

## Position Paper: Skills of the future – a road to participatory design

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In solving skills match and forecasting, **the EaP Civil Society Forum offers the following recommendations** and encourages the EaP governments to:

1. Empower a governmental structure responsible for coordination of skills anticipation initiatives;
2. Develop/ support the development of an up-to-date research tool for evaluation of labor market skill requirements and skill forecasting (with open data available);
3. Support annual research of current imbalance indicators in training, in correlation with the research data from skill anticipation research, in every EaP country;
4. Customize public policies related to employment and education, based on evidence/data collection mechanisms on reliable labor market information;
5. Build and ensure the coordination of an multi-stakeholder platform for dialogue on future skills anticipation between private sector, civil society and academic community
6. Support innovative public–private partnerships between schools, universities and private training providers to invest in skills-development and human capital of a fluid and highly mobile workforce;
7. Strengthen the role of role of sector committees by linking them to the committees engaged in collective agreements and the implementation of Deep and Comprehensive Free Trade Area (DCFTAs) in the AA countries (Moldova, Georgia, Ukraine). Their role should cover sector skills strategies, identifying relevant occupations and validating occupational standards;
8. Develop recognition mechanisms for express in-service non-formal training mechanisms in the public and private sector.

### **Introduction**

The fast pace of science evolution with technological advances – in automation, robotics, artificial intelligence, and other areas – has generated intense concern about the future of work. Perspectives range widely, from more enticing views of abundant leisure, to more disturbing visions of widespread unemployment and deepening social divisions. Almost daily, machines seem to acquire new capacities that again prompt speculation about where the jobs of the future will come from, whether they will be of good quality and fulfilling, and how future workers can best prepare to do them. This has been a concern of the civil society from the EaP countries, having as reference the real data on the increasing gap between skills obtained in training and skills requested on the labor market.

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In this sense, the preoccupation for future skills has reached a need-based premise for innovation and consideration in the EaP countries. Currently, the baseline for solving mismatching policies stems from the following realities:

### **Armenia**

Vocational education has a small presence in Armenia. The government has given priority to developing vocational education in the agricultural sector by strengthening Vocation Educational Training (VET) and employment institutions (e.g., colleges and the State Employment Agency) as well as specific programmes, e.g. the consolidation of career guidance in the mid-term review of the national employment policy and the creation of a system of apprenticeships. The biggest challenges are in the labour market due to lower than anticipated growth rates and public expenditure constraints. Improvements in the labour market in terms of reducing unemployment, particularly youth unemployment, will be slow to achieve. However, overall, the reform perspective is positive and progress can be expected in education.<sup>1</sup>

### **Azerbaijan**

Azerbaijan is an example where skills demand is much higher than the supply of VET graduates. The Ministry of Education declared VET as a mid-term priority for 2016-20. Compared to 2014, VET has become more important. In particular, VET reforms are taking place through new pilot projects. While state funding for VET has increased, public-private partnerships (PPPs) started to emerge. Cooperation between schools and enterprises is emerging and needs to be developed further. Most schools limit this cooperation to the placement of interns in industry, allowing them to gain experience in large, medium or small enterprises. In the Ministry of Labour a new division for professional standards has been established, which focuses on the development of professional standards, skills needs assessment and anticipation to tackle unemployment issues, and establishing an anticipation system.

Overall, important progress in VET reforms has been made. The reforms are now implemented more widely and there is an emphasis on optimising VET provision, management, teacher training and retraining. The training and technical capacity of vocational schools is gradually improving, and pilot projects with international partners have been launched. Nevertheless, to support a well-qualified workforce, the education and training system will need to undergo substantial changes, improving

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<sup>1</sup> [https://www.etf.europa.eu/sites/default/files/m/83EAA920435EEEFEC125821F005351CE\\_CSP%202017-2020%20Armenia\\_Updates%202018.pdf](https://www.etf.europa.eu/sites/default/files/m/83EAA920435EEEFEC125821F005351CE_CSP%202017-2020%20Armenia_Updates%202018.pdf)

