## Development of OSKA, a system of labour market monitoring and future skills forecasting

Tööjõuvajaduse seire- ja prognoosisüsteemi OSKA loomine

| Estonia |

### DESCRIPTION

<table>
<thead>
<tr>
<th>Timespan</th>
<th>01.01.2015-31.12.2018</th>
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<tbody>
<tr>
<td>Stage</td>
<td>FULLY OPERATIONAL</td>
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<tr>
<td>Focus area</td>
<td>MATCHING SKILLS FOR THE FUTURE OF WORK</td>
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</tbody>
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### FOUNDATIONS

<table>
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<tr>
<th>Policy Area</th>
<th>EMPLOYMENT POLICY</th>
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This instrument combines the needs of the labour market with the expected education and training offer from the national system for lifelong learning. It is not limited to a specific education level or economic sector, the scope of the policy area touches both employment and education/training.
Policy Goal

The policy instrument comprehensively addresses the issue of better matching the needs of the labour market with the provided education and training. The policy goal is to improve and tighten the linkages between the world of learning and the quantitative and qualitative needs and expectations of the labour market. The rationale for the intervention is the creation and implementation of a systematic process to engage all relevant stakeholders, so that they can provide input into skills anticipation and give recommendations to upgrade competency standards, provide relevant training and courses, also retraining possibilities. The general aim of OSKA is to teach and learn about the right skills relevant in the society. The OSKA system creates a cooperation platform, which enables the exchange of information between employers and training providers and educational institutions to comprehensively analyse the growth potential of different economic sectors and their needs, and to facilitate the planning of education provision at different levels of education and by types of school, as well as in the fields of retraining and in-service training.

Mismatch

PART OF BROADER PROGRAMME, YET WITH EXPLICIT FOCUS

The OSKA system is designed to analyse and forecast (over a 5-10 year horizon) the labour market needs, both quantitatively (how many employees are needed in key occupations sector-wise) and qualitatively (which are the expected competence profiles in key occupations), and to recommend necessary adjustments in the education and training offer. The OSKA system is an amendment to the Estonian occupational qualifications system. OSKA combines the Ministry of Economic Affairs and Communications sectoral labour forecasts, national statistics, and expert knowledge.

Aim of policy instrument

- UPSKILL AND MATCH SKILLS OF UNEMPLOYED
- ADDRESS SKILL SHORTAGES
- UPSKILL EMPLOYED ADULTS
- MATCH SKILLS OF YOUNG GRADUATES
- FACILITATE JOB/CAREER TRANSITIONS
- BROADLY ADDRESS SKILL MISMATCH
The main implementer is The Estonian Qualifications Authority (SA Kutsekoda).

85% of the programme is funded by ESF and 15% by the Estonian Ministry of Education and Research. The programme is governed by the Coordination Committee. The members of this Committee are representatives of principal stakeholders (the Ministry of Education and Research, the Ministry of Social Affairs, the Ministry of Economy and Communications, the Ministry of Finance, the Estonian Unemployment Insurance Fund, the Estonian Chamber of Commerce and Industry, the Estonian Confederation of Employers, the Estonian Employees' Unions' Confederation (TAŁO) and the Confederation of Estonian Trade Unions) Implementing role - The Estonian Qualifications Authority (SA Kutsekoda), SA Innove (rakendusüksus - implementation unit) The Ministry of Education and Research (rakendusasutus - implementation institution), the Estonian Unemployment Insurance Fund, training providers Monitoring, surveillance and control - SA Innove (rakendusüksus - implementation unit) Programme, process evaluation - SA Innove (rakendusüksus - implementation unit)

Funding €2,898,932. Funding - ESF (85%), national SF (15%).
Intended beneficiaries

- The employed, the unemployed and students, graduates. The expected benefit is the availability of information regarding key occupations and skills relevant to the labour market. The overview about valuable and beneficial skills in the labour market enables to self-assess (self-evaluation questionnaire, an IT tool still to be created during the programme) one’s own strengths and weaknesses. Thus, this may give an incentive to upskill absent or weak skills and thereby improve one’s status on the labour market. - Institutions that commission training (e.g. ministries, the Estonian Unemployment Insurance Fund etc.) and training providers, educational institutions. The overview about the need for labour market training and re-training enables to better plan the supply of training, the volume (including costs), structure and essence of training. Furthermore, this improves consistency between the provided (education system) and required (labour market) qualification. - Enterprises, entrepreneurs, employers. It gives a precise overview to employers about what kind of labour is needed and what kind of skills are necessary. This, in turn, enables to offer relevant training, retraining possibilities to fill in the gaps.

