



BusinessEurope recommendations on access to training for people that are in-active and unemployed

16 September 2022

Introduction

This note explores some of the main issues associated with the in-active and unemployed segments of the working age population and their corresponding need for training support in order to successfully (re)enter the labour market. It also presents a series of BusinessEurope recommendations for fostering access to training for these people, which has an important role to play in helping to alleviate labour and skills shortages.

BusinessEurope recommendations

To the European Commission

1. As part of the follow-up to the implementation of the Council Recommendations on upskilling pathways and the integration of the long-term unemployed into the labour market as well as its upcoming proposal for a Council recommendation on minimum income, the Commission should support the Member States to improve individualised support services, notably the identification of targeted training, that will help the in-active and unemployed to find work.
2. To facilitate more efficient and effective training provision to the in-active and unemployed, the Commission, in cooperation with VET providers, as appropriate, should provide opportunities for more cooperation and mutual learning between public employment services, including via the PES Network, and the private employment services industry, municipalities, social services and employers. The Commission should also explore launching a specific benchlearning project on collaboration between public and private employment services.
3. The European Commission, working with the Member States, should set up effective strategies to support mobility and fair transitions on the labour markets. The involvement of public employment services, complemented by private employment services is crucial. An improved training offer to inactive and unemployed people needs to be designed at national level with the involvement of the social partners and in consultation with relevant social service providers. These activities should also take into account national social partners' advice on how public authorities and social service providers can support their actions to improve adult learning in Europe, especially for the unemployed and NEETs.

To Member States

4. As the main actor in measures to support the labour market participation of the in-active and unemployed, Member States should actively work with, and foster stronger cooperation between, public and private employment services in the provision of training that responds to labour market needs. It is also important that training programmes which are provided within an activation support context are regularly evaluated in order to assess their effectiveness in fostering labour market integration and, where necessary, that the training content is updated accordingly.

5. The in-active, in particular, may also require a framework of additional support, such as accessible and affordable childcare, training and career guidance in order to identify and take part in training that will help them to re-integrate into the labour market.
6. As part of the national implementation plans for priorities identified in the Council recommendation on VET and the Osnabruck Declaration, Member States should look at ways to enhance training opportunities for the in-active and unemployed.
7. As part of the programming of the European Social Fund+ for the period 2021-27 Member States should allocate, appropriate resources, relative to national and regional labour market circumstances, to individualised training support measures for the in-active and unemployed. As part of this Member States should ensure the effective involvement of social partners, wherever appropriate.

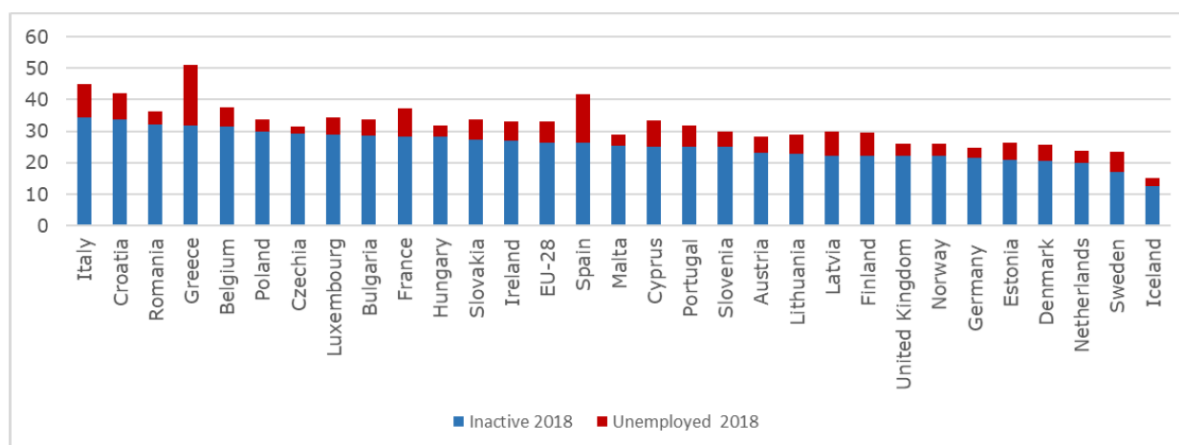
To social partners

8. To help foster the sustainable labour market participation of the hitherto in-active and unemployed, social partners should continue to cooperate with public employment services, whether as part of the governance structure or not, to help ensure the provision of timely and effective activation support.
9. Employers, both cross-industry and especially sectoral, should contribute to the gathering and analysis of labour market intelligence that can be used to update training programmes provided by public employment services.

