

UfM-Regional dialogue with social partners: Enhancing skills for better employability

Operational conclusions

8th July 2021

Venue: Online

Background to the event

Social dialogue as an instrument of change has undergone several adjustments in the Mediterranean countries, leading its actors to be more and more involved in the social, economic, and environmental decision-making process.

In this context, the Union for the Mediterranean (UfM) Secretariat partnered with BUSINESSMED, an organization that has long worked on the promotion of social dialogue, with the support of the European Commission, to **improve the involvement of social partners when addressing the challenges that labour markets face in the Mediterranean region**. As representatives of governments and employers in the region, both organizations have devoted increasing attention to social dialogue matters, along with their respective partners from intergovernmental organizations, civil society organizations, trade unions, local authorities and economic and social councils. The challenge being ultimately to come up with suitable regional solutions relying on widespread buy in, in a post-pandemic context that is increasingly calling for more country-tailored policies.

The virtual event on 8th July, jointly organised by the UfM Secretariat, BusinessMed, ETF, GiZ and the European Commission, DG Employment, Social Affairs and Inclusion, has provided an opportunity to build on past efforts towards more inclusive social policies in order to move a step further and start to envision concrete solutions to labour market issues through the window of **skills policies in a social dialogue environment**. This event is a follow-up of the 4th UfM Social Dialogue Forum, held on 6-7 October 2020. The overall objective in terms of outcome is to deliver solid recommendations that could feed into the UfM Ministerial Conference on Employment and Labour that is set to take place in 2022.

Relevant framework of the event

To relaunch and strengthen the strategic partnership between the European Union and its Southern Eastern Neighbourhood partners, the European Commission and the High Representative adopted in February 2021 a Joint Communication proposing an ambitious and innovative new Agenda for the Mediterranean (JOIN(2021) 2 final, 9.2.2021)

The priorities are: long term socio economy recovery; co-ownership and putting people at the centre. Social dialogue is key for **decent job, skills and growth, inclusive society**.

The new Agenda is based on the conviction that by working together and in a spirit of partnership, common challenges can be turned into opportunities, in the mutual interest of the EU and its Southern neighbours. The Agenda includes a dedicated Economic and Investment Plan to spur the long-term socio-economic recovery in the Southern Neighbourhood. It also identifies a number of flagship initiatives.

The Opening session underlined core ideas regarding government and social partner dialogue on skills and employability:

- Covid 19 pandemic has increased vulnerability, impacting on skills and employability, particularly of youth and women (more at risk of losing their jobs or with less job prospects after the pandemic).

- The EU has framed this longer term vision for recovery in:
- European Pillar for social rights, emphasis on jobs and skills for the future – focus on Skills and equality that are very pertinent for today’s discussion
- Porto Social commitment, May 2021 : social partners agreed to invest in skills, skills offer, decent job creation
- Italian Presidency G20, June 2021, recognising the importance of a number of actions on skills, skills development, access to quality employment
- Use of outcomes of the regional event to prepare the 5th Ministerial conference on Employment and Labour, focus on the employability of the most vulnerable.
- The 10th anniversary of the Arab Spring and the pandemic mark important historical moments and make the reflection on social dialogue and skills even more timely and relevant
- Pandemic revealed many vulnerabilities, social, economic, environmental. There is however, a non-symmetrical start after the pandemic, many countries are still experiencing profound economic challenges, business closures, job losses
- To cope with this two-speed recovery, all social partners have to act together, joining efforts through stronger dialogue with concrete actions.
- Without an inclusive social dialogue there will not be any inclusive recovery
- Trends such as digitalisation have experienced an acceleration, but they also have shown, also in this case, vulnerabilities. Shift to digitalisation of the economy is here to stay, the shift towards new forms of jobs, can provide opportunities for more remote working.
- Social, life and emotional skills will become more and more important
- Crucial for enterprises is to invest in upskilling and reskilling to survive and cope with the transition
- Informal economy represents 27% in Europe and 87% in Africa, young people and women are part of the informal economy that represents an handicap to growth
- Define more inclusive and most sustainable business model, guided by a strong social dialogue.
- Defining new forms of work, forecasting the skills for the future, remove skills and training programmes that the region no longer needs.

