

SKILLS FOR THE FUTURE

Managing Transition

conference conclusions

Learning & Performance Program

#SKILLS

FOREWORD

The future belongs to those individuals, communities and countries that are better at changing and adapting, understanding building on their strengths and developing customised responses to today's global challenges of sustainability, growth and inclusion.

This was the inspiration for the conference that the ETF organised in November 2018 entitled *Skills for the Future: Managing Transition*. With the help of experts, decision makers and practitioners, we looked at the impact of global trends on the developing and transition countries where ETF work and considered what action they need to take to prepare their people for the world of tomorrow, and manage their transitions towards uncertain futures.

The conclusions of this conference, which are presented below, will guide the work of the European Training Foundation over the coming years. This work will follow three main lines of action:

- Gathering and assessing reliable intelligence on the evolving skills needs of employers, building on traditional methods of data collection and analysis and exploring innovative approaches, in particular using big data;
- Adapting education and training provision to the demands of life and work in the future, focusing on transversal skills and core competences, including digital and entrepreneurial skills, active citizenship and intercultural competences, and this in a lifelong perspective, joining the dots from pre-school through to adult education;
- Supporting reform that promotes robust and responsive governance and effective policy frameworks involving governments, schools, employers, social partners and civil society in inclusive partnerships for skills development.

We will be working closely with stakeholders in our partner countries, with the EU Delegations, EU institutions and the international community to help countries develop the systemic and policy changes required to make their education, training and skills development systems fit for the future.

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#FUTURE



INTRODUCTION

Skills for the future: managing transition, an international conference hosted by the European Training Foundation in Turin (Italy) on 21-22 November 2018, brought together representatives of government, business and civil society from the ETF's partner countries, the EU Member States, as well as the research community, and EU and international organisations.

This was one of the first gatherings at which global debate on the future of skills took place in the context of the countries bordering the EU, which present a wide variety of economic, social and political structures and skills development systems.

What follow are the main conclusions of the conference, in the light of discussions with the ETF's partner countries and the European Commission's own responses to the future of work, which prioritise digital skills, basic skills, key competences, inclusion and equity.

A CHANGING WORLD



We live in a rapidly changing and uncertain world, shaped by **technological change and the digital revolution** alongside renewed **globalisation, climate change, demographic shifts and migration flows**. The impact of these changes on employment and skills is a controversial topic. For the optimists, the astonishing progress of digital technologies opens opportunities for higher productivity, growth and living standards, with the advent of 'platform capitalism' replacing traditional jobs by 'tasks' in a new model of labour on demand and 'online' labour markets providing 'jobs without borders'. Pessimists highlight the risks of job destruction, increasing inequality, growing polarisation between low and high skilled jobs, decline of social protection for workers, the digital divide, environmental disasters, as well as unprecedented privacy concerns and cybersecurity threats.



Individuals, firms and education and training providers need to make decisions about which education, training and career paths will offer the best returns. Hence the **growing demand for information on future prospects**. But we do not have a 'crystal ball' to tell the future: the impacts remain uncertain and debatable. For example, we cannot tell the extent or pace at which machines will replace human workers or the degree of complementarity between labour and automation. However, we can predict, with the help of techniques, such as foresight, forecasting and real-time labour market intelligence, that new occupations, jobs and employment relations will be created, and existing ones will be displaced, replaced or reshaped. In this context, it is increasingly important to be able to anticipate skills trends in order to develop, review and update labour market and skills strategies.



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We need to act in the knowledge that **our predictions of the future are partial and imperfect**, and subject to multiple disruptive factors. What we know for certain is that change will bring both opportunities and risks for individuals, communities, and countries. Countries will need to manage transition towards the future, if they want a future that works for them. In the words of one participant, 'there is no one future, but different futures', depending on how countries respond.



