

PILLARS – Pathways to Inclusive Labour Markets: Workshop on Good Policy Practices Across the EU Regions

Event Note



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1 Introduction

This event note highlights the main discussion points collected during the **PILLARS Workshop on Good Policy Practices Across the EU Regions**. The workshop took place on **29 June 2023** in Brussels, Belgium, as well as online. The event note will also share information on the format of the workshop, its aims, agenda, participants, and its context. The structure will be the following:

Chapter 2: Aim of the Workshop Chapter 3: Date and Location of the Workshop Chapter 4: Agenda and Format of the workshop Chapter 5: Main Highlights from the Workshop Discussion Chapter 6: Participating Organisations and Participants Chapter 7: Presentations Chapter 8: Pictures of Event

2 Aim of the Workshop

The workshop's aim was to discuss and validate identified policy practices that make labour markets more inclusive, while capitalising on the opportunities created by automation technologies. The following policy areas have been the focal points of the workshop – education and training, labour market and employment, innovation and entrepreneurship, migration, and labour mobility. The project team has presented findings collected through desk research and ten regional case studies across the EU (namely, in Germany (Köln), Denmark (Nordjylland), Czech Republic (Prague), Estonia, France (Pays de la Loire), Malta, Portugal (Lisbon), Poland (Dolnoslaskie), Hungary (Közép-Dunántúl), and Latvia). The discussion has been structured across the three effects associated with the impacts of automation technologies on the labour market:

- **Job displacement effect** (i.e., elimination of tasks or jobs, leading to unemployment or underemployment)
- Job creation effect (i.e., creation of new jobs in existing or new organisations)
- **Job transformation** effect (i.e., a change in the nature/organisation of work and social dialogue between employers and employees)

3 Date and Location of the Workshop

The workshop took place in Brussels, Belgium, and online, on 29 June 2023 between 9am and 5pm (Brussels time, GMT+2).

The venue of the workshop was the hotel DoubleTree by Hilton Brussels City. The exact address is Rue Gineste 3, Brussels, 1210, Belgium.

4 Agenda and format of the Workshop

The workshop included plenary sessions, during which the project team has given short presentations on project findings, and interactive sessions where workshop participants were invited to provide feedback, share insights and experiences on good policy practices that stimulate inclusion on the labour markets. The first part of the workshop has taken place in person, whereas the second part of the workshop has been held online.

The workshop was moderated by a project team from Technopolis Group. Technopolis Group is a leading international public policy research and consulting organization with offices in Europe, Africa, Latin America, and the Caribbean. For over 30 years, it provides evidence-based policy advice in the areas of science, education, health, green economy, technology, and innovation.

The morning agenda of the workshop is presented in Table 1.

Time	Agenda Item	Description of the Item
09:00 - 09:15	Registration and welcome coffee	Welcome of participants, networking and a coffee
9:15 - 09:20	Opening remarks	Overview of the agenda and housekeeping rules
09:20 - 09:25	Introduction of the PILLARS project	Short description of the PILLARS project
09:25 - 09:40	Tour de Table	Introductions of workshop participants
09:40 - 09:55	Policy practices that prevent/mitigate job displacement	Presentation by the PILLARS project team
09:55 - 10:40	Discussion with workshop participants	Discussion of policy practices that successfully prevent/mitigate job displacement, following technological transformation
10:40 - 10:55	Policy practices that stimulate innovative an inclusive job creation	dPresentation by the PILLARS project team
10:55 - 11:40	Discussion with workshop participants	Discussion of policy practices that stimulate the creation of innovative and inclusive jobs
11:40 - 11:55	Coffee break	
11:55 - 12:10	Policy practices that support employers and employees during job transformation	Presentation by the PILLARS project team
12:10 - 12:55	Discussion with workshop participants	Discussion on policy practices that support employers and employees during job transformation

Table 1 Morning agenda of the workshop

12:55 - 13:00	Closing remarks	Closing remarks by the PILLARS project team
13:00 - 13:45	Lunch	Lunch at DoubleTree by Hilton Brussels City

The afternoon agenda is presented in Table 2.

