Investing in Skills in Europe's regions and cities

Thursday, 25 April 2024–14:30-18:30 – JDE 51, CoR

MEETING REPORT

Contents

Background 3

Welcome 3

Keynote speeches 4

Session 1 6

Session 2 9

Session 3 12

Conclusions 15

Background information

The event "Investing in Skills in Europe's Regions and Cities" was organised by the European Committee of the Regions (CoR) together with the European Commission, DG for Employment, Social Affairs and Inclusion (DG EMPL), in the framework of the European Year of Skills (EYS).

This event focused on the critical role of skills development and the transformative power of upskilling and reskilling in bolstering the socio-economic fabric of Europe's diverse regions and cities. In an era marked by rapid technological progress and evolving economic paradigms, the imperative for adaptive skill development strategies has emerged as a cornerstone for sustainable growth and social cohesion. The event was designed to pave the way forward, engaging participants in a collaborative journey to discover and implement strategies for enhancing skills that are aligned with future needs.
Participants (~100 in presence and 100 online) included members of the Committee of the Regions, representatives of EU institutions and agencies, MEPs, and stakeholders. The event was moderated by **João Santos**, Expert in education and training.

Thanks to live-streaming, the event can also be rewatched under the following LINK.

Introduction
João SANTOS, Moderator, introduced this event by reminding the audience that more than 2000 events took place in the framework of the EYS and that this event precedes the EYS closing event. The focus of this event is set on the regional and local levels.

Welcome

Tanya HRISTOVA, Mayor of Gabrovo BG, Chair of the SEDEC Commission, CoR

Ms Hristova reminded that the EYS is dedicated to enhancing the competences of the European workforce. Local and Regional Authorities (LRAs) are uniquely positioned to identify and respond to specific skill needs and gaps, which is crucial for the successful implementation of the European Skills Agenda. LRAs play a vital role in mobilizing local resources, collaborating with educational institutions and partnering with private sector stakeholders. Their efforts prepare the workforce to be resilient in a rapidly changing job market. The involvement of LRAs ensures that the program reaches the grassroots level, making it accessible to everyone. Such initiatives have transformative potential for re- and upskilling efforts, focusing not only on filling immediate gaps but also on anticipating the skills crucial for a digital future. The objective is to create a resilient, skilled, and inclusive workforce, which is the cornerstone of our collective prosperity.

Ms Hristova's intervention was followed by keynote speeches from Vasco Alves Codeiro, President of the Committee of Regions, Andriana Sukova, Acting Director General DG Employment, Social Affairs of European Commission and Dragoş Pîslaru, MEP and EP EMPL Chair.

Keynote Speeches

Vasco Alves CORDEIRO, President of the CoR

This year provided an opportunity to assess the needs, challenges, and strategies for addressing skill shortages and enhancing skills in regions and cities. Currently, 44% of Europeans lack basic digital skills, highlighting the urgent need for digital literacy training across all age groups. These efforts must consider sustainability and the implementation of the European Pillars of Social Rights from a local and regional perspective. The CoR has taken significant actions regarding unemployment and skills, adopting two resolutions on the matter and opinions and actively participating in initiatives related to the European Skills Agenda. The goal is to build a Union where all regions and cities are empowered through the advancement of education and skills, preparing them to embrace future opportunities.

Andriana SUKOVA, **Acting Director General DG Employment, Social Affairs, European Commission**

Director Sukova shared several key messages:
The implementation of the EYS has been successful due to collaboration at various levels across Europe, which wouldn't be possible without the continuous involvement of the network of National Coordinators.
Investing in skills at the regional level is crucial for fostering local and regional development in the green and digital economy. The ESF+ is the main instrument for investing in people, dedicating a third of its resources to education and skills. The Next Generation EU initiative has allocated over €23 billion to digital education and skills, and since 2021, multiple centres for vocational excellence have been established. However, disparities among European regions persist.
Beyond the EYS, there is a goal to have 60% of adults participating in learning activities annually by 2030, with a focus on inclusivity and territorial cohesion.

Dragoş PÎSLARU, **MEP, European Parliament EMPL Committee Chair**

The European Parliament has been highly focussing on promoting the European Pillar of Social Rights. However, its impact on citizens requires legislation to be applied at the local level. The

EYS should be viewed as a starting point for this. The legacy of the EYS highlights an emerging priority: the labour market is losing one million people each year due to demographic changes. Therefore, it is essential to skill, reskill, and upskill the workforce to and to increase productivity. We must activate people to enter the labour market and to ensure their active participation. Enhancing social policy is crucial for a competitive and fair Europe. Skills are developed within local ecosystems, so funding and exchanges must occur at the local level through training. Empowering LRAs with the appropriate funding and instruments is vital for them to play a direct role in the EYS. The next generation is our greatest ally in the green and digital transitions consequently investing in them is a critical social investment. Finally, a permanent funding for skills is needed.