Analysis of the situation

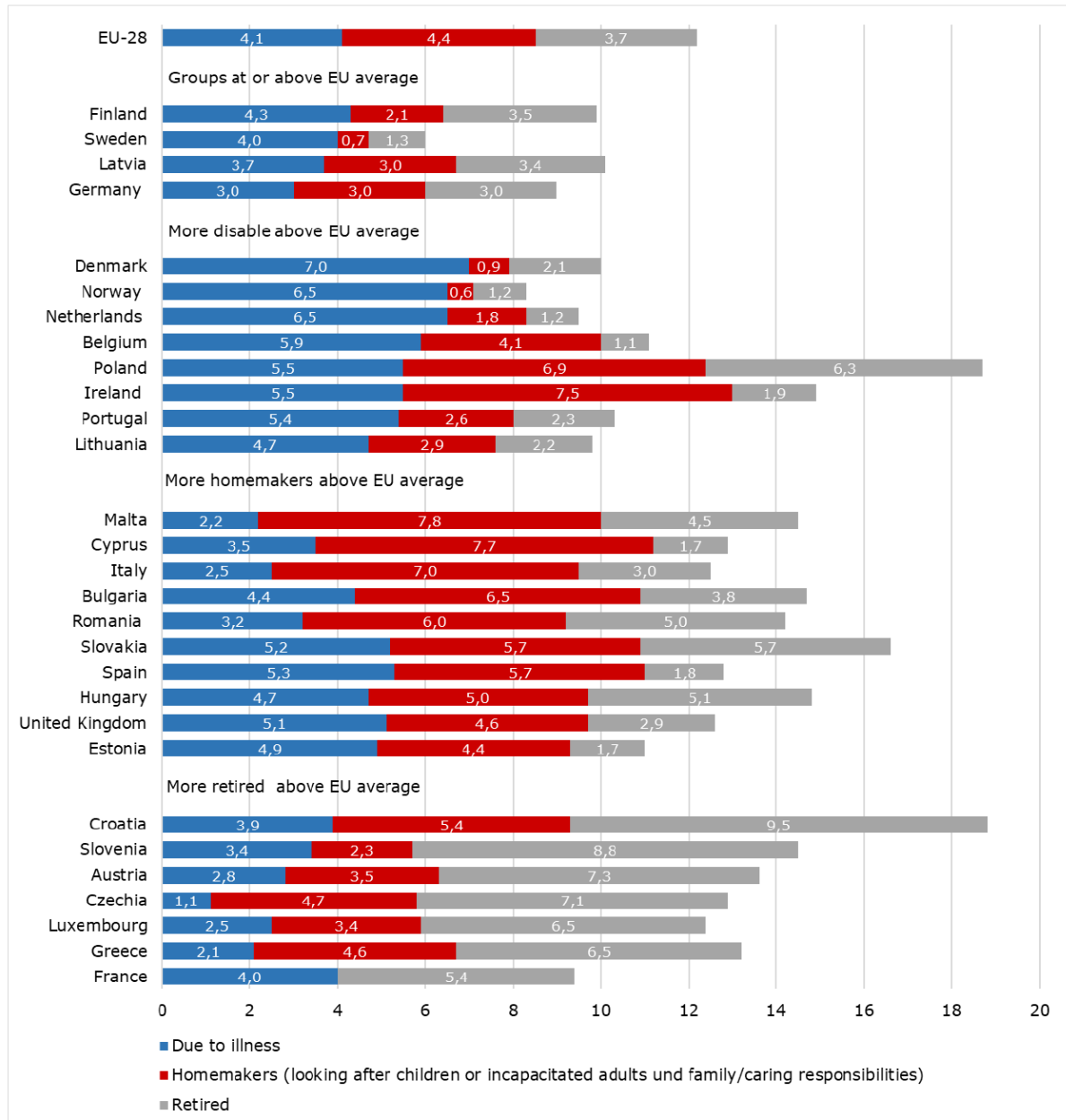
The notion of being “in-active” means being neither employed nor unemployed and covers quite a diverse range of reasons. These can include people who are mainly in education or training, retired, suffering from illness or disability, those who are looking after children or incapacitated adults, or have other family and caring responsibilities. Conversely, being unemployed means that while a person may not currently be in work, they are available (and looking) for paid work. The European Commission also defines the long-term unemployed as those that are out of work for more than 24 months. In such cases additional activation support may be necessary.

The graph below shows inactivity and unemployment by percentage of the 15-64 year old working population. It can be read from this that on average almost one in four working age people are inactive.



Source: Eurostat data, published 2021

Moreover, it can be seen that the nature and composition of the in-active portion of the working age population varies from country to country. There is, however, one common factor, which is that the main reason for being inactive is typically because a person is in a situation where they are primarily in education or training. The following chart, which shows the breakdown by category of the reasons for in-activity - other than being in education and training - helps to shed light on some of the main drivers of in-activity in the EU member states.



Source: calculations using Eurostat data

Therefore, different socio-economic group in different locations have varying needs that need to be addressed through more local and regionalised approaches to activation support. From an employers' perspective, while transversal skills, such as working well in a team, being in time, creativity, entrepreneurship, critical and systemic thinking are frequently cited as being in demand, the nature of some of the more specific skills requirements will also vary

geographically and in response to the labour market in a given region and sector. Consequently, a targeted approach to training support can be beneficial and is usually accompanied by careers advice and guidance. This is evidenced in the several Council Recommendations on support to the long-term unemployed and up-skilling pathways, which put the emphasis on individualised assessment and tailored support. In both cases public employment services play a leading role.

