



# European Network of Public Employment Services

Opinion paper  
A contribution to the European  
Year of Skills

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June 2023



## **THE EUROPEAN NETWORK OF PUBLIC EMPLOYMENT SERVICES**

The European Network of Public Employment Services was created following a Decision of the European Parliament and Council in June 2014<sup>1</sup>. Its objective is to reinforce PES capacity, effectiveness and efficiency. This activity has been developed within the work programme of the European PES Network. For further information: <http://ec.europa.eu/social/PESNetwork>.

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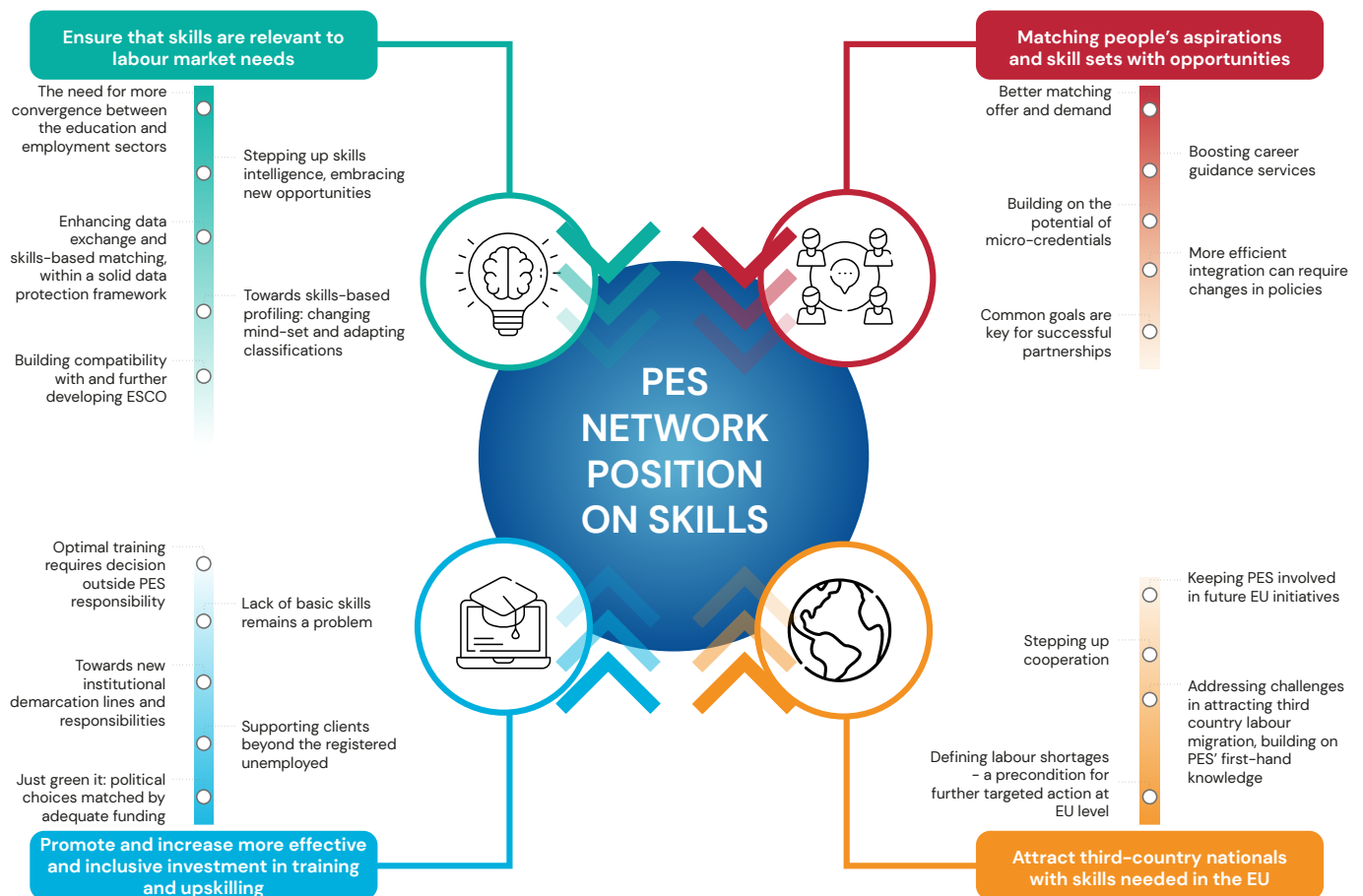
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<sup>1</sup> DECISION No 573/2014/EU