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not only the formal education system but strengthening adult learning provision as well and creating more lifelong learning opportunities.<sup>2</sup>

### Belarus

In order to strengthen skills anticipation and forecasting at national level, at the end of 2015 the Belarusian government established a national working group on skills anticipation/forecasting involving the key ministries (Ministry of Labour and Social Protection, Ministry of Education and Ministry of Economy), expert organisations and businesses. Their work plan was approved by a government decree in October 2015. The working group has charged the Ministry of Economy with leading the skills anticipation work at national level. Another working group on enrolment planning was established under the same decree. This group has developed a matrix on skills anticipation that includes three modules: economy, labour market and professional education. The working groups have also developed their work plans for the period 2015–2020.

The government also adopted a new State Programme on Social Protection and Employment Promotion for 2016–2020 by Council of Ministers Decree No 73 of 30 January 2016. The programme includes funding and measures on active and passive labour market policies, occupational safety and health, and specific measures targeting vulnerable groups, particularly people with disabilities and their social inclusion. The programme is implemented by the Ministry of Labour and Social Protection and its regional employment offices.

### Georgia

The need for better matching of skills with labour market demands, as well as for a coherent and better quality skills development system, are identified as key bottlenecks hindering Georgia's competitiveness and economic development. There is evidence on limited opportunities for lifelong learning (LLL), VET and employment support services in Georgia, especially in the regions. Both a holistic vision of education linking all levels and types of education as well as active intermediation and matching between labour supply (education/training and LLL) and labour demand (economic/private sector development) are missing, also aggravated by the lack of well-functioning skills anticipation and matching mechanisms.<sup>3</sup>

### Moldova

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<sup>2</sup> [https://www.etf.europa.eu/sites/default/files/m/96B9F9A8EA4FF770C125821F005391A7\\_CSP%202017-2020%20AZERBAIJAN\\_Updates%202018.pdf](https://www.etf.europa.eu/sites/default/files/m/96B9F9A8EA4FF770C125821F005391A7_CSP%202017-2020%20AZERBAIJAN_Updates%202018.pdf)

<sup>3</sup> [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eni\\_2017\\_040319\\_skills\\_development\\_and\\_matching\\_labour\\_market\\_needs.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eni_2017_040319_skills_development_and_matching_labour_market_needs.pdf)

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The VET Development Strategy 2020 outlines various elements of the reform process from the lifelong learning perspective. This strategy aims to modernize and streamline VET provision and to re-conceptualise VET programmes. The plan is to establish a more efficient network of providers capable of responding to labour market needs, organised within a coherent framework that will provide quality-assured qualifications and tools for the recognition of lifelong learning achievements. A similar outlook is reflected in the National Employment Strategy 2017–2020 that is currently being developed. The entire VET network is undergoing an optimisation process, where the downsizing of VET schools is being combined with the creation of 11 centres of excellence (approved by ministerial decision) that will be developed as multifunctional training providers.

### Ukraine

With the most recent government restructuring in April 2016, human capital development (HCD) and VET moved up on the policy agenda in Ukraine. The Medium-Term Priority Action Plan of the Government 2018–2020 identifies human resources and VET development as one of five priorities. Modernization of VET, promoting quality and relevance of a competitive labour force capable in responding to the challenges of the regional labour market and ensuring equal access to VET are key priorities. The core aspects of VET modernisation include: new education and training standards to meet labour market demand; modernisation and equipment of the workshops in VET Training Centres, including increasing access to VET schools.<sup>4</sup>

In accordance with the existing practices, **the major challenges for developing effective skills matching and anticipation systems in the EaP countries<sup>5</sup> are:**

#### 1. Weak capacities of government institutions

Throughout the EaP countries, governments do not have sufficient information or adequate statistics to develop effective systems for the anticipation of skills needs, the most important input of which is available hard data. The investment needed to set up the required statistical information services far exceeds the cost of carrying out skills forecasts, for the entire statistical system has to be raised to the necessary standard.