	Table 2 Afternoon	agenda	of the	workshop
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Time	Agenda Item	Description of the Item
14:00 - 14:10	Opening remarks, agenda and introduction c the PILLARS project	fWelcome of participants, overview of the agenda and short description of PILLARS
14:10 - 14:20	Policy practices that prevent/mitigate job displacement	Presentation by the PILLARS project team
14:20 - 15:00	Discussion with workshop participants	Discussion of policy practices that successfully prevent/mitigate job displacement, following technological transformation
15:00 - 15:10	Policy practices that stimulate innovative an inclusive job creation	dPresentation by the PILLARS project team
15:10 - 16:00	Discussion with workshop participants	Discussion of policy practices that stimulate the creation of innovative and inclusive jobs
16:00 - 16:10	Break	
16:10 - 16:20	Policy practices that support employers and employees during job transformation	Presentation by the PILLARS project team
16:20 - 16:55	Discussion with workshop participants	Discussion on policy practices that support employers and employees during job transformation
16:55 - 17:00	Closing remarks	Closing remarks by the PILLARS project team

5 Main Highlights from the Workshop Discussion

This chapter provides the highlights from the presentations and discussions that took place during the workshop.

The project team presented findings on **good practices of inclusive labour market policies in Europe**, aimed to increase resilience and inclusiveness of the labour market during automation technology-driven transformation. The findings were discussed at **two levels**: at the level of **policy approaches/strategies** and at the level of **policy instruments** that support these approaches/strategies.

The findings were drawn from **10 regional case studies**, discussing success factors and barriers of said regions, and accounting for contextual factors. The unit of analysis of the case studies were the **NUTS 2 regions**, as defined by Eurostat. The findings serve multiple purposes:

- Examine the different approaches and areas of focus of European regions in order to manage economic and social transition towards inclusive labour markets, following technological transformation.
- Identify applicable types of policy interventions for different types of regions per priority domain.
- Emphasise good practices across the EU regions in terms of inclusive labour market policies and/or instruments and discusses key success elements and barriers that the regions face.
- Support the design, implementation, and monitoring of policy guidelines to progress towards more inclusive labour markets.

The findings presented at the workshop are expected to contribute to the discussion of the question: What set of policies can ensure preparedness for an inclusive labour market, while capitalising on the opportunities created by automation technologies? This leads to the focus on the following policy areas: mitigation of job displacement, stimulation of innovative and inclusive job creation, and support of employers and employee during job transformation – already previously mentioned.

Figure 1 Focus Policy Areas



The selected ten regions can be found in Table 3. Their performance can also be seen here, based on RIS and RCI scores, with the areas of most improvement between 2013 and 2021.

Table 3 Selected regions and their performance, based on RIS and RCI

Name of the region (NUTS2 code)	Country (region in Europe)	Innovation performance group, based on RIS (2021)	RIS score 2021	Significant improvement in the following RIS indicators (between 2014 and 2021)	RCI score 2019	Change in RCI score (between 2013 and 2019)	Significant improvement in the following RCI indicators (between 2013 and 2019)
Köln (DEA2)	Germany (Western Europe)	Innovation leader	129.7	 International scientific co- publications; 	0.77	0.28	Labour Productivity
				 Business process innovators; 			
				 Trademark applications; 			
				• Sales of new-to- market and new-to-firm innovations			
Nordjylland (DK05)	Denmark (Northern Europe)	Strong innovator	116.9	 International scientific co- publications; 	0.70	0.01	Unemployment
				 Product process innovators; 			
				 Business process innovators; 			
				 Innovative SMEs collaborating with others 			
Prague (CZ01)	Czech Republic (Eastern Europe)	Strong innovator	107.5	 Innovation expenditures per person employed; 	0.64	0.17	Labour Productivity
				 Business process innovators; 			
				 Public-private co- publications; 			
				 Employment knowledge-intensive activities 			
Estonia (EE00)	Estonia (Northern Europe)	Strong innovator	114.0	 Product process innovators; 	0.37	0.67	 Long Term Unemployment;
							 Unemployment;

				 Business process innovators; Innovative SMEs collaborating with others; Public-private co- publications 			 Female unemployment; NEET
Pays de la Loire	France (Western Europe)	Moderate innovator	99.2	 IT specialists; Product process innovators; Design applications; Employment knowledge-intensive activities 	0.29	0.09	Employment rate
Malta (MT00)	Malta (Southern Europe)	Moderate innovator	90.4	 Population with tertiary education; Lifelong learning; Most-cited publications; IT specialists 	0.06	0.46	Employment rate;Labour productivity
Lisbon (PT17)	Portugal (Southern Europe)	Moderate innovator	89.7	 International scientific co-publications; IT specialists; Trademark applications; Employment knowledge-intensive activities 	0.03	0.23	 Labour productivity; Gender balance employment
Dolnoslaskie (PL51)	Poland (Eastern Europe)	Emerging innovator	64.5	 Population with tertiary education; Digital skills; R&D expenditures business sector; IT specialists 	0.01	0.20	Labour productivity