## Introduction

In a changing labour market, impacted by the green and digital transitions, ensuring workers are equipped with the right skills for the labour market is essential for the European economy. Demographic changes and an ageing labour force further increase the need for vocational orientation and counselling, as well as upskilling and reskilling throughout one's career.

The [European Year of Skills 2023](#) provides a unique opportunity to promote a mind-set of reskilling and upskilling, helping people get the right skills for quality jobs. Public Employment Services (PES) have a key role to play due to their knowledge of labour market needs and their responsibility for facilitating labour market transitions and supporting the unemployed in their job search<sup>2</sup>.

With this opinion paper, the European Network of Public Employment Services aims to contribute to the debate and to further initiatives in this area, drawing on substantial knowledge and experience accumulated in the Network over recent years.

The paper consolidates knowledge on successful approaches and points to challenges related to each of the European Year's objectives. Such challenges can, for example be related to the lack of an adequate skills classification, a common language and limited transferability of skills. The paper includes references to relevant PES measures and practices that are the basis for this paper. It also provides some recommendations on how PES and their partners in the skills ecosystem can evolve and live up to the challenge, both in the short and longer run.

<sup>2</sup> Decision establishing the PES Network, article 3, One objective of the PES Network is, as outlined in the PES Decision (Article 3) to support "the identification of skills shortages and the provision of information on their extent and location, as well as the better matching of the skills of job-seekers with the needs of employers, including through the identification of needs for vocational training, as well as the employability of job-seekers and the prevention of unemployment, for example through career counselling and training" <https://ec.europa.eu/social/BlobServlet?docId=23217&langId=en>

## 1.

## Ensure that skills are relevant to labour market needs



**The need for more convergence between the education and employment sectors** - To ensure that education and training systems are adapted to labour market needs, further reviews, analysis, and coordination of policy goals in the educational and employment sectors is needed.



**Stepping up skills intelligence, embracing new opportunities** - Skills intelligence is notably used in career guidance and upskilling and reskilling programmes. PES involvement is crucial in the provision of up-to-date information and future-looking analyses that allow for better alignment of labour market demand and supply. Existing systems and their recent developments create a solid basis to build on: data, information and insights gathered through existing tools are in many countries already used to support policy by providing a relevant evidence base<sup>3</sup>. In a context where future skill needs are hard to predict, it is crucial to step up skills intelligence, providing up-to-date information for addressing future changes in demand and serving future skills matching. Information -needs to be useable to provide value to policy-makers in the fields of labour and education, as well as employers and vocational and lifelong guidance professionals. It should possibly be available at detailed occupational level. Employed people as well as jobseekers need to be enabled and encouraged to take better control of their lifelong career development and necessary training.



**Enhancing data exchange and skills-based matching, within a solid data protection framework** - Data from various sources is required to develop matching solutions and in diagnosing the need for skills. Both institutions and legislators have a role to ensure a legal basis for and developing systems respecting rules for data sharing and privacy. Many PES report, however, that uncertainty about interpretation and implementation of the data protection rules poses difficulties in using available technologies and for establishing efficient and user-friendly co-operation with other institutions, such as education and training bodies or institutions involved in the validation of skills. This uncertainty related to how privacy could and should be ensured is for example a challenge for PES in implementation and use of Artificial Intelligence (AI). The European Commission could support the sharing of experience related to data exchange initiatives and the use of new technologies for skills-based matching, taking into account data protection concerns. This could help PES speed up work on skills-based matching with AI and encourage acquisition of know-how on AI.



