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PERIOD **ACTIVITY REPORT** **2018** **LABOUR MARKET** **2020** **OBSERVATORY**

**DIRECTORATE C – LEGISLATIVE
WORK**

PRESIDENT: KRZYSZTOF PATER

Introduction

Message from the Observatory President

I have had the pleasure and honour to chair the EESC's Labour Market Observatory (LMO) between 2018 and 2020, in close cooperation with the LMO Vice-Presidents, Vladimíra Drbalová (Czech Republic, Employers' Group) and Cinzia Del Rio (Italy, Workers' Group).

*The LMO, which has existed since 2007 and is composed of 24 members, brings **added value** to the EESC, and particularly its Section for Employment, Social Affairs and Citizenship (SOC), by analysing the key trends and challenges of the labour market and identifying examples of best practices.*

*In recent years, the LMO has confirmed its role as a **forum for debate** between EU and international institutions, civil society organisations, academia and think-tanks. It has given a voice to **civil society organisations**, enabling them to get their messages across to the EU institutions. The Observatory has brought greater **visibility for the EESC**, notably through its high-level public events, and has added to the Committee's reputation as a solid partner for EU institutions and agencies.*

*The LMO has ensured that **discussions on employment and the labour market** have continued within the EESC, at a time when: 1) the EESC has not received many referrals on employment; 2) profound transformations have been taking place on the labour market; 3) employment remains a major concern for the public and 4) organised civil society has a very important role to play in this field.*

*The **themes** the LMO has worked on during this half-term include: 1) Challenges and opportunities for SMEs; 2) The new role of public employment services; 3) Long-term unemployment; 4) Qualifications that are informally acquired through civil society organisations; 5) The digital transition and the transition to a low-carbon, resource-efficient and green economy; 6) The accessibility of the labour market for persons with disabilities; 7) Ageing workers and intergenerational relations 8) Youth employment and 9) Fair labour mobility.*

Unfortunately, due to the COVID-19 crisis, a number of major activities scheduled for 2020 had to be cancelled. These include events, meetings and studies on the training of employees, employment in rural areas and intra-EU mobility. I hope that these topics will be included in the Labour Market Observatory's working programme for the next term.

Krzysztof PATER

President of the Labour Market Observatory

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Activities & main findings

I. Introduction

During its 2018-2020 term, the Labour Market Observatory's activities comprised **public events, internal meetings and a project** on *The work of the future: ensuring lifelong learning and training at workplace level*, which was interrupted due to the COVID-19 pandemic and may be finalised in the Observatory's next term. The LMO also proposed an **own initiative opinion** on the topic of Public Employment Services, which was drawn up by the SOC section in 2019.

To bring **added value** and to serve the SOC section and the EESC usefully, the Observatory has chosen the topics and timing of its meetings and events in such a way as to contribute both to the drafting of EESC opinions and their follow-up, bringing them to a wide public. The LMO has worked closely with other bodies within the SOC section and with EESC sections and Observatories (promoting their opinions and joint meetings).

II. Highlights from events and meetings

One of the Observatory's focal points during this term was a forward-thinking debate on ***The future of work in the context of digitalisation and greening of economies***. At an event in 2019, organised with the Single Market Observatory and the Sustainable Development Observatory, members discussed how to ensure a fair transition in the labour market in the context of current transformations. They noted that it was important to act quickly, proactively develop appropriate policies and seize the opportunities offered by the future, while avoiding the associated pitfalls. All relevant stakeholders need to work together for a just and inclusive transition, providing employment opportunities for all and leading to social progress.

On the subject of digitalisation, the LMO also discussed the **challenges and opportunities for SMEs** at an event in 2018. One of the observations made was that European companies were not making the most of all the opportunities offered by digitalisation and that only 20% of SMEs were highly digitalised. Such companies therefore needed more support to access finance, understand the advantages of digitalisation and identify the skills they need to train their workers.