3 PROCESSES

Use of labour market intelligence

- DESIGN TRAINING PROGRAMMES TO ACTIVATE UNEMPLOYED
- INFORM JOB-SEARCH DECISIONS OF UNEMPLOYED
- INFORM DECISIONS ON COURSE FUNDING/PROVISION
- INFORM CAREER-MAKING DECISIONS OF STUDENTS
- ENABLE STRATEGIC BUSINESS DECISIONS
- INFORM AND TRAIN CAREER GUIDANCE AND COUNSELLORS
- INFORM THE DESIGN OF NATIONAL QUALIFICATION FRAMEWORKS (NQFS)
- DESIGN STANDARDS AND ACCREDITATION
The OSKA Coordination Council is comprised of representatives from the four ministries and various stakeholder organizations, e.g. representatives from employers and trade unions and Estonian Unemployment Insurance Fund. The OSKA Panel of Advisors contributes to the development of the OSKA methodology and to preparing the decisions of the Coordination Council. It has the task of being a partner and advisor to the Estonian Qualifications Authority. The Panel includes the best experts in the labour market and education fields from Estonian universities, research companies etc. The task of the Sectoral Expert Panels is to prepare forecasts of labour requirements and skills in OSKA sectors and it brings together the best experts from among job creators, schools and public authorities. In general, the Sectoral Expert Panels have a deep insight into each sector and propose suggestions which may be addressed to a wide range of stakeholders, e.g. training providers, curricula developers. The outputs of the OSKA programme and activities are in the form of five to six annual in-depth reports on individual economic sectors. The OSKA Coordination Council chooses which sectors are to be analysed each year. All economic sectors are analysed once every 5 or 6 years. In the intervening years, the relevant sectoral expert panels keep an eye on the implementation of the recommendations made on the basis of the conclusions of the annual survey. In addition, the cooperative structure of the system is also intended to ensure that there is a constant flow of information from each sector to stakeholders, policymakers and society. In addition, annually, an OSKA general report on changes in labour requirements, labour market developments and the dominant trends over the next 10 years is prepared. In 2017, autumn, the Estonian Qualifications Authority (Kutsekoda) will for the first time gather feedback from all organizations that were directly related with the recommendations from previous annual studies. The aim is to get an overview whether the proposed recommendations are in progress (are being implemented), are postponed or are impossible to implement.

Financial schemes

As the OSKA system is a comprehensive programme (cooperation platform) for tackling skills mismatch and covering all education levels, it is not possible to bring out specific financial schemes for the participants. The experts involved in the OSKA system are reimbursed for their effort and contribution.
### Frequency of updates

The outputs of the OSKA programme and activities are in the form of five to six annual in-depth reports on individual economic sectors. The OSKA Coordination Council chooses which sectors are to be analysed each year. All economic sectors are analysed once every 5 or 6 years. In the intervening years, the relevant sectoral expert panels keep an eye on the implementation of the recommendations made on the basis of the conclusions of the annual survey. In addition, the cooperative structure of the system is also intended to ensure that there is a constant flow of information from each sector to stakeholders, policymakers and society. OSKA also report annually on changes in labour requirements, labour market developments and the dominant trends over the next 10 years.

### Development

As several activities have not yet occurred and the programme is still running, there have not been any big adjustments.

### Barriers

As several activities have not yet occurred, it is difficult to identify barriers to the implementation.

### Success factors

When building the programme, positive examples and advice were taken from the UK and Ireland. Lessons learned in other countries were taken into account. Cooperation between all stakeholders (regular, planned meetings; specific work schedule), acceptance of the system and understanding about the necessity to create and participate in such a system. Once a year, the OSKA system reaches the government level, where the Minister of Education and Research has to make an overview about the activities of the OSKA system and bring out topics, where political decisions are necessary. Thus, the OSKA system has high priority at the government level.

### Monitoring

Progress is measured annually. Indicators and descriptors in the ministerial order: - the creation of the OSKA Coordination Council - the creation of at least 20 Sectoral Expert Panels - the creation of an IT tool that enables the self-assessment of competencies (minimum for 20 economic sectors, areas) - the OSKA Coordination Council gives an overview to the government once a year about the main developments in labour market skills and makes recommendations about the training and retraining needs - qualitative skills needs assessment and forecast document for each economic area and sector (based on expert group interviews and feedback).

### Innovativeness

SLIGHTLY INNOVATIVE
The policy is innovative as this is the first attempt in Estonia to comprehensively and systematically monitor, analyse and forecast skills needs in the society currently and in the future, and to actively engage all sides of the labour market. It is still early to evaluate the success and impact of the programme, as it is still ongoing and many activities have not occurred yet.

### Evidence of effectiveness

There has been no evaluation about the effectiveness and impact of the instrument, but the potential impact and effectiveness is described in the ministerial order in the following way:
- Indirect impact on regional development, as better regional training and re-training planning supports sustainable regional development. The OSKA activities also support the regional employment growth potential and take into account the regional differences and needs of local enterprises.
- Modest impact on the ICT society development, with the creation of the IT tool for self-assessment of one's own competencies. This also has an indirect impact on digital literacy.
- Positive impact on the smart running of the country/state. Under the OSKA system, various studies and research are commissioned that support smart and sustainable decision-making. The first evaluation of OSKA's effectiveness and impact will take place in 2018. Until now there have been no unexpected benefits or costs. The former may be disclosed at the end of the programme.

### Engagement of stakeholders

The continuous engagement is guaranteed with the ministerial order that specifies the roles (obligations and rights) of all relevant parties. It is also guaranteed with regular meetings and a concrete work plan for every year for all involved stakeholders. The work of experts participating in meetings and giving their expert opinions are reimbursed accordingly, thus keeping them motivated and engaged.

### Transferability

EASILY TRANSFERABLE
The positive examples for the creation of the Estonian version were the UK and Ireland, where there is also a comprehensive skills monitoring, analysing and forecasting system. Thus, it is possible to transfer the important elements and essence of the OSKA system to other interested countries. The context in which transferring the OSKA system would be most successful depends on whether the other country also experiences problems with aging and declining population, skills shortages in various economic sectors and skills mismatch on what is needed on the labour market and what is provided by the national education system. The OSKA cooperation platform requires tight cooperation between all labour market stakeholders and common interest. The roles and tasks of stakeholders must be clearly distributed. The creation and implementation of the OSKA system requires vast amount of resources, both people and money.

**Sustainability**

It is expected that the instrument will continue functioning. The reason for this is that the implementation of OSKA system has both increased the involvement of stakeholders, and created a systematic process by which they can provide input into skills anticipation and give recommendations to upgrade competency standards. As the population is aging and the country is facing serious labour shortages in all economic sectors, it is necessary to have a systematic process (regular updates, involvement of relevant stakeholders, timely changes and revisions) through which educational and employment decisions are made.