**Towards skills-based profiling: changing mind-set and adapting classifications** - In recent years, increased efforts have been undertaken to develop tools and practices analysing jobseekers' skills for the purpose of profiling, job matching and counselling. Stepping up the shift from a perspective based primarily on qualification and occupation towards a more agile one based on skills is even more necessary in the context of the green and digital transition, which is more transversal than previous structural changes. Skills-based profiling will also contribute to more inclusive matching and recruitment practices. As a consequence, classification systems will need to be refined, adjusted and validated. This transition also implies a change to the existing culture within PES and partners, which needs to be accompanied.



**Building compatibility with and further developing ESCO** - A coherent system for classifications is needed to support matching and mobility at national and European level. The European Classification of Skills, Competences, Qualifications and Occupations (ESCO) is already linking skills and competences to occupations. Since most PES are responsible for the identification and definition of professions and skills, ESCO represents an opportunity for the Commission, PES and other stakeholders to co-operate on an accessible expert-source of reference, providing stable and up-to-date definitions. It is important that the specific national classifications, where they exist, reflecting the specificities of national labour markets are connectable to ESCO and linked to ESCO via mapping or replaced by ESCO.

<sup>3</sup> <https://ec.europa.eu/social/BlobServlet?docId=25743&langId=en>

*The Commission could take the lead in organising multi-stakeholder learning events focused on inter-institutional co-operation via digital tools to build complete skills and qualifications profiles, adapted to privacy regulation. The PES Network will contribute with relevant experiences.*

*PES should continue to work further on data analytics and improve their know-how on AI, building on the large amounts of data now available to support their services and exchanging with peer PES and the Commission. This is particularly relevant for forecasting, skills-based matching, skills gap assessments and upskilling and reskilling in the context of guidance.*

*The understanding of the skills perspective to better support transversal changes in the economy could be improved, e.g. by adopting at national and institutional level skill-based classifications such as ESCO or national level skills repositories. The PES Network will contribute via a set of recommendations for the development of green concepts in labour market taxonomy, as an inspiration for the development of more general or transversal concepts.*

## 2.

## Matching people's aspirations and skill sets with opportunities



**Better matching offer and demand** – In order to avoid mismatches, it is important to provide a realistic and pragmatic picture of what skills and abilities are required by employers, and to match aspirations with opportunities in the labour market. Individual assessments are key to identify skills and skills gaps as well as offer relevant training.



**Boosting career guidance services – An ambitious approach to career guidance will be needed to live up to the challenge, starting from school up to retirement** and supports young people at the start of their careers as well as working people in independent, viable career planning and decisions. A complete guidance process should support unemployed and inactive individuals to (re)enter the labour market; as well as workers undertaking job-to-job transitions; and individuals who want to reorient or develop themselves professionally or who need to, due to disability-related or health-related limitations. Thus, ensuring higher awareness of the need to anticipate changing skills needs amongst workers is of utmost importance. It should include labour market information, professional orientation offers and training, as well as counselling and support to integration in the labour market if needed, recognising the career guidance circle and developing measures for different stages ('discover, choose, learn, work'). In a context where matching career choices with personal skills and preferences is more crucial than ever, new technologies also provide an opportunity to develop some guidance services on a larger scale. They can allow reaching out in particular to young people and ensuring that many more of them have the opportunity to make truly informed career choices, also addressing (gender) stereotypes. Involvement from a range of stakeholders is needed (particularly from employers and the social partners, but also other stakeholders from the education sector, guidance organisations, social services). To ensure that guidance supports the transition to work, PES are well placed to take a conductor role.



