qualifications and skills in high-demand

Who is responsible:

- Stakeholders from multiple policy domains and levels of government are involved in the development and use of skills needs information in Australia. The Council of Australian Governments (COAG) is the primary mechanism for collaboration between national and state/territory governments.



Links

Sweden:

- https://skillspanorama.cedefop.europa.eu/en/analytical_highlights/skills-anticipation-sweden

Australia:

- <https://www.oecd-ilibrary.org/docserver/9789264303539-en.pdf?expires=1558355857&id=id&accname=ocid84004878&checksum=B9F334C1C74DA7971C26E89C72259D30>



Opportunity 4:

Attract workers with relevant skills from abroad, promote labour mobility, and reengage discouraged workers in the labour market





Recommendations for Opportunity 4

- Increase the number of **workers from abroad with the skills needed** to address skills shortages by
 - Developing smart migration policies that alleviate labour and skills shortages
 - Expanding efforts to mobilise the skills of the Latvian diaspora



Recommendations for Opportunity 4

- Increase the **mobility of unemployed workers** by:
 - Making eligibility for unemployment benefits conditional on willingness to accept job offers from anywhere in Latvia for young unemployed persons without family commitments
 - Taking access to a car into account in decisions about whether a job offer is suitable.
- Improve the **mobility of families** by:
 - Providing small loans that the State Employment Agency arranges with a credit provider.
 - Overcoming barriers to expanding the rental housing market in Latvia.



Implement smart migration strategy



Context:

- New Zealand pioneered the first expression of interest (EoI) system in 2003.
- With this strategy, NZ from a supply-driven permanent migration system to a more active selection system.

Aspects of interest:

- Before EoI, applications were assessed on a “first come, first served” basis, leading to long queues, which frustrated employers and left short-term demand unaddressed.
- The EoI system has a two-step application process:
 - Potential migrants express an interest in migrating and are admitted into a pool if they meet certain criteria
 - Once in the pool, they may be selected for entry by employers needing their skills.



Links

New Zealand

- <https://www.immigration.govt.nz/formshelp/skilled-migrant/create-an-eoi>