

Flash report: Two separate meetings with ETUC and BusinessEurope, 12 April 2021

Participants

ETUC (12 :00-12 :30): [REDACTED]

BusinessEurope (12 :30-13 :00): [REDACTED]

Cab Schinas: Margaritis Schinas, Luisa Llano Cardenal, Nefeli Papadopoulou

Cab Schmit: Nicolas Schmit, Antoine Kasel, Anouk Faber, Christoph Nerlich, Tatana Zelena

DG EMPL: Joost Korte, [REDACTED]

Purpose

VP Schinas and Commissioner Schmit requested the meetings to informally exchange on the implementation of the Skills agenda and in particular discuss the initiative on individual learning accounts (ILAs) ahead of the dedicated social partners hearing on 15 April.

Main points raised

Vice-President Schinas:

- Skills are emblematic for this Commission and will play a key role in the recovery from the COVID-19 pandemic. Labour market circumstances call for a fresh approach to training to ensure people find jobs and business get the talent they need on the ground. Need to cater for quick and targeted upskilling opportunities validated through micro-credentials - complementing, but not replacing longer qualifications.
- The aim of ILAs is to give regulatory cover and harvest untapped potential in a life-long learning perspective. The idea of **empowering individuals to proactively seek training and manage transitions** is an entrepreneurial one. ILAs would also make it easier to improve guidance and validation, which are rather cumbersome in the current setting.
- **The idea is to shape the content of this initiative with Social Partners** and have them on board for implementation. The plan is not to promote a “one-size-fits-all” but leave flexibility in implementation. Social partners should also see the initiative as an opportunity to get involved more “hands on” in the channelling of skills investments.
- Invitation to contribute to the initiatives on skills and talent partnerships by Commissioner Ylva Johansson in the context of the New Pact on Migration and Asylum.

Commissioner Schmit:

- To have a **skills revolution**, everyone needs to be involved - including the self-employed and those preparing for new jobs. We need to give people the tools to help them move across jobs. ILAs allow involving everyone and not only talking about an obligation and necessity, but about a right to up- and reskill. We need to promote a culture of learning among companies but also individuals. Some Member States but also Singapore are successful in using this tool.

- This initiative is mainly about skilling for a job and a right to develop skills for all workers. Everyone is aware of the need to ensure a clear connection to labour market needs.
- To make training attractive, important to strengthen guidance and transferability of training entitlements and increase the transparency on the training market. ILAs can also help support the implementation of the Council Recommendation on non-formal and informal learning, as indicated by its 2020 evaluation.
- **Funding will require not only EU but also national resources.** We need to promote **effective cost-sharing among all stakeholders**, and to draw on the international experiences with this (including from France). **ILAs do not necessarily need to be funded mainly by companies, can also be funded by public money.**
- Skills investments are easier for large companies, who are already investing a lot in their employees and already receive support by the Member States. Smaller companies are much less able causing a big issue. We need to reflect on how to support them and ILAs could be helpful here.
- ILAs initiative should not be seen as a stand-alone one, but as complementary to others such as the **Pact for Skills** in a broader picture given by the European Skills Agenda. **ILAs should not replace other tools that exist** and are well performing.
- Many issues are to be studied around financing, guidance, freedom of choice of employees, and how ILAs fit into the bigger picture. However, ILAs can be an important tool in bringing about a skills revolution.
- We need to be flexible as Member State's traditions are very different. This is why we are considering to propose a Council Recommendation. **The Commission will put forward a proposal towards end of 2021.** Social partners and social dialogue have an important role in up- and reskilling and in skills governance. **Invitation to social partners to contribute to shaping this initiative.**

(General-Secretary ETUC):

(Director General of BusinessEurope):

- Agreement that the skills challenge is enormous. Employers play a key role in response to it. **Mixed feelings** when it comes to putting all eggs into one basket, and ensuring the complementarity of the initiative is very important.
- **Two main concerns:**
 1. **How to ensure sufficiently that training funded by ILAs is labour market relevant?** Risk of weakening the link between financing & training content;
 2. **Role of social partners** in the governance of ILA. When looking at countries who have ILAs, they are far from best practice.
- BusinessEurope welcomes a **cost-sharing approach**. But is ILAs the right tool? French experience is not very positive, and Singapore is a State-driven micro-cosmos-scepticism as to how much we can learn from it. Why put too much hope into something that has not yet proven its worth?
- We expect the Commission to have mapping on what works best. What works best are models based on employer sponsored training in SE, FI, DK, NL, DE. Training funds work well in DK, NL.
- We see there is space for ILAs. However, we do not think that the strategy to improve skills should be mainly based on ILAs. The impact assessment should be done in close cooperation with the tri-partite advisory committee we have.
- **Suggestion to make the initiative broader and more open, and include training funds**, which work very well. A Council Recommendation on ILAs is too narrow. The French way of taking company funding to establish an individual right to training is very particular.
- BusinessEurope had an exchange with Commissioner Ylva Johansson in the context of the New Pact on Migration and Asylum. Main challenge is to get the people we need because of skills or legal obligations. Presently we have too many who belong to neither group.
- Important question how RRF funds be used to support skilling. Many companies are fighting for survival and hence cannot upsize their training funds.
- We will be constructive in debates and totally agree with the target of initiative.

Follow up

- Suggestion by Vice-President Schinas to have follow-up meetings at a later date when initiative has been further developed.