Reskilling in Europe

Tackling the challenge with a joint program

Discussion document

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Executive summary

European citizens need reskilling and COVID will accelerate this trend. ~20M workers could need reskilling due to automation by 2030 and almost 100M workers in need of upskilling as their jobs become increasingly digitized. The recent pandemic will likely accelerate the pace of digitization and automation and add millions of newly unemployed people.

The reskilling market is nascent and needs support to scale rapidly. Conventional training providers suffers from a legacy of "training for the sake of training" and only few initiatives look at the reskilling value chain end to end, supporting candidates with quality assessment, matching, training and job placement. These few reskilling providers are still subscale, often present in only 1 country with a maximum scale of 10k people reskilled per year.

The EU and ERT have the capabilities to enable reskilling-at-scale and impact millions of workers. A pan-European effort is needed to rapidly scale existing solutions and the European Commission (EC) and ERT have complementary assets that could tackle the EU reskilling challenge.

The ERT has been investing to design a program through which ERT and the EC can tackle the reskilling challenge. We have scanned over 200 initiatives from the public and private sector and codified learning along the steps of the reskilling value chain. We then created a program that would make the most of existing initiatives and enable ERT companies to contribute in both scaling and improving them.

We would like to engage with the relevant EC counterparts to further detail this program and ignite its operationalization as a joint effort

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Europe is in need of reskilling, with the Covid-19 outbreak making the need even larger

The reskilling needs of the future are high…   ▶   **…and are exacerbated by Covid19**
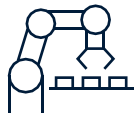
~94M workers to be upskilled[1]

as over **20% of their tasks** will be **automated or digitized** in the next 10 years

~21M workers displaced[1]

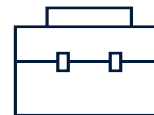needing **significant reskilling** to **transition occupations** in the next 10 years

Acceleration of reskilling needs

as companies **shift towards remote working** and accelerate **digitization and automation**

~8.5M newly unemployed[2]

at peak due to Covid-19 in EU + UK

1. Projections for EU + UK + Switzerland; before Covid19 outbreak
2. Based on scenario "Muted recovery (A1)"

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However, the current reskilling market does not have the capacity to meet the scale of the reskilling challenge

Most of training providers do **not offer an end-to-end reskilling** program

Less than 1% of trainings **measure job placement**, and rates are likely low

Reskilling programs are **sub-scale**, reaching max ~10k placements annually

Many locations and even **countries have no E2E reskilling solution**

Less than **5 E2E reskilling** providers are present **in more than 1 European country**

Definition of End to End (E2E) reskilling:

A program that includes the identification of occupations in need locally, the selection and matching of participants to training based on aptitude and will, the creation and delivery of a training program comprehensive of all soft and hard skills needed in the target occupation, and the final support to job placement

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The EC and ERT could create a game-changing reskilling initiative that would impact the lives of millions of people

The ERT and the EC have the potential to reskill millions of people across Europe and mitigate unemployment in the post-COVID economy…

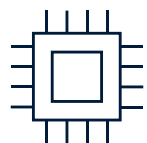Focus on occupations-at-risk, to reskill before lay-off
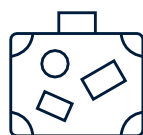
Focus on unemployed, including sectors hit hard by COVID-19, e.g., tourism and retail

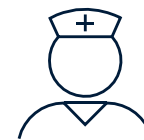Focus includes SMEs without own reskilling capacity (more than 65% EU jobs come from SMEs)

… whilst reskilling in strategic occupations for Europe

Reskilling for digital, AI and IT occupations

Reskilling for priority transitions (e.g., de-carbonization)

Reskilling for in-demand sectorial occupation (e.g. old-age care)

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The commission, together with the ERT, is well positioned to tackle this challenge

Why EC as public sector lead

Ability to prioritize solutions to long-term trends such as reskilling, which member states may deprioritize in favor of urgent needs

Pan-European response is more efficient and faster, e.g., dissemination of best practice

Available funds to scale-up nascent reskilling market as well as emergency funds to restart the economy

Pan-European labor market data to prioritize locations and occupations for reskilling

Cross-border matching of people to jobs

Why ERT companies as industry lead

Strong regional presence to create program awareness and support reskilling providers (e.g., with people, expertise, some funds and facilities)

Holistic view of market needs through industry knowledge on job demand and all required skills by occupation

Employment opportunities in the form of on-the-job training, internships and jobs

Mobilize other employers and attract participants inside and outside ERT through its **distinctive reputation and brands**
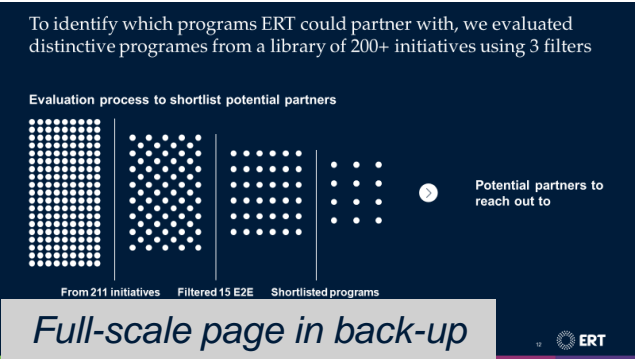
Both entities have a responsibility to deliver a strong and swift answer to the unemployment crisis caused by Covid-19