The LMO has dedicated several public events and meetings to the specific situations of various categories of the most **vulnerable people on the labour market, such as the long-term unemployed, older workers, young people, people with low skills and persons with disabilities.**

Tackling **long-term unemployment** has been a focal point for the Observatory's work since 2017, as it is still a major issue in many EU Member States. During the current term, LMO members discussed the national measures that have been put in place to improve support for the long-term unemployed. The objective should be to achieve holistic and individualised support for individuals in this situation. Measures that could help to get the long-term unemployed into the labour market include in-depth profiling and counselling and closer cooperation with employers and between public employment services, health services and social services.

LMO members have also worked on **the integration of older workers into the labour market, the issue of fairness and solidarity between generations and youth employment.** Members noted that demographic change is resulting in a growing number of older people and a shrinking working-age population. At the same time, young people are more likely to be unemployed, or to have non-standard work contracts and less social protection coverage. Members discussed the implications of demographic decline for future economic growth. They highlighted the need for comprehensive strategies to deal with the demographic and employment challenges in a holistic manner. Solidarity between generations is needed, as is a shift in attitudes towards ageing. Social dialogue and the involvement of all stakeholders in developing policies for active ageing and promoting intergenerational fairness are key. We also need to encourage longer active working lives, to put in place flexible work arrangements for older workers, develop skills through lifelong learning, to stimulate senior entrepreneurship and to implement knowledge-transfer initiatives.

Furthermore, LMO members had the opportunity to discuss the issue of employment for **people with disabilities (PWDs)** at an event jointly organised with the EESC's Study group on disability rights in 2019. The right to work and employment is still far from being a reality for PWDs in the EU. The employment gap between PWDs and the rest of the population remains very wide, with the situation worsening even further for women, young people and people with a higher degree of disability or multiple disabilities. While the objective is still to fully include PWDs in the open labour market, EESC members also discussed practices such as quota systems, supported employment schemes and sheltered workshops, which remain valuable in specific situations. Members considered it essential to involve PWDs and their organisations in all policies and programmes aimed at increasing the employment of PWDs. Such individuals should be entitled to accessible education and training opportunities, as well as coaching in the workplace.

Another major topic dealt with by the LMO was the situation of **people with low skills and qualifications.** The Observatory, together with EU agency Cedefop, organised participatory events in 2018 and 2019. The objective was to bring together representatives from all Member States, the social partners and civil society organisations to help each other improve the literacy, numeracy and digital skills of adults with low levels of knowledge, skills and competences. LMO members discussed the basic prerequisites for helping adults with low skills: firstly, the targeted adults should have their existing skills and upskilling

needs identified; secondly, individuals should be offered tailored, flexible and high-quality learning that can boost their skills and, finally, their existing and newly acquired skills should be validated and recognised.

Members noted that the group of adults with low skills was very heterogeneous, meaning that providing tailored training constituted a significant challenge. They highlighted the role of civil society organisations in reaching out to vulnerable low-skilled people, along with the need for guidance and skills identification in order to bring low-skilled adults back into education and training. The discussions showed that many EU countries were already equipped to provide skills identification, training provision tailored to individuals' needs and validation and recognition of prior learning. However, much remained to be done in terms of bringing together all relevant services in a coordinated manner and within a coherent strategy. It was thus crucial to establish meaningful social dialogue and involve the social partners and civil society organisations in the design and implementation of the upskilling vision.

The Observatory also discussed the **skills and competences acquired in civil society organisations, and how to recognise and value them in the labour market**, at an event organised in 2019. Members looked at concrete examples of CSOs that were excellent places to gain skills. They also discussed the future of the European Qualifications Framework, taking the view that education should be geared more towards outcomes and that people should develop a mindset of lifelong learning. They felt that better links should be created between formal and non-formal/informal learning. Finally, the important role of civil society organisations was highlighted, as these can reach out to people in need of skills validation and guide them.

The key role of **public employment services** has been a cross-cutting subject for the Observatory throughout this term. The LMO proposed an opinion on this issue and also discussed the new role of public employment services (PES) at an event in 2018. Members noted that the effectiveness of PES and their ability to perform in changing circumstances, to address new challenges in the world of work and to successfully integrate people into labour markets differed between Member States. In recent years, the European Public Employment Services Network (European PES Network) has made a real contribution to modernising and strengthening public employment services, and members called for greater synergies between the PES Network strategy beyond 2020 and the principles of the European Pillar of Social Rights.