**Building on the potential of micro-credentials** - New approaches and procedures for both assessment and recognition/validation of skills are being developed, contributing to addressing existing challenges (including as regards validation of non-formal learning). Some PES have focused on introducing elements of micro-credential-based systems, which show significant potential as a form of skills-based training<sup>4</sup>. Definitions of the measures should be improved to facilitate portability of skills. Further progress is also needed across the EU to mainstream micro-credentials to support competence-building.



**More efficient integration can require changes in policies** - Young people not in Education, Employment or Training (NEETs) are a priority target group of PES in most countries. People with health problems and disabilities, people with care commitments, older long term unemployed as well as migrants/refugees are also among frequently targeted groups<sup>5</sup>. These groups represent a substantial labour force potential; however, some tend to be under-represented in participation to upskilling and reskilling measures and have at times limited access to adequate training ALMP measures. Experience demonstrates that a range of barriers such as lack of motivation and self-esteem, lack of experience, competence and opportunities for job search, must first be addressed, and a broad set of support can be needed. Lack of trust to the skills system can be related to lack of transparency<sup>6</sup> or trust and negative prior experience.



**Common goals are key for successful partnerships** - In a few countries where the activation of the inactive has become a priority in labour market policy, PES have been given a leading role. This has advantages in terms of co-ordination of efforts and highlighting the employment goal. A leading role can however also entail the risk that some partners take on a more passive role. It is therefore important that all key stakeholders and partners have incentives to take their part of the responsibility. Co-operation among relevant institutions and supervising authorities is key to adopt common strategies with cross-institutional/sectorial goals.

4 PES Network Seminar on New forms of skills assessment and validation – impact on PES services and counselling (forthcoming)

5 <https://ec.europa.eu/social/BlobServlet?docId=22474&langId=en>

6 PES Network Seminar on New forms of skills assessment and validation – impact on PES services and counselling (forthcoming)

*The PES Network will continue to exchange on good practices. The national PES will try to do more to take a conductor role for the guidance process, with employers and other stakeholders responsible for training, integration.*

*The Commission has an important role to support more systematic co-operation between relevant networks and institutions to further promote the EU-wide use of micro-credentials. The PES Network is ready to take part in such co-operation, to develop definitions which can support better access to the labour market.*

*More should be done to facilitate effective partnerships ensuring vulnerable groups' upskilling and reskilling. This requires extensive outreach, a targeted strategy, implementation of cross-institutional/sectorial goals as well as allocation of sufficient resources. The European Commission, relevant EU networks and stakeholders could support this process by sharing good practices that can give inspiration to good implementation and possible adjustments of the legislative basis.*

## 3.

## Promote and increase more effective and inclusive investment in training and upskilling



**Just green it: political choices matched by adequate funding** – Europe's societies and economies must move up a gear in the wake of the green transition. This might imply difficult political choices, in a context where some occupations might simply disappear while new ones emerge. These choices will need to be matched by substantial financial support and Active Labour Market Policies that support job-to-job transitions where needed and reflect changing labour market needs in their career guidance. EU financial instruments, including in particular the European Social Fund Plus and the Recovery and Resilience Facility, provide major incentives to scale up new approaches. These funds must be matched by adequate national funding.



**Supporting clients beyond the registered unemployed – Since 2017, when the PES Network started its work on prevention of unemployment<sup>7</sup>**, it has become increasingly accepted that PES need to engage with workers, helping those at risk of becoming unemployed to upskills and reskill. However only few had a specific mandate until recently. The COVID-19 pandemic nudged PES further in this direction, as many took a leading role in coordinating crisis packages for employees. In addition, boosted by the pandemic, PES have provided more services digitally. This will help deliver services to employed people who might not have the time nor be eligible to engage with the PES in person.



