



Technopolis - Tatjana Guznajeva, Juanita Garcia Gutierrez, Ana Oliveira, Matthias Ploeg

Systematic monitoring and forecasting of the labour market trends is essential for ensuring effectiveness of education, labour and economic policies

The importance of a systematic monitoring and forecasting of the labour market trends cannot be overstated. All regions that do not perform such analyses or perform them on an ad-hoc basis lack insight into what skills are and will be needed in the future, what population groups and in what areas/regions should be supported. Hence, the policymakers cannot successfully and in a timely manner adjust their education/training, labour market and economic policies. In this regard, the Estonian OSKA agency should be highlighted as a good practice.

OSKA is the publicly funded agency of Estonia, established in 2015, that forecasts the needs of Estonian labour force and skills. The annual studies of OSKA analyse current labour and skills demand and forecast what skills/qualifications will be essential for the economy in the next 10 years.¹ OSKA reports to the Employment Department of the Ministry of Social Affairs of Estonia to inform the development of employment, education, economic and social policies. The development of the ALMP measures is also strongly influenced by the findings of OSKA.² In addition, the studies of OSKA help people to make informed career choices, as data on labour market developments is publicly available and is utilized by the PES during consultations with employed and unemployed people.

The data is collected using applied research surveys on sectoral needs for labour and skills, combining both qualitative and quantitative research methods and analysing professional qualifications across all levels of education. Under the Development Strategy 2035, continued efforts and funding will be directed towards the development of OSKA's labour demand forecasts.

The effectiveness of OSKA has been dependent on several factors:

- Willingness of the policymakers to collaborate with the agency and to adjust policies, based on OSKA recommendations. Although the agency admits that such collaboration is still problematic, as policymakers did not use to design policies in multi-stakeholder consultations, a significant progress has been made;
- OSKA collects both qualitative and quantitative data. This represents a unique approach, as typically only quantitative data is collected. Due to interviews, OSKA gains deeper insights into needs, challenges, plans and ambitions of companies and workers. This improves the quality of advice that OSKA provides;

¹ OSKA (2022). OSKA Methodology. Available at: <https://oska.kutsekoda.ee/en/contact/>

² Republic of Estonia Government (2022). Viime inimeste teadmised, oskused ja hoiakud kooskõlla tööturu vajaduste ning majanduse struktuurimuutustega. Available at: <https://valitsus.ee/viime-inimeste-teadmised-oskused-ja-hoiakud-kooskolla-tooturu-vajaduste-ning-majanduse#kirde-ja-kagu-eeesti>



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- The data produced by OSKA is publicly available and presented in a user-friendly format, increasing its utilization by PES, companies/organisations and labour force in Estonia.

The lack of access to intelligence among the policymakers is aggravated by other challenges. Most employers are not aware of skills and of trainings that should be provided to employees, following technology adoption. In addition, typically, employers formulate their requests to the policymakers and to the PES not in terms of skills, but in terms of occupations. For example, they point to a shortage of engineers or cybersecurity specialists. If there is a lack of insight into what skills are associated with a specific occupation and how this skills-set will/should change due to technological transformation, the education/training providers and the PES cannot design and implement relevant and high-quality training activities.

Regardless of the existence of monitoring and forecasting studies on the labour market trends, their usefulness will be minimised if they do not inform the policy design and relevant institutions. In view of the organisations that have been involved in systematic labour market analysis, the collaboration between the policymakers and organisations that run such studies is typically challenging. The findings produced through labour market studies affect several policy areas, calling for a comprehensive and collaborative approach that might be prevented either by the governance structures of policy organisations or/and by the culture/unwillingness to enter a multi-stakeholder collaboration.