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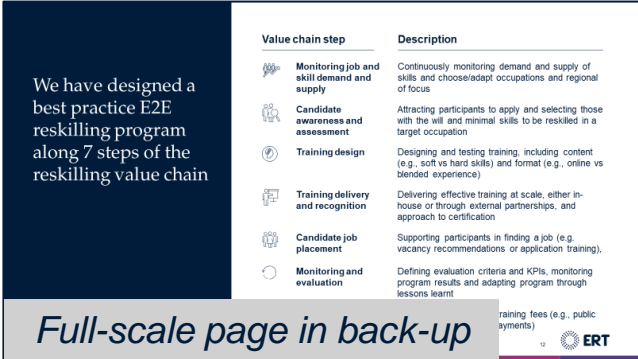# We have embarked on a journey to identify the best solution to solve the reskilling-at-scale challenge

Step 1

We evaluated over 200 reskilling initiatives, making a shortlist of the best programmes
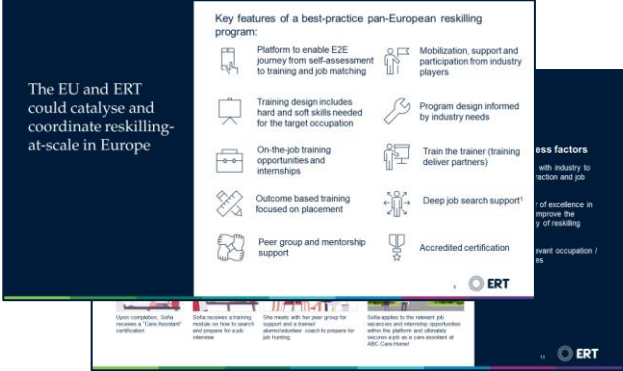
Full-scale page in back-up

Step 2

We identified best practice features along the 7 steps of the end-to-end reskilling value chain

Full-scale page in back-up

Step 3

We have designed a best-practice pan-European reskilling program based on the strengths of ERT and the EC

The EU and ERT could catalyse and coordinate reskilling-at-scale in Europe

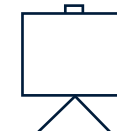Key features of a best-practice pan-European reskilling program:

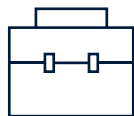Platform to enable E2E journey from self-assessment to training and job matching

Mobilization, support and participation from industry players

Program design informed by industry needs

Training design including all hard and soft skills needed for the target occupation

On-the-job training and internships/apprenticeship opportunities

Train the trainer (training multiple deliver partners)

Outcome-based program focused on job placements

Deep job search support
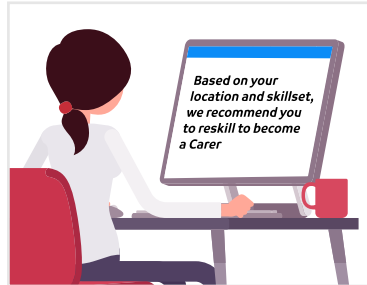
Peer group and mentorship support

Accredited certification

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Example participant journey – From cashier to care assistant

Sofia, a cashier, signs up to the platform recommended by her employer / unemployment agency, and undertakes an online assessment

Based on your location and skillset, we recommend you to reskill to become a Carer

The platform uses AI to provide Sofia with a personalized recommendation on target jobs and training options. Sofia chooses the program to become a care assistant

Sofia attends the training program delivered by a certified training providers in Sofia's region, which includes online, on the job and in person training and covers all skills to become a care assistant

CERTIFICATE
ERT certification
Endorsed by ERT members
Sofia

Upon completion, Sofia receives a "Care Assistant" certification

How to land a job?

Sofia receives a training module on how to search and prepare for a job interview

She meets with her peer group for support and a trained alumni/volunteer coach to prepare for job hunting

ABC Care Home

Sofia applies to the relevant job vacancies and internship opportunities within the platform and ultimately secures a job as a care assistant at ABC Care Home!

Key success factors

Mobilizing local employers to create local traction and job opportunities

Strong center of excellence in re-skilling to improve the training quality of training providers

Choice of relevant occupation / region matches

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Going forward, we would like to work with you to ignite reskilling-at-scale

Our next steps:

- Further refine the program (and pilot) design and conceptualization

- Mobilize ERT companies to champion the initiative

- Start engaging with core partners

- Engage with EC

What we would like to understand from you:

- The EC priorities on reskilling

- How to accelerate them in the context of the Covid-19 outbreak

- Who else could be involved

As we move from conceptualizing to detailing and mobilizing, we would suggest a cocreation model with the relevant EU commission counterparts

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