SESSION 1

The key role of upskilling and reskilling for local and regional development

Three thematic sessions followed. The first session highlighted the crucial role of upskilling and reskilling in local and regional development, featuring contributions from the CoR commissions. There was a particular emphasis on the need to localise training through developing partnerships at local and regional level, between governments, local/regional authorities, businesses, and individuals. The discussion also pointed out the role of local and regional authorities in ensuring accessibility to training opportunities and addressing barriers for marginalised groups.

Contributions from the CoR commissions on the EYS

Tanya HRISTOVA (BG/EPP), Mayor of Gabrovo, **Chair of the SEDEC commission**

There is no one-size-fits-all approach to addressing skills therefore, it is necessary to adopt a comprehensive strategy for tackling skill shortages and promoting upskilling and reskilling. By utilizing innovative models, we can achieve the goal of transforming our workforce while maintaining a human approach and ensuring that no one and no place is left behind. Reaching marginalized and vulnerable groups is crucial and LRAs play an essential role in this effort as they can provide flexible and accessible training tailored to local needs. Integrating support services, such as onsite childcare, enhance the accessibility of training programs. Additionally, it is important to monitor and evaluate these policies to ensure their effectiveness.
To strengthen competitiveness and address brain drain, it is essential to equip regions with skills relevant to the twin transition. Removing barriers to education and training, especially for disadvantaged and vulnerable groups, can be achieved by offering flexible opportunities. Building partnerships between educational institutions, businesses, and local governments ensures that individuals acquire practical and applicable skills, rather than just theoretical knowledge. Additionally, emphasizing the importance of lifelong learning supports not only young people but also adults.

Kate FEENEY (IE/Renew E.), Member of a Local Executive: Dun Laoghaire Rathdown County Council, rapporteur on the CoR opinion on the SME Relief Package & BEFIT, CoR member, **ECON commission**

Access to skills is the biggest challenge for SMEs. Reskilling and upskilling can boost economic growth and competitiveness in two key ways: through the development of specialized skills, particularly to accelerate the twin transition of the European economy, and through the rapid and effective delivery of those skills. Ensuring that these skills reach SMEs quickly and efficiently is crucial, as they are the backbone of the economy. The twin transition cannot succeed without a skilled workforce. Industrial transition and restructuring processes create a sharp demand for specialized skills. Up- and reskilling programs need to anticipate and fill existing gaps. SMEs view the lack of skilled workers as a barrier to their economic potential. Addressing this would not only enhance their competitiveness but also significantly impact the EU economy. Mentoring is crucial for motivation, learning, and self-confidence. These opportunities must be available and accessible to everyone, ideally in a flexible format.

Examples of such initiatives include "Fall management capability training" offered for free or at a reduced price online and in person for SMEs, digital training programs in conjunction with Google Digital Garage webinars, digital consultation workshops and the "Green for Business" and "Green for Micro" initiatives, which offer free consultancy access to new SMEs in the region.

Giuseppe VARACALLI (IT/Renew E.), Member of Gerace Municipal Council, CoR rapporteur for the opinion on Legal Migration – Attracting skills and talent to the EU, **CIVEX commission**

Third country nationals make a fundamental contribution to the EU labour market and economy. To address labour shortages, the EU and Member States must facilitate legal migration. Recognizing the qualifications of third country nationals is a critical step forward, necessitating a simpler and quicker process. Local and regional authorities should be involved in creating tailored policies and strategies, collaborating with both the public and private sectors. Special focus should be given to minors and young migrants, emphasizing their interests and talents. European embassies or EU Delegations should provide information points to guide individuals on legal migration processes.

For example, during the COVID-19 pandemic, regions like Calabria faced a shortage of doctors, which was alleviated by the arrival of migrant doctors. These doctors have become vital to the community, and their permits have been extended even after the pandemic. Additionally, minors who joined their families and learned the local language in school have become important craftsmen in the communities that welcomed them.

SESSION 2

Regional Skills Intelligence: Driving Growth and Prosperity in Cities and Regions

The second session focused on regional skills intelligence. Skills intelligence can be a useful tool to create linkages between the labour market societal needs. For example, local and regional employment services use skills intelligence to tailor job-matching and upskilling programs to specific regional needs. The discussion also pointed out that addressing the disparity in mobility between higher education and vocational education requires enhanced cooperation and data exchange across regions.