**Towards new institutional demarcation lines and responsibilities** – New customer groups for the PES (from those further from the labour market to those in employment) require better co-operation with service delivery partners and employers in joint initiatives. These partnerships will need to provide a framework for lifelong career management, where PES continue developing outreach and provide flexible as well as needs-based offers. The role of PES and other partners needs to evolve in line with changes in the economies, labour markets and society. For upskilling those in employment, employers should however retain a key responsibility. Specific financial support might be warranted to incentivise employers' engagement in a more preventative approach to upskilling and reskilling, which is not immediately linked to demands from workers' current occupation.



**Lack of basic skills remains a problem** – There are significant challenges to engaging in the level of upskilling required to effectively address skill shortages as well as the twin, green and digital transition. Among these challenges is a perceived lack of motivation among some of the registered unemployed and in some cases, a lack of the basic qualifications required to have a realistic possibility of upskilling to the level of technical expertise required in many of the shortage occupations. The education sector has an important task to ensure that youth have the necessary basic skills when they leave and secondary education.



**Optimal training requires decision outside PES responsibility** – Better co-operation and co-ordination across ministries can be an issue. New forms of organisation and co-operation can be necessary to be effective for the trainees' groups, for example composition of the groups of learners. New strategies on skills development at the national and European level need to pay attention to the diversity of the adult population to reach the goals on up- and reskilling. Such strategies must address the needs of support (e.g. financial, IT equipment, assistance, etc.) to access and complete relevant training.

<sup>7</sup> <https://ec.europa.eu/social/BlobServlet?docId=22428&langId=en>

*Equipping all youth with the necessary basic qualifications and skills needs to be a priority for national primary and secondary education systems, so that they have a realistic opportunity to access the training and labour market or benefit from further support from PES.*

*Equipping the workforce with the relevant green skills is a substantial task for policy makers, employers, PES and other institutions. While employers must take the responsibility for upskilling their workforce in the first place, some workers will lose their jobs as firms and occupations disappear and will need PES support. Sufficient financial resources from the national and EU levels need to be available to support this major transition.*

*Policy makers should further adapt programmes to the needs of the most vulnerable, for example via full or partial reintegration into the general education system, or training in mixed groups with people not registered in the PES. Such solutions can require adaptations of regulations, for example on rights to support and benefits. The Commission can support by exploring and sharing research and good practices and encourage innovation by promoting such projects within the ESF+ framework.*

## 4.

## Attract third-country nationals with skills needed in the EU



An ageing labour force and slow increase in the labour force means that attracting skills from third-countries could be important for many countries. It is also important that their qualifications are recognised and their skills are validated. Regarding legal migration, the European Commission has proposed a number of initiatives aimed at contributing to attracting third-country nationals with skills needed in the EU. This includes the roll-out of an EU Talent Pool and of Talent Partnerships with partner countries<sup>8</sup>.

### Free movement and common migration policy

The right to free movement of workers is set out in EU Treaties since the Treaty of the European Community: EU citizens can move to another Member State to look for a job, to work there and not be discriminated by reason of nationality without any other restrictions than those that might be imposed on public health, public policy, and public security grounds. All PES from EEA and EFTA countries are members of the EURES network, supporting intra-EU mobility.

Information on cross-border labour mobility in Europe (e.g. cross-border commuters, posted workers, integrations abroad) should be improved through an exchange of data between all actors.

The common migration policy aims at “ensuring, at all stages, the efficient management of migration flows, fair treatment of third-country nationals residing legally in Member States, and the prevention of, and enhanced measures to combat, illegal immigration and trafficking in human beings” (Article 79(1) TFEU). The legal regime of third country nationals does not entail a Treaty based right to move to an EU Member State. It is decided by individual Member States.

PES are already involved at different stages of the process that results in a successful placement of a third country national, even though responsibilities and tasks vary from country to country. PES are central to matching the labour supply and demand, bringing together employers and jobseekers.