Such advisory and guidance support and a targeted approach to identifying the training needs of people while they are in work, can also be an important tool in helping to prevent (long-term) unemployment in the first place, thereby saving resources while helping to ensure skilled and experienced people are retained.

Access to training

BusinessEurope’s positioning focuses on employee training, which we consider to be the main responsibility of the social partners. We call on Member States and social partners to undertake reforms, where needed, in order to enable workers to participate in training to up and re-skill in order to reduce structural skills mismatches. The context for this is well known and is framed by the digital and green transitions, as well as demographic change and efforts to reduce labour shortages.

In parallel, given the evident scale of the in-active and unemployed populations across the Member States it is also relevant to consider how to foster training provision to these inactive groups, which is the main responsibility of public authorities. The goal is to support as many of these people as possible to play an active role in the labour market, thereby helping to alleviate some of the problems resulting from skill and labour shortages and ensuring a broader tax base to finance social protection over the long-term.

Key figures available on access to training for different groups

Target in the European pillar of social rights action plan is that 60% of adults take part in training every year by 2030

As of 2016 only 37% of adults were taking part in training each year (1 in 2 employees of large companies participates in training every year; only 1 in 3 among employees of micro-enterprises; 1 in 4 among the unemployed);

In 2019, 10.2% of young people left education and training with maximum lower secondary education and were not anymore involved in education and training activities;

Whereas the motivation to take part in training is often cited as a barrier in the context of workers taking part in employee training, this takes on added significance in the case of the in-active and unemployed who may not have the opportunities to take part in training, especially if they have medical or caring responsibilities. Similarly encouraging those of retirement age who are willing to remain active beyond retirement to see the benefits of training can also be challenging. The unemployed may also not necessarily consider that they need training and that their skills and qualifications remain sufficient to return to work. While this may be true in part, the longer they remain outside of the labour market the greater the potential that their skills become obsolete and that additional training may be needed to better fit with changing jobs skills requirements. This is particularly relevant in the case of the long-

term unemployed. This is where advice and guidance services have a particularly important role to play. The particular needs of the in-active also need to be taken into account in terms of a supporting framework that enables them to access training with a view to labour market re-integration. In this respect, training and careers advice is important alongside measures that practically facilitate the possibility to take part in identified training opportunities.

A further challenge could be that these groups of people have a lower base level of education in the first instance either through leaving school or vocational training early or simply from not learning/training to a higher level. This can also mean that additional training is needed for them to (re)enter the labour market, and that sometimes the training needed maybe about basic literacy, numeracy and/or digital skills.

Different to employee training that is provided in companies directly by employers or which is determined jointly via social partner-led approaches, such as training funds, public and private employment services have a particularly important role to play to provide training options to the inactive and unemployed and orient them to the skills needed on labour markets and to job vacancies. In this respect, it is important that such services cooperate with each other and work together with employers in order that the training and other support services that they provide relate to the identified skills needs that companies have and the profile of worker that they are looking for. Ideally, these support services should be provided proactively, aiming to reduce or altogether avoid periods of unemployment due to structural labour market changes. It is equally important to foster dialogue among policymakers, social partners and employers on access to training through diverse forms of work. Diverse forms of work including agency work, part-time work and fixed-term contracts are often an important avenue for the activation of currently inactive population. Combining access to training and professional work experience can be particularly beneficial for labour market activation. For example, bipartite training funds in the agency work industry play an important role in this context.

French example of a bipartite approach to training support

“Prism’emploi and French Trade Unions agreed to partner on this strategic move in the context of the Covid-19 crisis which has hit agency workers hard. Prism’emploi, the national federation for temporary work agencies and the recruitment sector in France, agreed with trade unions to establish a “Gestion Prévisionnelle des Emplois et des Compétences (GPEC)” – Forward Planning of Employment and Skills – for the temporary agency work sector. The GPEC is a process to anticipate the consequences of the evolution of labour markets in order to ensure that workers have the skills needed to fit the jobs available. The first phase of the project focused on job and skill mapping on four regions of France that either have been particularly hit by the Covid-19 crisis or that count a large majority of low-skilled blue collars workers amongst agency workers. After the evaluation of the skills mismatch the end of 2020 by the sectoral observatory institute (OIR – Observatoire de l’intérim et du recrutement), the sector mobilised its training programs which opens up for a certification or qualification; and therefore secures the pathway to employment. Project partners have been the WEC-Europe member Prism’emploi, Trade unions, Observatoire de l’Intérim et du Recrutement (OIR), AKTO (training fund) and the DGEFP (French administration for labour and training).”

Public authorities are the main player when it comes to financing training and employability measures for the inactive and unemployed in our societies. In a good number of Member States, social partners are part of the governance of PES through tripartite arrangements and so social partners can play an important role in helping to steer the labour market integration and support measures provided by the PES, including as concerns training. Private employment services also play a key role in terms of labour market intermediation and to improve the match between employers needs and the available unused workforce.

It can also be observed that in times of such prominent skill and labour shortages as now, there is a business interest in targeting investments in training in those occupations in which the shortages are most pronounced. This may lead to opportunities for businesses to join forces with governments and their agencies to help address skills gaps.