Karen MAGUIRE, Head of Division, LEED Committee, **OECD**

Skill intelligence is not only about the labour market but also about benefiting people in society. The goal of skill intelligence includes matching workers to jobs and achieving a common understanding of skill requirements. It requires local direction and combination with the local economic strategy. Adapting skills in existing jobs is as important as training for areas with a shortage of workers. Current trends in skill intelligence highlight new tools that can make the training process much faster.

Caroline MANCEL, Chair of the PES Network, Deputy Director General of PES Belgium/Actiris. **PES Network**

The regional level plays a crucial role in public employment services (PES) because a one-size-fits-all approach does not work. Each local area has unique labour market specificities and needs. Although every PES addresses skill intelligence differently, most already analyze future skill needs and incorporate this information into re- and upskilling programs. For instance, in France, France Travail (the French PES) sends questionnaires to regions to understand the specific training needs in each area, helping to anticipate recruitment difficulties. In Spain, the central PES has established an occupation observatory that conducts annual surveys on skills and analyses online job offers. These results are then sent to the PES of each Autonomous Community. Ms. Mancel also highlighted noticeable differences between PES bodies in different Member States regarding their engagement with skills intelligence tools. In some countries, data availability issues are more pronounced, making it more challenging to benefit from the insights provided by these tools.

François DECOSTER (FR/Renew E.), rapporteur of the CoR Opinion on Skills and Talent Mobility, **CoR member**

Mr Decoster stressed that macro-regional cooperation on skills and talent mobility is essential, as outlined in his opinion on Skills and Talent Mobility adopted in 2024. Understanding regional cross-border needs is crucial. The Bologna Process has successfully increased mobility among Member States for student in higher education which is supported by a dedicated staff and extensive data. However, for students in vocational education and training (VET), there is a lack of data and staff. The first step is to create connections between VET centres across Europe and to understand their specific needs. This will help bridge the gap and facilitate better cooperation and mobility in the VET sector.

Iñigo ARAIZTEGUI, Director of the Internationalisation Department of **TKNIKA**, **VET provider**

Mr. Araiztegui shared how VET providers are working in partnerships to better understand market needs. Coordination of groups of VET centres where teachers regularly meet with companies, especially within the Smart Specialization framework, is crucial. Projects focusing on vocational excellence are also underway and significant employment opportunities in manufacturing sectors have been observed. Soft skills are becoming increasingly important but technical skills cannot be put aside. It typically takes around three to four years for a hired individual to become an autonomous worker within a company. This highlights the importance of ongoing training.

Denis LEYTHIENNE, Deputy Head of Unit, ESTAT.F.3 'Labour market and lifelong learning' **EUROSTAT**

Mr. Leythienne agreed that there is a pressing need for credible data on skills. In this domain, however, two main challenges persist: 1. Classifications: skill classification in Europe is currently a subdivision of occupation, making skills heavily reliant on specific occupations. 2. Sources: with a myriad of skills available, collecting data through questionnaires is difficult. Recent efforts to address these challenges by Eurostat include the development of an interactive tool called "Top and Trending Skills" which identifies the most wanted skills per occupation and country. Additionally, an indicator on labour shortages by occupation is being developed. These two tools are meant to be used together.

Stelina CHATZICHRISTOU, Expert, Skills trends and intelligence, Department for VET and Skills, **CEDEFOP**

When asked about the best approach to mainstream the use of skills intelligence, Ms. Chatzichristou emphasized that developing and utilizing skills intelligence is an expert-driven process. Consequently, it is unrealistic to expect every city and region to develop and operate a comprehensive array of skills intelligence methods independently. Achieving this requires expertise and networks through partnerships. Data quality is crucial for developing skills intelligence, and CEDEFOP is working on developing regional indicators. The challenge they face is ensuring that each region has accessible and comparable data to produce quality data for Europe.

SESSION 3

Private-Public Partnerships for Upskilling and Reskilling at the local and regional level

The last session focused on public-private partnerships for upskilling and reskilling at the local and regional level. The biggest challenges identified for regional public-private partnerships are to align training with industry needs, the difficulty to engage with SMEs and the lack of funding. The discussion also stressed the importance of initiatives like the Pact for Skills in fostering partnerships on the ground.

Julie FIONDA, Deputy Head of Unit 'Skills Agenda', DG EMPL, **European Commission**

Skills development is a shared endeavour, requiring everyone to play their part and unite forces. The European Pact for Skills embodies this as it focuses on communities of interest in key industrial sectors for Europe, with an increasing number of regional partnerships joining in. With over 2500 members, and 20 large-scale partnerships in key industrial sectors, the Pact aims to up- and reskill 25 million people in the coming years. Members have reported that participation in the Pact has helped in skill monitoring and anticipation of needs in their sectors, increased the volume of up- and reskilling opportunities, and fostered a more inclusive approach to reskilling within their sectors. Ms Fionda underlined that regional level is crucial, as it's where companies are and supply chains cluster, but also where majority of workforce lives and works.