Közép-Dunántúl (HU21)	Hungary (Eastern Europe)	Emerging innovator	57.7	 R&D expenditures business sector; Product process innovators; 	0.31	0.59	 Employment rate; Unemployment; Labour productivity; Female
				 Innovative SMEs collaborating with others; 			unemployment
				 Employment knowledge-intensive activities 			
Latvia (LV00)	Latvia (Northern Europe)	Emerging innovator	49.6	 International scientific co-publications; IT specialists; Trademark applications; 	-0.11	0.65	 Long-term unemployment; Unemployment; Female unemployment; NEET
				 Employment knowledge-intensive activities 			

Policy Practices that Successfully Prevent or Mitigate Job Displacement

The findings presented by the project team discussed the importance of the **government's awareness of the need to track and analyse labour market trends**. It has been observed that the disruptive character of automation technologies on employment is normally underestimated by national policymakers. Continuous and systematic monitoring and forecasting of these trends is necessary for guaranteeing the effectiveness of education, labour, and economic policies.

Effectiveness of education policies is of utmost importance since the transformation of the education system appears to be necessary to successfully address all labour market effects. From the case studies, it can be observed that regions with sound education policies have better addressed labour market challenges.

Some good practices in the education sector were the following:

- Transformation of education across all educational levels, starting from kindergartens;
- Integration of IT areas into education as well as the use of more digital tools within education in order to further develop digital skills and attract more students to go into IT careers;
- Introduction of education specialisations.

Besides these educational policies, some of the Active Labour Market Policies (ALMPs) that stood out as the most effective were characterised by the following:

- A strong focus on **preventative measures** rather than reactive measures, such as targeting individuals at risk of unemployment and supporting the unemployed and currently employed;
- A comprehensive package of instruments that targets individuals at different skills levels and with different needs, thereby providing a personalised, assessment-based approach;
- **Evaluations and impact assessments** of the ALMP instruments are performed to learn about good practices.

During the workshop, when discussing these policies, the main point of feedback revolved around the **importance of meta skills** and making governments aware of **the need to follow and discover labour market trends**. In this sense, the presentation was validated as there was agreement of what was presented. A large portion of the discussion was dedicated to **how** data collection and analysis of labour market trends could be improved. Some of the

participants pointed out studies that **track graduates** for extended periods of time and analyse their skills and their type of employment. However, it was also pointed out that this type of analysis is labour intensive and extremely time consuming. An additional good practice that was highlighted was one of France, where they have created an **agency for employment of professionals and managers**. This agency publishes a report every year where it indicates observed labour market trends. Still, the agency does not provide training for identified needed skills given the observed trends.

This point lent itself as a transition to discussing the importance of meta skills. Meta skills can be understood as **essential and timeless** high-order skills that make learners adaptive to future challenges. Some participants pointed out that following labour market trends closely and then adapting education systems or up/re-skilling opportunities that pointedly address these trends can be counterproductive, as we likely do not know what type of challenges, or jobs, the highly automated future will bring us. Instead, focusing on implementing meta skills into education systems can likely be a more effective way of preparing the labour market for future challenges.

Policy Practices that Stimulate Innovative and Inclusive Job Creation

The findings presented by the project team pointed out that the technology-enabled job creation effect may enhance **(short-term) inclusion of vulnerable groups** on the labour market, but rarely results in their **empowerment (long-term inclusion)**.

Figure 2 Technological uptake leading to job creation



Source: PILLARS 2023

Overall patterns of policy approaches towards the creation of jobs that were found, consisted of the following:

- The policymakers develop a policy approach on innovative job creation in line with the **level of their economic development**, focusing on innovation in **prioritised economic sectors**, digitisation/IT sector development, and entrepreneurship;
- The economic policies of **more developed regions** stimulate innovative job creation by prioritising innovation in advanced manufacturing, professional service sectors. Key instruments include investments in R&D&I and industrial clusters;

- The economic policies of **transition regions** stimulate innovative job creation by prioritising digitisation and IT sector development, and several moderately developed industries. Key instruments include internationalisation, investments in selected industries;
- The economic policies of **less developed regions** stimulate innovative job creation by prioritising entrepreneurship, digitisation and IT sector development. Key instruments include regulatory frameworks for ease of doing business, investments in the education sector and in selected key industries.

