Ensuring lifelong employability\textsuperscript{1} through training for future-proof occupational pathways

Document adopted by the 19\textsuperscript{th} industriAll Europe Executive Committee
Online meeting, 14-15 April 2021 | 2021/125

The COVID-19 crisis continues to disrupt the world of work across Europe. Nearly one year since the start of the pandemic, most countries continue to be under restrictions or lockdown. Any significant economic rebound for 2021 looks very uncertain. The pandemic is also accelerating existing structural changes in many industrial sectors, increasing the pace of the twin green and digital transformations of the industry. In a recent report, the European Central Bank (ECB) warns that the COVID-19 crisis is boosting the automation and digitalisation process and is likely to lead to skill gaps and skills mismatch, and an increase in labour reallocation needs. McKinsey’s latest study also warns that up to 25% more workers than previously estimated potentially need to change occupations, as the pandemic has accelerated existing trends in telework and automation.

Professions and jobs, employment in itself and the entire world of work are changing much faster than expected. These rapid changes create an urgency for education and training that ensures reskilling and upskilling to equip workers for jobs in a transforming industry.

However, training is not the silver bullet to solving the current crisis and tackling the twin transformations. We also need a good industrial policy leading to the creation of quality jobs. Training only makes sense in a job-rich environment. We also need adequate employment policies and fair social policies.

We are facing an unprecedented need to train more people than ever, at a much higher speed. A fair and inclusive recovery from the COVID-19 crisis and a just transition to a digital and green industry are only possible if workers are not left behind and if their right to training and future-proof occupational pathways are guaranteed. The lack of adequate training will increase the polarisation of the labour market in terms of skills and qualification.

Education, training, and life-long learning, including reskilling and upskilling, have been long-term priorities for industriAll European Trade Union. Our national members are actively engaged in training efforts at all levels. At European level, our members have made training a central priority, with the first common demand for an individual right to training adopted already in 2005.

Every worker must have the right to quality training and life-long learning. This right can support their personal development and help them maintain and acquire skills to reach their personal and professional potential. This right must be combined with future-proof occupational pathways to support the transitions between jobs and respond to the skills needs resulting from a rapidly transforming industry. Both are a must at the level of employment and labour market policies in order to fight unemployment, and to support virtuous competitiveness and social cohesion. For industry and companies to be competitive in a globalised world,

\textsuperscript{1} Employability should be understood as the ability to maintain workers in employment and ensure job-to-job transition.
education and training are critical to ensure the necessary skilled workforce, which is one of the main assets of the European social and economic models.

Effective and loyal social dialogue, collective bargaining and trade union involvement at all levels, as well as good framework policies, are critical to ensure quality education and training. First and foremost, social partners at all relevant levels, and in particular at national sectoral level, are best placed to identify skills requirements and job development. They need to be closely involved in the design and the implementation of training, upskilling and reskilling and life-long learning policies, as well employability for future-proof occupational pathways. These policies must provide training opportunities for all workers, but especially those faced with losing their jobs, in order to ensure employability and to maintain a skills base in the industry. Short-time work arrangements - which have been implemented to deal with economic downturn and prevent massive lay-offs - must also be combined with upskilling in order to prepare for the restart.

Skills development is a shared responsibility between governments, employers, workers and their trade unions. If workers do not possess the right set of skills, both competitiveness and social cohesion are at risk.

In this Position Paper, we set out our key priorities and demands for training, skills and employability. Together with our members, we fight for the right to individual training for workers, and for future-proof occupational pathways.

**Assessing the unprecedented challenge: Train more and faster**

The challenges posed by the twin digital and green transitions, which are both accelerated by the COVID-19 crisis, have many similarities, but also differences. Regardless of the situation, good quality training and employability for future-proof occupational pathways for workers must be guaranteed.

Faced with the challenge of reaching carbon neutrality by 2050, reskilling and upskilling are part of the main trade union demands to ensure a just transition that leaves no one behind. While the green transformation is driven by public policy, governments and EU policymakers must commit to ensure a smooth transition to quality jobs for the affected workers. This implies career counselling, guidance, quality training and flanking employment policies, to enable workers to obtain the skills they need for new jobs and successfully manage the transitions.

The digital transformation, on the other hand, is accelerated by a private business-led agenda. Its main driver is the positive potential of digital technologies leading to huge productivity gains. Digital technologies can significantly improve the comparative advantage of European manufacturing. However, as the 2020 OECD Digital Economy Outlook states, the success of firms in the digital age depends on workers with good digital skills, which requires investments in education, training and life-long learning. Today, not only ICT experts, but all workers in a smart factory need IT skills. Guaranteeing the individual right to training is crucial to ensure that every worker obtains a set of basic digital skills which must be constantly updated. Moreover, transition between jobs must be guaranteed through future-proof occupational pathways at national level.

Employers are responsible for facilitating access to continuous training for all workers at the workplace. They cannot cherry-pick those they send into training, leaving aside those who are most in need. They have to cover the costs of upskilling and reskilling. Particularly in the case of digital skills, employers have already
recognised their responsibility to cover the costs of training in the EU Social Partners Agreement on Digitalisation. In the rapidly changing digital industry, it is crucial to continuously anticipate and manage skills and training needs, to avoid a situation where the lack of skills hampers companies’ investments.