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<sup>4</sup> Country strategy paper 2017-2020 -

[https://www.etf.europa.eu/sites/default/files/m/C41A4435E0C32C89C1258220003CCF61\\_CSP%202017-2020%20UKRAINE\\_Updates%202018.pdf](https://www.etf.europa.eu/sites/default/files/m/C41A4435E0C32C89C1258220003CCF61_CSP%202017-2020%20UKRAINE_Updates%202018.pdf)

<sup>5</sup> Skills anticipation and matching systems in transition and developing countries -

[https://www.etf.europa.eu/sites/default/files/m/84E964F6CBD16532C1257AAD0038EC27\\_Skills%20matching%20systems.pdf](https://www.etf.europa.eu/sites/default/files/m/84E964F6CBD16532C1257AAD0038EC27_Skills%20matching%20systems.pdf)

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### 2. Slow reforms in VET systems

In many of the EaP countries, governments have attempted to reform the VET system in order to improve the supply of relevant skills in line with the changing demand, which has emerged as their economies have undergone profound restructuring. However, these reforms have often proceeded only slowly, in part because of the reluctance of the actors in the system to implement reforms.

### 3. Low level of in-house training by employers

Persuading employers to be involved in the identification of skills needs and to participate in employer surveys is a significant challenge to the development of skills matching and anticipation systems. Enterprises in the EaP countries have traditionally taken an active role in training employees, but the economic uncertainty of the transition period has brought about a reduction in the extent of on-the-job training by employers.

### 4. Large informal sector

In the economies of the EaP countries there are large informal sectors. This phenomenon raises many obstacles to the effective use of skills matching and anticipation systems. Without adequate information on the actual employment and skills situation on the labour market, it is extremely difficult to make any forecasts of the likely evolution of skills demand in the future.

### 5. Migration

Both external and internal migration are significant features of the labour markets in the EaP economies. Internal migration changes the balance of skilled and unskilled labour supply in the urban labour markets, while the countries with a high rate of ‘brain drain’ may experience significant shortages of skilled workers. International migration may reduce unemployment among unskilled workers in the sending country, but may also lead to worsening skills shortages in the high-skilled sectors of the economy.

The „unemployment problem” is an emerging subject that calls for following responses:

- new education and training standards;
- modernization and equipment of the workshops in VET Training Centers, including increasing access to VET schools;
- further cooperation between schools and enterprises.

In order to support a well-qualified workforce, the education and training system will need to undergo substantial changes, improving not only the formal education system but strengthening adult learning provision as well and creating more lifelong learning opportunities.

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### Conclusion

In the spirit of emerging trends, **human capital development and vocational education and training moved up on the policy agenda in the recent years in the EaP countries. At the same time, skills demand is much higher than the supply of VET graduates.** There is a need for better matching of skills with labor market demands. VET reforms are taking place through new pilot projects, focusing on establishing a more efficient network of providers capable of responding to labor market needs, organized within a coherent framework that will provide quality-assured qualifications and tools for the recognition of lifelong learning achievements. However, there is no holistic vision of education linking all levels and types of education as well as active intermediation and matching between labour supply (education/training and LLL) and labour demand (economic/private sector development).

### **More Information**

*The Eastern Partnership Civil Society Forum (EaP CSF) is a unique multi-layered regional civil society platform aimed at promoting European integration, facilitating reforms and democratic transformations in the six Eastern Partnership countries - Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Serving as the civil society and people-to-people dimension of the Eastern Partnership, the EaP CSF strives to strengthen civil society in the region, boost pluralism in public discourse and policy making by promoting participatory democracy and fundamental freedoms.*

*For more information, please visit the EaP CSF website at [www.eap-csf.eu](http://www.eap-csf.eu)*