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The conference discussions pointed to **three factors** that seem to matter in shaping the future. The first is the **context** or 'starting point'; i.e. the country's capacity to make a realistic analysis of where it stands and where it wants to go. The second is **making the right choices** today and taking action to mitigate challenges and grasp opportunities. The third is the **institutional capacity** to manage change and the ability of actors to work together. Shaping the future requires resilience, adaptability and agility from all actors.



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But above all, **shaping the future is about people**. Investing in people is becoming more important than ever. Human capital is a central driver for sustainable economic growth and social well-being. Improving people's competences is a key factor for adaptability and innovation. It is also one of the most effective antidotes to growing inequality and increasing anxiety about the future. **Public policies for human capital development are essential** in managing change following a people centred and inclusive model of development.

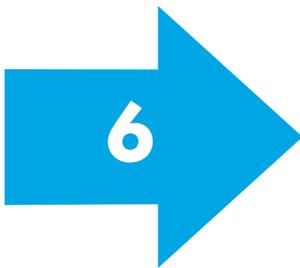




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MANAGING CHANGE IN THE ETF'S PARTNER COUNTRIES



The ETF's partner countries are no strangers to these developments. The vast majority of them are middle income countries in the process of economic development or transition. As such, they are largely recipients rather than drivers of technological change. Although automation, robotics and industry 4.0 will affect their economies and labour markets directly or indirectly, many countries will continue to **depend for their wellbeing on improving and upskilling traditional sectors**. The ETF's partner countries are also in the process of reshaping their education systems, exploring new more participatory governance models and improving their capacities for monitoring and foreseeing change in their labour markets.



The Conference demonstrated that many of the ETF partner countries are exploring this changing environment. They are analysing the global drivers of change and starting to develop strategies to cope with new challenges and opportunities. Actors from the private sector, local communities and regions are taking action to seize new opportunities (e.g. platform work in Ukraine, the growth of Uber in Egypt, e-commerce) despite their limitations. **New patterns of interaction and collaboration** are emerging that go beyond the established governance models. The reality of mobile telecommunications for all and the experience of multimedia are changing expectations, especially among young people, of how skills can be acquired and recognised, even in countries with low GDPs.



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However, such actions remain for the most part isolated and ad hoc. **They need to be nurtured and mainstreamed through reformed public policies** and new governance arrangements based on partnership and power-sharing to disseminate and maximise their benefits. Partnerships are essential to manage transition, and they need to engage both traditional actors (social partners, national and local authorities) and new ones (education and training providers, companies, youth organisations, researchers, science and technology parks, NGOs/ civil society organisations). Ensuring concerted action in a changing environment requires innovation in governance and institutions and requires a power shift to be negotiated among actors.



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It is equally important to develop **the capacity of the countries to monitor changes in the labour market** and in workplaces (whether physical or virtual) as a means of steering skills development strategies. Failure to do this means skills mismatches and playing catch-up, with significant economic and social costs for individuals, firms and society. Research, data analysis and assessment are increasingly important in building knowledge about future skills. We can no longer rely on past trends owing to the many unpredictable and disruptive factors driving change. The capacity to anticipate change is a key skill itself. Skills anticipation exercises have been carried out for many years. However, the new era makes it necessary to combine traditional methods with innovative approaches capable of capturing change in real time.





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IMPLICATIONS FOR EDUCATION AND TRAINING SYSTEMS

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Equipping people to cope with change means entirely transforming education and training. **Education and training systems need to be open and ready to embrace change.** Systemic reforms are needed to ensure access to lifelong learning opportunities and permanent interaction with economic, technological and social realities to promote adaptability and innovation. In a period of rapid and uncertain change, we need to pay particular attention to avoiding growing divisions between social groups. Inclusive education is vital, as disadvantaged groups need more support than ever to address the special challenges they face. Qualification systems need to be more flexible so that training supply can adapt to the needs of individuals and employers.