Some countries are finally starting to recognise the challenges and are taking steps in the right direction. In France, the government has taken up a proposal from the social partners and by the end of the year, will have created a new ‘collective transition’ mechanism (€500m), financed by the state, to facilitate professional reconversions. Another case is Sweden, where the social partners in the private sector have non-profit organisations (for example, TRR for white-collar workers and TSL for blue-collar workers) that support workers in their search for a new job (financed by companies as a result of collective bargaining). In addition, the recently concluded negotiations in Sweden include a new financial support scheme for training that gives the right to financial support for short and longer education programmes for skills development, both in employment and between jobs. In Germany, IG Metall is negotiating ‘Collective Agreements for the Future’ (Zukunftstarifverträge), which aim to establish a framework for securing employment through a joint social partner analysis that ensures anticipation of job and skills needs in the rapidly transforming industry.

The reality of training

The urgency of training is widely recognised by national and EU policymakers and employers. However, despite this recognition, the reality of training is very different. The volume of training (hours spent in training, number of workers going into training, quality of training, etc.) is very far from what it should be. The COVID-19 pandemic has had a detrimental impact on training. Issues that existed before COVID-19 persist and could become more acute with the financial limitations resulting from the crisis.

In the EU, only 10.8% of adults are reported to participate in education and training. The situation is even more critical when considering the huge discrepancy between the 4.3% of low-qualified adults who take up training compared to the 19% of highly educated ones. Those who need training most, fail to receive it. Policies and employers are leaving the already disadvantaged workers (low-skilled, women, single-parents, disabled, elderly, migrants, part-time, non-standard, atypical, fixed-term, temporary, self-employed, platform and agency workers) behind. As unions, we demand special attention and adapted programmes to safeguard these groups of workers. When we as unions engage in promoting lifelong learning and implementing the individual right to training, we must ensure that they have priority access to quality training and that training programmes are adapted to fit the workers’ profiles.

The already existing major inequality of access to quality vocational education and training, including up-skilling on the job, is very likely to be exacerbated by the COVID-19 crisis. The effects were already seen on the youth, already a very vulnerable group trying to recover from the previous 2008-09 crisis. In 2019, 13 million young people in the EU (16.4% of 20-34-year olds) were reported to be neither in employment, nor in education or training (NEETs). Over the summer of 2020, Eurostat showed an explosion in youth unemployment (17.6% compared to 6% in 2019). Since then, unemployment and NEETs have been increasing, especially as apprenticeships positions were cancelled and companies’ training expenses were substantially reduced.
During the months of the pandemic, in most countries where short-time work has been prevailing, few companies used the sharp decrease in the number of hours worked to upskill and reskill their workforce. Uncertainty, lack of visibility of the time and the conditions of the restart and future skills needs, as well as lack of liquidity, are all factors which have contributed to this situation. In Germany, only one third of companies carried out training (mainly e-learning) during the COVID-19 pandemic and only 10% of companies on short-time work used the reduced working time period to train their workers.

In most countries in Central and Eastern Europe, no overall governmental training framework was envisaged. The decision to invest in workers through training lies with each company. The lack of public policies on training will increase the inequality of access to quality education and training, as well as the inequality of skills levels in the EU. The scarce skilled workforce in the CEE region must also be understood in the context of the low-wage trap. The percentage of STEM graduates is around the European average of 25%, and in some countries even higher (Romania, Lithuania, Estonia, Slovenia, etc.). However, the region is facing a huge brain drain because many graduates leave their countries for better paid jobs in Western Europe. The outlined issues add to the already existing skills shortages that have been identified in various industrial sectors for years, and continue to remain unsolved. Moreover, new skills shortages come to light with digitalisation (reported: 37% of workers lack sufficient digital skills to carry out their job) and the green transition (‘green experts’ are needed).
Figure 1. Adult learning participation rate in the EU (2018)²
Note: Adult learning participation rate is defined as the share of the population 25-64 years old in formal and non-formal education and training in the 4 weeks before the survey date.

Today, many companies offer e-learning modules to their workers and claim that they are fulfilling their responsibility. E-learning enables companies to turn into learning companies by fostering work organisations which combine work and training, and by adapting workplaces in order to train workers on a continuous basis. But e-learning is unsuitable for some workers, especially blue-collar workers, who do not always have access to a computer at the workplace. In addition, with the use of digital tools widely spreading, employers put pressure on workers to train outside of working time in total disregard of the working hours and the right to disconnect. Moreover, the fragmentation of training (meaning that workers receive every now and then an hour for training) is preventing the development of competences and the acquiring of a qualification. Superficial training, only for the sake of ticking boxes, must be prevented. While remote learning can facilitate training continuity, it cannot replace the use of traditional face-to-face training. Strengthened workers’ representatives involvement and collective bargaining at all levels, especially company level, can ensure that

² Source: Task Force on EU Industrial Policy (CEPS) elaboration based on Eurostat
training needs are fulfilled in accordance with the profile of workers and activities of the company, as well as skills needs in the sector and industry.