Beyond these generalised patterns, it was also concluded that labour shortages are one of the biggest challenges regions face. To address them, policy makers employ the following policies:

- Investing in upskilling/reskilling of local labour;
- Offering childcare and/or other services to increase participate of women and other vulnerable groups on the labour market;
- Facilitating labour mobility through the PES;
- Attracting labour from other regions/countries, in cases of more urgent need or acute shortages.

All in all, **leadership**, **collaboration** and **regional inclusion** were identified as necessary to achieve higher, more innovative job creation in relation to the impacts of automation technologies.

After the above findings were presented, the discussion among workshop participants mainly revolved around the **need**, **barriers**, **and good practices needed to attract a highly skilled labour force to more remote places**. Most regions, especially remote regions, as observed in the case studies, are in need of attracting more highly skilled people to be able to meet labour market demands and fulfil vacancies. This is a challenge, as attracting this section of the labour market requires coordination across a combination of policies. Marketing was specially highlighted as a crucial tool in achieving this.

The failure of policies aimed at attracting investors or highly skilled migrants was discussed in relation to this. Portugal's Golden Visas was given as an example of this. The programme was aimed at incentivising foreign investment, but it was instead used as a way to attain Portuguese citizenship by investing in real estate and in many cases, without actually moving to Portugal. This type of investment did not truly contribute to foreign investment, to the creation of new jobs, and instead contributed to the rise of housing prices. The **failure of many of these policies** further sheds light on the point that attracting foreign, highly skilled labour is extremely difficult and requires a great deal of **collaboration** among local stakeholders. Furthermore, the need of policymakers to carefully consider possible secondary, **spill-over effects** that these policies might bring is also highlighted here. In this regard, the observation that leadership, collaboration, and regional inclusion are necessary to achieve the creation of new jobs was validated.

Policy Practices that Support Employers and Employees During Job Transformation

The findings presented by the project team provided **good practices** that focused on collective bargaining mechanism and protective regulations; training activities that support employers and employees; and development of the training qualifications system.

Good practices on **collective bargaining mechanism and protective regulations** emphasize the need for awareness raising about the rights, standards and obligations of employers and employees at the workplace. In some instances, this awareness has been strengthened through user-friendly online platforms. The engagement with trade unions by policymakers has also been an effective way to stimulate tripartite co-operation between trade unions, employers' organisations, and the public sector, and promote collaborative culture at workplaces. Lastly, reviewing and assessing the labour inspection systems to ensure their effectiveness, in light of job transformation, has proved effective in providing support to both employers and employees during job transformation.

When discussing **training activities that support employers and employees**, it has been observed that a strong focus on digital, social, and transversal skills in adult, vocational education, and lifelong learning systems has been helpful. Other examples of good practices include:

- Policymakers invest in promotion of lifelong learning and of available training opportunities;
- The skills self-assessment tools and individual accounts for learning pathways are developed;
- Employers, especially SMEs, are offered subsidies for training, free training programmes for employees;
- The PES that provide services to the employed promote them to increase awareness, and they are involved in the design of tailored trainings;
- Training programmes are offered in flexible learning formats (e.g, online, at own pace, at convenient time) to encourage participation, provide diverse learning opportunities for all skills levels and meet different learning needs, especially of low-skilled.

During the discussion of these findings, the importance of **tailored training programmes** and **micro-credentials** was emphasized. The importance of drawing from employees' wants, needs, and current skills to be able to build coherent, useful, and attractive up-skilling and reskilling programmes was mentioned. Most of all, this is important due to the low motivation that is observed from employees to participate in up- and re-skilling programmes. This discussion was in line with the findings. Moreover, the recent introduction of micro-credentials into educational institutions was discussed in a positive light, as a way to further incentivise employees to follow up- and re-skilling courses.

Other Good Practices

A list of all the good practices that the participants shared during the workshop can be found here:

- Maritime Technologies Skills Strategy: Shipbuilding and Offshore Renewable Energy sector
- MATES Project: Sustainability and Long-Term Action Plan
- Pathways to employment: Analysis of policies and practices for pathways to the mainstream labour market
- <u>A Framework for Assessing Higher Education Courses Employability</u>
- Efforts in transdisciplinary research and innovation, to explore robot capabilities with and for workers, to jointly explore and experience plausible and preferable futures of work
- Measures to tackle labour shortages: Lessons for future policy
- <u>What is PEI Immigrant Entrepreneurship Promotion Project?</u>
- Entrepreneurship and 21st Century Skills
- <u>Change4Inclusion</u>
- Designing LABORe: a Platform for the Collaborative Assessment of Technological <u>Change in the 4th Industrial Revolution</u>

