How to eradicate skills poverty among the most vulnerable?

EXECUTIVE SUMMARY

21.4% at risk of poverty or social exclusion

Skills shortages in the EU
How to eradicate skills poverty among the most vulnerable?

Executive summary

The information and views set out in this study are those of the authors and do not necessarily reflect the official opinion of the European Economic and Social Committee. The European Economic and Social Committee does not guarantee the accuracy of the data included in this study. Neither the European Economic and Social Committee nor any person acting on the European Economic and Social Committee’s behalf may be held responsible for the use which may be made of the information contained herein.
General information

STUDY FOR
The European Economic and Social Committee (EESC)

REQUESTING SERVICE
Secretariat of the Civil Society Organisations' Group

STUDY MANAGING SERVICE
Foresight, Studies and Policy Assessment Unit

DATE
11.04.2024

MAIN CONTRACTOR
CASE – Center for Social and Economic Research

AUTHORS
Izabela Marcinkowska, Agnieszka Maj, Karolina Beaumont, Harald Steiner, Bartosz Hoffmann, Delia Agostinelli

CONTACTS
ul. Zamenhofa 5/1b, 00-156 Warsaw, Poland
tel.: +48 798 023 759
case@case-research.eu

The full study is available here
https://www.eesc.europa.eu/en/members-groups/groups/civil-society-organisations-group/publications

IDENTIFIERS

<table>
<thead>
<tr>
<th>EXECUTIVE SUMMARY</th>
<th>ISBN</th>
<th>doi</th>
</tr>
</thead>
<tbody>
<tr>
<td>print</td>
<td>QE-09-24-362-EN-C</td>
<td>978-92-830-6511-1</td>
</tr>
<tr>
<td>PDF</td>
<td>QE-09-24-362-EN-N</td>
<td>978-92-830-6512-8</td>
</tr>
</tbody>
</table>
Foreword

By Séamus Boland

President of the Civil Society Organisations' Group
European Economic and Social Committee

As we move towards the green and digital transitions, our economies are gradually facing shifts in employment structures. Demand for the skills to drive and implement the twin transitions is increasing. Likewise, demographic changes will lead to increased demand for healthcare workers.

It is therefore paramount that these transitions are paired with specific actions for training, upskilling and reskilling, as highlighted in the context of the European Year of Skills, initiated by the European Commission.

In the Civil Society Organisations' Group of the European Economic and Social Committee (EESC), we have placed the eradication of poverty at the centre of our activities. When addressing the challenges posed by the twin transition, it is crucial that we take into account pre-existing conditions of poverty and social exclusion, those who have fallen out of mainstream learning structures or who are facing inequalities in their access to the labour market.

In this context, the Civil Society Organisations' Group has taken the initiative to request an exploratory study on How to eradicate skills poverty among the most vulnerable?. The study examines the novel concept of "skills poverty", proposing a definition, investigating possible drivers and solutions, thus opening the way for further research into this topic in the future. It was carried out by CASE – Center for Social and Economic Research.

The researchers explore the most pressing skill divides for vulnerable groups, taking into account that individuals might face several overlapping barriers in accessing education and the labour market. The study analyses a number of specific and targeted actions in re-skilling and upskilling, with the aim of charting common strengths, weaknesses and opportunities.

At the same time, this study serves as a call to action. We know that the most disadvantaged are less likely to engage in training. Conversely, having decent work enables individuals to climb "the skills ladder", where higher skills lead to "higher levels of trust in others, in institutions and in governments". Therefore, addressing the skills gaps is paramount to social cohesion.

In addition, the study is an invitation to policy makers to cooperate with and support civil society organisations. Alongside technical skills, the researchers emphasise the growing demand for socio-emotional and transversal skills, including working together and communication, but also the need for adaptability. With their flexibility and hands-on experience, civil society organisations can complement traditional education, serving as knowledge hubs for targeted and inclusive approaches, but also helping to teach life skills and enhancing social cohesion.
Abstract

The shift of employment towards sectors driving the twin (green and digital) transition, alongside long-term demographic trends and geo-political shocks, will influence all professions and sectors, affecting skill requirements. Apart from green and technical skills, transversal and social skills, enabling people to actively participate in social life and adapt to the complex, changing environment must also be reflected in education and training provisions at all levels. However, there are still visible skills inequalities in European society resulting from diverse factors contributing to uneven skills acquisition. The divide exists between those better educated, with relatively secure professional positions cumulatively increasing their advantage through additional educational investments during their life, and those missing out on education, whose hindered access to skills leads to skills poverty. Apart from addressing demand, skills programming should focus more on training disadvantaged groups, including by adapting to their needs where necessary, to ensure nobody is left behind in the ongoing transitions. This study extensively explores (based on qualitative and quantitative analysis) what determinants of unique circumstances of vulnerability most affect access to skills, identifying characteristics conducive to skills poverty. Concrete illustrations from country-based case studies help scrutinize the imperative task of designing inclusive upskilling and reskilling practices.
Executive summary

The European Union (EU) faces multifaceted challenges impacting employment, skills demand and the labour market as a whole, driven by long-term trends such as the twin (green and digital) transitions, demographic changes and digitalisation, as well as sudden geo-political shocks and their implications. Responding to the critical need to address these challenges in an inclusive, demand-oriented manner, the study examines various skills divides (inequalities) and their links to poverty and social exclusion. The study defines and illustrates skills poverty, while also exploring what groups are affected (and to what extent) by the various skills divides and what the drivers are behind those inequalities, finally reviewing a set of policy initiatives counting as good practice examples (such as upskilling and reskilling) that successfully help in overcoming the most pressing skills divides.