Marie-Louise RÖNNMARK (SE/PES), Member of Umeå Municipal Council, **CoR member**

The focus isn't only on statistics, it's also about lifelong learning, which means "getting dressed for success". Despite a significant population increase over the past 25 years, everyone has a job in her city. In North Sweden, which is leading the way regarding the green transition, numerous job opportunities have emerged. This success is attributed to a robust interest in technology, close collaboration between universities and active community engagement. This synergy has not only fostered the establishment of industries but also enriched the local cultural landscape. Engaging the labour force to upgrade means making cities attractive, fostering cultural participation, promoting social sustainability and advancing gender equality. Gender equality is particularly crucial in navigating the labour market transformation and the green transition must also focus on social sustainability.

Michaela PALASOVA, Head of the Trnava Region Brussels Representation Office, Automotive Skills Alliance Regional Implementation Working Group Co-Lead **Automotive Regions Alliance**

Ms. Palasova stressed that Pact for Skills is supporting projects on the ground. For instance, the "Tri-Ring" project has a strong regional dimension, emphasizing collaboration. It demonstrates how the Pact is driving transition efforts at the grassroots level. By creating space for collaboration, the partnership enables stakeholders to identify skill needs and develop solutions to address them. Several tools, including online resources, have been developed to ensure

accessibility for all. Policy input is done in collaboration with the CoR to voice the needs of the transformation.

Inês RODRIGUES, Senior officer in the Social Impact & Skills Financing Unit, **European Investment Fund**

The European Investment Fund (EIF) plays a crucial role in making funding accessible for skills development by facilitating engagement between students and companies through intermediary businesses. They provide financial support and scale up investments to raise awareness of existing opportunities. In many EU countries, young people's access to education depends on their parents' status, and SMEs often face constraints in investing in upskilling and reskilling their employees. Given the significant investment required for the twin transition, the EIF supports both the supply and demand sides of skills development. Acting as a cornerstone investor, the EIF triggers a catalyst effect for private investors, supporting both existing and novel funds.

Pieter MOERMAN, Director of Platform Talent for Technology and one of the founders of the **Katapult network**, **CoVE**

Co-ownership is essential in public-private partnerships. For a partnership to succeed, it is crucial to involve stakeholders at every level, not just at the governing board, to establish strong connections and build trust. Rushing the process can be problematic, as it is vital to engage those who may initially resist change or doubt their capabilities. Building trust takes time, and partnerships often require years to develop and even more time to become successful. Recommendations for fostering successful partnerships include investing in regions to help build these partnerships, ensuring partnerships also focus on marginalized groups, and supporting a community of practice to facilitate the exchange of good practices.

Conclusions

Thomas WOBBEN, Director for Legislative Works, European Committee of the Regions

Director Wobben emphasized that skills development is intrinsically linked to the local level, with local and regional authorities playing a crucial role. While the twin transition will create numerous new jobs, the annual loss of one million workers presents a significant challenge for the future. He highlighted several key takeaways from the event, stressing the importance of addressing current challenges and recognizing that training and skills are vital at the local level, where they can be effectively managed. Training and skills should be seen as investments rather than costs. Effective management of the Green Deal and enhancing competitiveness without excluding anyone are essential. Additionally, upgrading hard skills is necessary, and skills development should be part of a broader regional development strategy and a culture of continuous learning. Mr. Wobben underscored the importance of a willingness to learn, invest, and support, as reflected in the available EU funding, for the future of skills. He stressed the need to strengthen place-based policies such as cohesion policy and funding from ERDF, ESF, and the Just Transition Fund. Mr. Wobben concluded by urging us to "make the year of skills the years of skills," highlighting that it takes time to realize the benefits of training.

Manuela GELENG, Director of Jobs and Skills, DG EMPL, DG Employment, Social Affairs, European Commission

Director Geleng acknowledged this year's achievements, noting the clear momentum at both local and regional levels, with over 2000 events held across Europe, surpassing expectations. However, she pointed out that disparities persist between highly skilled and low-skilled individuals, as well as between urban and rural areas. Emphasizing that investing in people is the best investment, she stressed the importance of making upskilling and reskilling opportunities accessible to everyone in Europe. Skill intelligence plays a crucial role in aligning people's aspirations with business needs. To address the challenges related to skills, fostering public-private partnerships is essential and should be systematically adopted. She concluded by emphasizing the need to continue this work: “The day after is skills, skills, and skills.”

European Committee of the Regions

European Commission