6 Participating Organisations and Participants

The workshop had a total of 44 participants and speakers. The participants were part of the following organisations:

- BusinessEurope
- BusinessOulu
- CSR Europe
- Delft Haptics Lab

- DG Employment
- Eurocadres
- Eurochambres
- Eurocommerce

- Eurofound
- European Association of Development Agencies (EURADA)
- European Association of Institutes for Vocational Training (EVBB)
- European Association of Service Providers for Persons with Disabilities (EASPD)
- European Builders Confederation (EBC)
- European Council on Refugees and Exiles (ECRE)
- European Network of Social Integration Enterprises (ENSIE)
- European Trade Union Institute (ETUI)
- Future LAB

- High Commission for Migration (ACM)
- Katholieke Universiteit Leuven
- Kaunas Science and Technology Park
- OECD
- PILLARS Expert Stakeholder Group (ESG)
- POLIS Network
- Porto Municipality
- European Platform for Rehabilitation
- Technological Ocean Centre (CETMAR)
- United Nations University Merit
- University of Tartu
- Vrije Universiteit Brussel (VUB)

The morning participant sheet can be found in the Figure 3 below

Figure 3 Morning participant sheet – 1st page

Participant S	ign in Sheet: Workshop on good policy practices across the EU regions
Name	Organisation Signature
Alessandra Frassetto	European Vocational Training Association (EVTA)
Alva Hoglund	BusinessEurope
Antonio Gennarelli	European Association of Institutes for Vocational Training (EVBB)
Begum Dereli	European Council on Refugees and Exiles Bdown
Brian MacAulay	PILLARS Expert Stakeholder Group
Charlotte Ede	European Association of Regional and Local Authorities for Lifelong Learning (ERRIALL)
Dimitrios Pikios	Directorate-General for Employment
Durmish Guri	Council of European Municipalities and Regions (CEMR)
Fabrizio de Angelis	European Association of Service Providers for Persons with Disabilities (EASPD)
Farha Brahmi	Vanguard Initiative

Figure 4 Morning participant sheet – 2nd page



Figure 5 Morning participant sheet – 3rd page



Afternoon (online) participants are not included in Figure 3 - Figure 5. These participants were the following:

- Carolina da Silva, Expert Stakeholder Group member
- Ekkehard Erns, Expert Stakeholder Group member
- Malin Rosqvist, Expert
 Stakeholder Group member
- Marco Dondi, Expert Stakeholder Group member

- Mattia Makovec, Expert Stakeholder Group member
- Jolanta Uzulina, Expert Stakeholder Group member
- Laura Jones, European Platform for Rehabilitation
- Dragos Adascalitei, Eurofound
- Marguerita Lane, OECD

- Catarina Reis Oliveira, High Commission for Migration
- Mari Rautiainen, BusinessOulu
- David Abbink, Delft Haptics Lab
- Lucia Fraga Lago, Technological Ocean Centre (CETMAR)
- Joana Miranda, Porto Municipality

- Stijn Broecke, OECD
- Yuri Lima, Future LAB
- Jaan Masso, University of Tartu
- Raul Eamets, University of Tartu
- Vaiva Kelmelyte, Kaunas Science and Technology Park
- Sugat Chaturvedi, Pillars

7 Presentations

Complete presentations can be requested via PILLARS WP7 coordination: Tatjana Guznajeva (<u>tatjana.guznajeva@technopolis-group.com</u>) or WP7 team member Juanita Garcia Gutierrez (<u>Juanita.garcia@technopolis-group.com</u>)

Below are some example slides:

Figure 6 Example slide



Figure 7 Example slide



Figure 8 Example slide

Key findings: Training activities that support employees and employees

- Adult, vocational education and lifelong learning systems have a strong focus on digital, social and transversal skills;
- This sets a sense;
 Policymakers invest in promotion of lifelong learning and of available training opportunities;
 The skills self-assessment tools and individual accounts for learning pathways are developed;
 Employers, especially SMEs, are offered subsidies for training, free training programmes for
- employees;
 The PES that provide services to the employed promote them to increase awareness, and they are
- involved in the design of tailored trainings; Training programmes are offered in flexible learning formats (e.g. online, at own pace, at convenient time) to encourage participation, provide diverse learning opportunities for all skills levels and meet different learning needs, especially of low-skilled.

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8 Workshop Pictures