LMO members also underlined the need for structural cooperation between PES and other social services, to address the wide range of barriers jobseekers face when trying to enter the labour market, such as issues relating to health, housing and transport. Another topic discussed was the concrete benefits of solid cooperation between PES and the social partners and of complementarity between public and private employment services. Proactivity on the part of PES, the creation of one-stop-shops for firms and joint training courses by PES and companies were together considered to be the keys to providing people with sustainable jobs. Finally, LMO members recommended that the innovative role for PES should be properly supported with sufficient skilled staff, IT and technical equipment and funding.

Finally, LMO members started working on a project on ***The work of the future: ensuring lifelong learning and training of employees***, which was interrupted by the COVID-19 pandemic. The objective was to look

at lifelong learning schemes for workers and to analyse the right to training and the opportunities for such training that workers enjoy. The objective was to illustrate the views of the social partners and other organised civil society organisations on the matter and to collect good practices from selected countries.

Appendix I – List of meetings and events

	< April 2018	2019	> October 2020	Total
Observatory meetings				
In Brussels	1	1	1	3
Outside Brussels		1		1
Extraordinary meetings				-
Fact-finding missions				
			1	1
Conferences and hearings organised by the Observatory				
In Brussels	4	4		8
Outside Brussels		2		2
Participation of members in events, meetings				
In Brussels		15	1	16
Outside Brussels		5		5

LMO meetings and events during the 2018 – 2020 term
2018
LMO Meeting on the <i>Latest developments on the labour market and future trends</i> ; deciding on LMO's priorities and activities (2 July 2018)
High-level Joint conference with the European Commission on <i>Employment and social development in Europe. The changing world of work: beyond digitalization</i> (12 October 2018)
LMO Conference on <i>Public employment services and the implementation of the European Pillar of Social Rights: what is their new role in active labour market policies?</i> (29 November 2018)
LMO Conference on <i>Challenges and opportunities for SMEs in the context of the future of work and digitalisation</i> (6 December 2018)

2019
LMO panel in the European Labour Mobility Congress, 14-15 March 2019, Cracow
LMO Conference on <i>Solidarity between generations: a focus on ageing workers</i> (30 April 2019)
2nd Joint event with the EU agency Cedefop on <i>Upskilling adults with low qualifications – Policy Learning Forum on Upskilling pathways: a vision for the future</i> (20-21 May 2019)
Joint Conference with the Chancellery of the Prime-Minister of Poland on <i>Skills and competences acquired in civil society organisations – how to recognise and value them on the labour market</i> (10 July 2019, Warsaw)
LMO Conference on <i>Tackling long-term unemployment: the role of the organised civil society</i> (12 September 2019, Rome)
Joint Meeting of the EESC's Observatories - LMO, SMO, SDO - on <i>New economic models: how to ensure the transition towards fairness and sustainability</i> (23 October 2019)
High-level Joint conference with the European Commission on Employment and social developments in Europe – <i>Sustainable growth for all: choices for the future Social Europe</i> (27 September 2019)
Joint Public Conference with the Study group on Disability Rights on <i>Employment of persons with disabilities: how can we change society's view?</i> (13 November 2019)
2020
Mission to Paris in the context of the project <i>The work of the future: ensuring lifelong learning and training of employees</i> (10-12 February 2020)
LMO Internal hearing on <i>the Impact of the COVID-19 crisis on EU Labour Markets</i> (7 September 2020)
Activities cancelled due to the COVID-19 pandemic: <ul style="list-style-type: none"> - LMO Conference on <i>Employment in rural areas – challenges and opportunities facing Europe</i> - LMO Conference on <i>Quality employment for youth entering labour market</i> - LMO Conference on <i>Intra-EU mobility of workers – its impact on Member States labour markets</i> - Completion of the project <i>The work of the future: ensuring lifelong learning and training of employees</i>