The methodology used combines literature review with quantitative analysis, resulting in the identification of skills inequality drivers and enabling a better grasp of how skills inequalities are linked to unique individual characteristics that might make a person at risk of poverty and social exclusion. This dual approach provides insights into the changing nature of work, and creates a solid base for the case-country studies and the design of tailored policy initiatives to tackle skills poverty. Adopting an intersectional approach to the analysis takes into account that individuals or groups of individuals experience multiple forms of disadvantage based on their different social characteristics or identities, which might affect their skills levels. The study concludes with an analysis of policy initiatives and measures that successfully help in overcoming the analysed skills divides among the most vulnerable. It is based on country-specific case studies, completed both through desk research and interviews with selected stakeholders. The focus of this part is narrowed down to five countries: Ireland, Italy, Poland, Denmark, and Belgium.

Current Trends and Future Skills Demands in the European Labour Market

Employment trends in the years up to 2035 will be shaped by the twin digital and green transitions. The jobs of tomorrow require skills for the twin transition, but at the same time, the growing share of older people in the EU will result in increased demand for care services, bringing opportunities in the silver economy. With this regard, not only technical skills linked to the green transition, but also transversal and social skills must be reflected in education and training provision at all qualification levels. The definition of essential competencies for personal fulfilment, health, employability, and social inclusion has evolved over the past decade, influenced by societal and economic changes as well as various European initiatives. In conclusion, effective labour market integration and poverty alleviation require core skill sets encompassing literacy and numeracy, basic digital skills, multilingualism, transversal skills, and social (life) skills.

Skills Poverty and Groups at Risk

The presence of skills inequality, characterized by the uneven distribution of individuals' abilities across different domains, results in skills poverty marked by insufficient, outdated, or non-existent proficiency in these skill sets. Those most worried about a state of skills poverty are individuals with particular identities or characteristics, members of certain populations who find it particularly difficult to exercise their rights. The determinants that might have strong implications for inequalities in the distribution of skills (which are usually related to uneven access to high-level education, considered a strong driver behind skills inequality) include socio-economic status, gender and sexuality, ethnicity, migrant status, disability, age, and geographical (urban-rural) environment.
How to eradicate skills poverty among the most vulnerable?

It is important to keep in mind that one can be affected by more than one factor based on personal characteristics, creating unique circumstances of vulnerability based on multiple intersecting disadvantages. The skills divide exists, hence both design and implementation of targeted strategies and initiatives aiming to enhance individuals' competencies and skills, apart from addressing demand should be more sensitive to the training of disadvantaged groups. This could include adaptation of training to their needs where necessary, to ensure that nobody is left behind in the ongoing transitions.

When conducting qualitative analysis based on available data in the EU and Member States in the chosen skills categories (literacy and numeracy, basic digital skills, multilingualism, transversal skills and social skills), it becomes clear that certain characteristics have a stronger impact on the unique circumstances of vulnerability to skills poverty. Older individuals with a lower level of education are at highest risk of being affected, followed by foreign (particularly non-EU 27) residents and the rural population. Gender can also play a role, though a rather small one. Lastly, ethnic minorities can suffer from skills poverty, but as in the case of people with disabilities this is very context specific.

Addressing various disadvantages stemming from personal characteristics to achieve a just distribution of skills (through the alleviation of skills poverty) requires inclusive interventions that acknowledge the unique challenges faced by individuals and the intersections of their various attributes, mitigating the risk of falling into social exclusion or poverty. Disparities in access to quality education, leading to the unequal distribution of skills among the population, may contribute to a higher risk of poverty and social exclusion in society through being locked out of the labour market, impaired ability for increasing salary potential, and inactive participation in society.

Importance of Effective Upskilling and Reskilling Measures in Addressing Skills Poverty

Upskilling and reskilling initiatives are of critical importance for an inclusive, strong, and resilient labour force. As the skills divide exists, both the design and implementation of targeted strategies and initiatives aiming to enhance individuals' competencies and skills, apart from addressing demand should be more sensitive to the training of disadvantaged groups.