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Young people will need strong key competences to be prepared for possible changes in their personal circumstances, their jobs and professional plans, as well as the societal challenges they will face. In the word of one participant, they will need to 'continuously reinvent themselves' as they move through life. They will need strong basic skills and transversal competences, as well as theoretical knowledge and professional skills. **Soft skills such as creativity and critical thinking are key features of 'human labour'**, as opposed to robots, though it is very difficult to measure these, according to one participant. Learning to learn, digital and entrepreneurial competences, languages, social and civic competences become vital to ensure resilience and adaptability, successful life and active citizenship.



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The **active support of teachers** is a must to achieve reform objectives. Obtaining the buy-in of teachers means enhancing the public image of the teaching profession, and providing and in-service training in new teaching methods, technologies (digital and on line learning) and the changing workplace. Schools need to be supported too, as they are the first 'working environment' for students.



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Besides supporting young people, **special attention must be given to adults**, whether they are in work, unemployed or inactive. People will experience more frequent transitions between old and new skills, between education, training and work, and between jobs. **Adult learning becomes crucial**, as far more people will need to have affordable access to opportunities to update and upgrade their skills and learn new skills at different stages in their lives. They will need flexible provision of education and training, visibility of their skills, and career guidance. According to one participant, we need 'one coherent education and training package from the age of 0 to 100'. This means **seamless learning pathways from early childhood throughout adult life** and a system for lifelong learning that bridges different environments (at school, in the workplace, online, in the community). With learning taking place on an ongoing basis throughout life and in a variety of situations, an open and accessible system for validation and recognition of prior learning (informal and non-formal) is also required.

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Skills development needs to be coupled with **career guidance and career management skills** to enable people to navigate present and future labour markets. Everyone should have access to guidance services throughout life for careering (or 'co-careering' as one speaker put it), i.e. taking the right learning and career decisions. Career guidance services will remain valid mechanisms to support people's transitions, but they need to change the mode of delivery and to respond faster and more effectively to the needs of individual learners and job-seekers in a quickly changing world.

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Vocational education and training has a particular role to play in the future of skills, as the **skills mix required for the future is best acquired through blended ways of learning** in close proximity to the world of work. The relevance, quality and attractiveness of vocational training will continue to be on the reform agenda, while there needs to be a greater diversity of vocational programmes combining formal and non-formal training in accessible and affordable formats. In the words of one speaker, 'pluralist vocational training' is already on the rise where the boundaries with general education are blurred. Increasingly diversified vocational training requires flexible pathways between different vocational and general education options, as well as more transparent and better-organised training opportunities that are accessible and affordable for different groups of users.





LOOKING TO THE FUTURE



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The key-words of the conference were **resilience, partnership, diversity, adaptability, inclusiveness and lifelong learning**. Building on these, the ETF will continue the conversation with its partner countries on the future of skills at national and regional level (“rolling conferences”) to facilitate change monitoring, experience sharing and ideas generation on human capital development. The aim is to help people fully realise their potential and enable countries to prosper. The fifth round of the Torino Process in 2018-20 is an excellent opportunity to engage with our partner countries on the achievements of the past and design new public policies for lifelong learning and inclusive education and training systems supporting citizens to cope with the challenges of the future.



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The ETF will continue to work closely with our partner countries, the European Commission and international partners to understand better (i) **the impact of technology** and other drivers of change on skills, (ii) the **implications of this for public policy and governance** of education and training systems, and (iii) **how training provision can adapt** to changing learning environments and the skills requirements of businesses and people. In 2019, the ETF will launch a series of case studies focusing on the impact of change on the demand for skills in specific sectors and the capacity of education and training provision to adapt to change and big data analytics applied to labour market intelligence. The ETF will pursue its work on the governance of education and training systems with an emphasis on innovation, the capacity of institutions to manage change and the role of public private partnerships. Finally, the ETF’s 2019 Conference on “Skills and qualifications: Benefits for people”, will build on the themes addressed in this conference and take the discussion to the next level.

The ETF would like to thank all speakers and participants for making the conference a unique experience for all.



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