The recognition and validation of formal and non-formal training must be urgently improved, since it represents an incentive for workers to pursue training and is essential to facilitate job transitions. The validation of skills must be done through concrete forms of compensation, which can mean taking up new tasks and/or acquiring new qualifications, leading also to career development and securing employment pathways.

**IndustriAll Europe’s demands for training and employability for future-proof occupational pathways**

Vocational training, reskilling, upskilling and lifelong learning are shared responsibilities of employers, national and regional policymakers, trade unions and workers themselves. Employers’ responsibility is to provide cost-free, good-quality training during working hours and validation of skills acquired that leads to personal and career development. They must invest in their workforce. Investing into new technologies will make companies more successful only if they invest into upskilling and reskilling. Trade unions’ and employers’ shared responsibility is to engage in meaningful social dialogue and collective bargaining at all levels, in order to ensure education and training (including vocational training, reskilling, upskilling and life-long learning) programmes that are fit for all categories of workers and to equip them with the skills needed in a competitive digital and green industry. European and national policymakers’ responsibility is to create an enabling environment and framework, that encourage good quality training and ensure easier recognition. Workers’ responsibility is to make use of cost-free training opportunities on the job. Trade unions’ responsibility is to motivate its members to engage in training.

Over the past decades, the EU has put forward numerous initiatives for education and training. The latest Pact for Skills aims to channel funding from the EU Recovery Package to support training in sectors facing huge skills gaps (automotive, aerospace, semiconductors, shipbuilding, offshore, etc.). IndustriAll Europe welcomes these initiatives and participates in several sectoral Pact for Skills. Member States must now also play their role. In consultation with the social partners, at all relevant levels, they must develop and put in place the necessary enabling framework for training and ensuring employability for future-proof occupational pathways.

Trade union involvement is essential to make sure that the training offered fulfills workers’ needs. Training enables workers to maintain or to gain the skills necessary for their current job, especially if this is transforming due to digitalisation. Training also enables workers to upskill or reskill in order to change jobs in their company or sector. In the case of disappearing sectors, especially due to the green transition, training enables workers to change occupations and switch to other sectors.

In order to meet the unprecedented challenge that we are faced with, in a fair and inclusive way, that leaves no worker behind, industriAll Europe puts forward a series of key demands for training and employability for future-proof occupational pathways.
IndustriAll Europe’s demands towards employers:

- future-proof industries rely on highly skilled workers. Therefore, employers must invest in their workforce and secure access to quality training for every worker in view of supporting their upskilling and reskilling, as well as their career and personal development;
- Ensure priority access to quality training to the most vulnerable and/or precarious workers, who in general tend to be most in need of training;
- guarantee that training takes place during working hours and is cost-free for workers, for example through a collective training fund;
- offer reskilling opportunities for workers faced with losing their jobs to remain employable within their company, sectors or the industry;
- engage in active social dialogue and collective bargaining at all levels on skills identification and the content of training program, including vocational training, apprenticeships, reskilling, upskilling and life-long learning models, as well as on the organisation of training;
- European Qualifications designed by social partners should be promoted;
- ensure that periods of workload reductions are used to train workers in order to meet the challenges of transformation by combining short-time work schemes with voluntary upskilling and reskilling initiatives;
- ensure the validation of formal and non-formal training through qualifications and concrete forms of compensation, such as secured employment, an upgrade in the job category and/or wage, etc.

IndustriAll Europe’s demands towards policymakers:

- create, with the close involvement of social partners at all relevant levels, the framework conditions to support training, upskilling, reskilling, life-long-learning and transitions between jobs. These require sufficient time to organise the transition, adequate financing (it should be cost-free for workers) and validation of training paths, which leads to quality jobs. As illustrated by a number of recent national examples, including the ones outlined above, this also requires individual guidance and counselling which must take place in an environment of trust (for example through the involvement of union learning representatives). This also requires the activation of social policy measures, such as the transfer of acquired rights and protection;
- work together with the social partners at all relevant levels, especially national sectoral level, in order to reach the targets of the European Pillar of Social Rights Action Plan by 2030: at least 60% of all adults should participate in training every year, and at least 80% of those aged 16-74 to have basic digital skills;
- trade union involvement in the design and implementation of training programmes, including vocational training, apprenticeships, reskilling, upskilling and life-long learning models at all levels;
- encourage that job retention measures to deal with the economic downturn, such as short-time work or partial/temporary unemployment schemes, are combined with voluntary training/upskilling;
- make sure that all workers have access to education and training, regardless of their type of contract.

IndustriAll Europe’s demands towards trade unions:

- promote the common demand for an individual right to training (once it exists, it should be enforced): Qualification and further training are important to successfully manage structural change. We call for collectively agreed regulations that ensure workers are supported in their occupational and professional development;
• promote employability by creating future-proof occupational pathways for workers, especially for those whose jobs are disappearing by also ensuring the portability of rights of workers;
• assess the upcoming proposals on Individual Learning Accounts and European Approach to Micro-credentials announced by the European Commission;
• motivate workers to make use of training opportunities.