A comparative analysis of different approaches to the design and implementation of upskilling and reskilling initiatives, focusing on 15 measures or initiatives in five countries [(1) Belgium: Digibanks, Accessia, SheDIDIT; (2) Poland: Development Strategy of the Lower Silesian Voivodship 2030, A chance – New opportunities for adults, the Ukrainian House in Warsaw; (3) Ireland: Regional Skills Fora, Adult Literacy for Life. You Employment – Generation Ireland.; (4) Italy: Fondazione Mondo Digitale (FMD) Academy, Guaranteed Employability of Workers (GOL), Documentation Info Centre and Development Initiative (CIDIS); (5) Denmark: ReDi School Copenhagen, Danish Refugee Council (DRC) - Job Oriented Efforts, SEVU Joint Committee for Vocational Welfare Education] revealed several common strengths that are contributing to successful implementation and a positive reduction of skills poverty, including:

- dedication to supporting marginalized groups such as migrants, refugees, and people with disabilities;
- customizing methods to address the requirements of particular demographics;
- achieving tangible outcomes;
- and engaging in partnerships with external parties.

Conversely, some initiatives prioritize intersectionality, aiming at particular demographic intersections, while others concentrate on specialized sector training or broader efforts.
Conclusions and Key Recommendations for Addressing Skills Poverty

In light of the findings and successful strategies highlighted, there are key recommendations emerging that address the pressing need for upskilling among vulnerable groups:

➢ Firstly, it is imperative to establish equal access to high-quality education right from early childhood. By ensuring all children have access to quality education, regardless of their background, we can lay the groundwork for reducing skills poverty in society over the long term. Early intervention in education can equip individuals with the foundational skills necessary to thrive in an increasingly complex and competitive world. In the short term, there’s a critical need for the implementation of lifelong learning activities tailored to support disadvantaged individuals. These initiatives should be directly aimed at providing access to high-quality upskilling measures for those who have been and are marginalised or underserved. By prioritizing lifelong learning opportunities, we can empower individuals to continuously develop their skills and adapt to the changing demands of the job market.

➢ National policies play a pivotal role in shaping the landscape of education and skills development. While efforts to address challenges related to digitalization are essential, it is equally important for policymakers to recognize the broader spectrum of skills required in today’s rapidly evolving world of work. Emphasizing a holistic approach to skills development ensures that individuals are equipped not only with digital literacy but also with other essential skills vital for success in diverse industries.

➢ Moreover, civil society organizations have a unique opportunity to make a significant impact by actively identifying and reaching out to vulnerable individuals in need of upskilling support. By collaborating with local communities and leveraging their networks, these organizations can play a vital role in ensuring that no one is left behind in the pursuit of education and skills development. In essence, by implementing these recommendations, we can work towards creating a more inclusive and equitable society where all individuals have the opportunity to enhance their skills, unlock their potential, and contribute meaningfully to the workforce and society at large.

This research provides a robust understanding of skills divides, poverty, and social exclusion, presenting evidence-based insights for policymakers. Advocating for tailored policies and initiatives to bridge these gaps, recognizing the dynamic nature of the labour market and the complex interplay of various social characteristics, the findings and recommendations aim to inform strategic decisions at both European and national levels, contributing to a socially fair and inclusive future.

In summary, the study proves that addressing the unequal treatment of disadvantaged individuals to achieve a just distribution of skills (through skills poverty alleviation) requires inclusive interventions that acknowledge the unique challenges faced by individuals and the intersections of their various characteristics, mitigating the risk of them falling into social exclusion or poverty.

However, it is important to highlight that in the analysis, the absence of Lesbian, Gay, Bisexual, Transgender, Queer, and/or questioning, Asexual, and more (LGBTQA+) characteristics, stemming from a data gap at both the EU and Member-State levels, hinders a comprehensive understanding of how diverse identities within the community may impact skills level. Similarly, there were certain limitations with regard to the characteristics of persons with disabilities; the data are to some extent incomplete, and the type of disability plays a major role in whether an individual is less likely to acquire skills. This proves that further research is needed to address the existing data gaps and limitations, aiming for a more nuanced understanding of how various intersecting identities influence skill
development possibilities. By centring on inclusivity and equity in both research and interventions, we can work towards building a fairer and more inclusive society, where everyone has the opportunity to thrive and fulfil their potential.

The analysis underscores some limitations and proposes possible further research directions. Data gaps regarding LGBTQA+ characteristics at EU and Member-State levels impede understanding diverse identities' impact on skill levels. Similarly, varying levels of skills, as well as access to high-level education, among individuals with disabilities (that are not usually reflected in data according to type of disability) highlight the need for nuanced data analysis and further research. While the study examines dimensions of skills poverty affecting labour market integration and state of poverty, it acknowledges a lack of exploration into technical skills and industry-specific competencies, alongside potential discrepancies in interpreting skills poverty. Future research should adopt inclusive approaches, centering vulnerable communities' voices and experiences, and explore intersecting identities' influence on education access and labour market outcomes. Additionally, the study's reliance on available data limits capturing individuals' personal characteristics, necessitating further quantitative research. Lastly, exploring how emerging technologies like AI and automation exacerbate or mitigate skills inequalities warrants attention.