**Defining labour shortages - a precondition for further targeted action at EU level** - PES are in the possession of substantial information to improve the quality of data narrowing down ‘shortage occupations’ by cooperating with other institutions<sup>9</sup>. A thorough analysis of labour shortages, economic sectors concerned and specific occupational profiles, updated frequently and agreed in coordination between relevant actors on national level, should be further shared, discussed and conceptually aligned with partners in other Member States. Several indicators of labour shortages exist, but so far, no common approach has been proposed at EU level. The PES Network has – as part of its work programme 2023 - started a work to explore the potential of a common approach to determining labour shortages shared by all PES in the Network.



**Addressing challenges in attracting third country labour migration, building on PES’ first-hand knowledge** - Both potential employers and jobseekers require information and placement support. This includes, where applicable, targeted training and follow-up. In a context where migrant workers are more likely than nationals to be overqualified for their jobs<sup>10</sup>, recognition of qualifications from third countries should be easier, more transparent and time-efficient, underpinned by access to relevant information and support and language training when necessary. The EU-level support should be flexible and adaptable to the existing national procedures and sharing of responsibilities and tasks, including established collaboration with the third countries and respect the dedicated role of the PES.



**Stepping up cooperation** - Coordination between migration authorities and employment authorities is essential. PES have well-established co-operation with employers. The cooperation with employer associations and relevant NGOs can be strengthened in particular when it comes to sharing information, providing advice on recruitment and integration programmes.



**Keeping PES involved in future EU initiatives** - The PES Network is informed about the European Talent Pool initiative and recommends to further build on its substantial experience from present and previous initiatives in this context. The role of PES from participating Member States should be adapted to their role on their domestic labour market. How to facilitate language training, support integration, validate skills and recognise qualifications are key for success.

<sup>8</sup> COM(2022) 526 final <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022PC0526>

<sup>9</sup> <https://ec.europa.eu/social/BlobServlet?docId=23180&langId=en>

<sup>10</sup> 2023 PES Network stakeholder conference input paper

## Attract third-country nationals with skills needed in the EU



*The PES Network will explore a common standard of labour shortages. Such a common standard can pave the way for collecting comparable data, which will help to navigate across the EU countries.*

*National and European level authorities should continue working to increase the speed of the work permit process, as well as facilitating validation and recognition of skills and qualifications.*

*The PES Network can contribute to the design of a European Talent Pool by drawing on extensive experiences in the Network. A matching tool is not enough, tailor-made services are needed to support employers and applicants for recognition and integration.*

## Conclusions

The European Year of Skills can create a momentum to step up partnerships and effective actions to upskill and re-skill Europe's workforce. The European Network of Public Employment Services will play its part, further exploring the priorities identified above throughout its work programme. To respond to the actual structural changes, support of the Network activities to facilitate skill policies implementation will be an asset.

Activities within and contributions from the Network will include knowledge sharing through studies and good practices, building of co-operation and partnerships as well as mutual learning among PES to better adapt to the labour market needs. As described in the Decision establishing the PES Network, one of the main tasks of the PES Network is to carry out mutual learning and benchlearning among PES to progress and to compare their performance in key areas and learn from each other<sup>11</sup>. Assessing how PES can adapt and respond to important structural labour market trends should be an integrated part the revised benchlearning methodology.

<sup>11</sup> [Decision No 573/2014/EU of the European Parliament and of the Council of 15 May 2014 on enhanced cooperation between Public Employment Services \(PES\)](#), amended by Decision (EU) 2020/1782

### Examples of PES practices can be found in the PES Knowledge centre



- » [Future skills, career guidance and lifelong learning in PES](#)
- » [Upskilling, reskilling and prevention in times of crisis](#)
- » [Comprehensive approach to addressing skills needs in the labour market: The role of PES](#)
- » [New forms of skills assessment and validation – impact on PES services and counselling](#)
- » [Synthesis paper from the 2023 PES Network stakeholder conference, dedicated to the European Year of Skills](#)