Reflecting on good skills anticipation and matching policy

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Cedefop | Inspiring skills matching policy: From evidence to action | 17 October 2023
2023 - European Year of Labour or Skill Shortages?

**Vacancy Rate**

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**Unemployment Rate**

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What does the future promise?

The impact of digitalisation and AI

- 47% of jobs in the US are at high risk of being automated within 10 to 20 years (Frey and Osborne)

- AI could expose the equivalent of 300 million full-time jobs to automation (Briggs and Kodnani)

- By 2030 up to 30 percent of hours currently worked across the US economy could be automated—a trend accelerated by generative AI (McKinsey)

- 80% of jobs could be impacted by AI (Open AI)

Does the world change that fast?

- Technological change tends to be incremental (employers tend to be risk averse)

- Even so, impact on job change can be substantial. First European Skills and Job Survey (2014) revealed 8-14% of jobs at risk of automation in the EU (typically those whose incumbents do not have access to training) (Pouliakis)

- Second European Skills and Jobs Survey (2021) revealed that educational requirements increasing. Around 12% of workers feel under-qualified (28% over-qualified)

- European Company Survey (2019) found that three quarters of employers found it difficult to recruit staff with the skills needed

- There is a problem to solve!
Effective Anticipation: Governance

Cedefop’s Skills Governance Framework

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<tr>
<th></th>
<th>Organisation</th>
<th>Resources</th>
<th>Stakeholders</th>
<th>Use of information</th>
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<tbody>
<tr>
<td>Foundations</td>
<td>Legal and institutional framework</td>
<td>Funding and human resources</td>
<td>Cooperation arrangements</td>
<td>Feedback mechanisms</td>
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<td>Processes</td>
<td>Management and control</td>
<td>Data, methods and expertise</td>
<td>Feedback and validation</td>
<td>Customisation and dissemination</td>
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<tr>
<td>Sustainability</td>
<td>Vision and strategy</td>
<td>Stability</td>
<td>Integration of stakeholder needs</td>
<td>Reputation</td>
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Effective Anticipation: Methods

What is ideally needed
- Future orientation (need time in which to act)
- Timely / up to date information needed
- Indications of scale
- Granularity of data
- Focus on skills or jobs?
- Local labour market information
- Multiple perspectives (employers, workers, experts)
- Easy access to information (the importance of skills intelligence)

What works best: A synthesis of multiple methods
- Quantitative and qualitative insights
- Survey data
- Administrative data
- Skill projections
- Skills foresight
- Big data (not just analysis of online job vacancies but looking at emerging technologies and skill needs)
A summary

- Labour shortages likely to resolve over the medium-term
- Skills shortages more persistent – lots of evidence of sticky shortages which may be exacerbated in the future
- Lots of good practice on skills anticipation (what works in different national / local contexts)
- Emphasis on producing labour market skills intelligence that effectively communicates data to a variety of target users
- Innovation is still required to improve the transmission of skills intelligence (for example, who communicates the information). Cedefop’s skills matching database provides food for thought
Thank you

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