What applies to countries from the two sides of the Mediterranean, applies as well to both sides of the industry, and more generally to an inclusive and structured dialogue with a view to establishing synergies in the medium and long term level between the social partners (employers and workers organisations) and other actors of the civil society in the Southern Eastern Mediterranean on the main themes of sustainable development, as well as in tackling the employability issues and the transition from the informal to formal labour using social dialogue tools. **(FLAGSHIP 6 – Inclusive economies** makes an explicit reference to Social Dialogue: *“promoting social protection systems, social infrastructure, social dialogue, decent working conditions (including safeguarding the occupational health and safety), fundamental labour rights and social economy are key pillars of an economy that works for people”*.

We observe a growing engagement and a growing commitment to involve social partners in skills identification and development, as for example :

- **UfM Ministerial on Employment and Labour of Cascais 2019:** **“recital 4** The Ministers called for making the best use of policies and mobilising all stakeholders through the development of synergies and multilevel approaches, and a thorough mainstreaming of employment and labour issues in all relevant policies. They reiterated the need for promoting social dialogue and collective bargaining and welcomed the commitment of the Social Partners of the region to contribute to the UfM cooperation on employment and labour. They highlighted the crucial role, at all pertinent levels, of an effective and on-going social dialogue, both tripartite and bipartite, to help addressing the challenges of growth, democracy and social justice in the region. **Recital 22.b** In particular, the

Ministers recall the overarching principles along which they recommend to national authorities to develop comprehensive strategies adapted to their needs, towards employment, employability, and decent work: The promotion of a well-functioning social dialogue, at all pertinent levels, both tripartite and bipartite, including the involvement of social partners in the design, implementation and monitoring of economic and social policies

- **Joint statement of the social partners of the Union for the Mediterranean, Cascais 2019:** Effective social dialogue at all appropriate levels plays a crucial role in dealing with the challenges of competitiveness, growth, job creation and social cohesion in the southern Mediterranean region. The northern partners stress the importance of clearly distinguishing the role of the social partners, in particular with regard to their autonomous collective bargaining, which is different in nature from that of the broader dialogues between governments and civil society, since these two types of dialogues follow a logic and legitimacy of their own [...] The social partners also stress the fact that the continuing **challenges** in the region go **beyond** those relating to **unemployment**, in particular with respect to young people, difficulties for women in accessing work as well as refugee flows and migration, to include **other issues** such as the need for a new **investment** agenda, for a **co-development** agenda and the **creation** of sustainable **jobs**, which are issues with a direct or indirect impact on employment and labour.
- **Operational conclusions of the 4th UfM Social Dialogue Forum (October 2020)** – the Forum, which is one of the follow up meetings of the UfM ministerial meeting on employment and labour and called for by the UfM Social partners, focused on the covid crisis and took stock of the socio-economic response and recovery plans. Extract : The Southern Mediterranean countries are in a different situation [than the EU MS]. Without common institutions or with weak regional institutions, the response to the crisis has by and large been **organised by governments country by country**. The role played by social partners in the South Mediterranean countries **is diversified and often not enough structured**. The economic and social impact of Covid is nonetheless a key concern for South Mediterranean social partners, notably at a time of growing unemployment when social security institutions have limited capacity and are faced with the continuous challenge of informality.
- “While access to liquidity remains a key concern for many companies in both regions, we need to progressively move from a focus on the very short-term survival to the crisis, to improving and mobilising our innovation and longer-term growth potential. The European Commission has recently presented its skills agenda for Europe, which rightly prioritises **upskilling and reskilling** of the adult workforce at a time when labour markets needs are evolving rapidly and a **massive improvement in digital skills** is needed by many workers for them to be able to use the technology they need to master to design and sell new products and services”

Key conclusion points

As the operational conclusions of the last Social Dialogue Forum set as a long-term objectives stronger **capacities including knowledge** and a concrete and effective **involvement of social partners**, specific and well-designed mechanisms to operationalise the capacity building and the deeper involvement of social partners are needed. The Regional dialogue highlighted the accomplishments of the **EU's SOLID and SOLIFEM projects** and the necessity to continue building capacities. It is equally crucial to involve social partners more deeply and more concretely in the **reskilling and upskilling, including non-formal and informal learning and training**.

On skills and migration and transparency of qualifications, the proposal for a new EU Pact on Migration and Asylum identifies “Talents’ attraction” as an area for future work and cooperation between the EU and the UfM countries. The “Talent partnerships” initiative aims to develop skills and competencies for the countries of origin and destination in the EU, in a win-win approach. The EU officially launched the initiative at an event on 11th June 2021.

There are links between migration, labour markets and skills development. Social partners and civil society organisations can contribute to policies that improve the use of migrants' skills, benefitting countries of origin, destination and the migrants themselves. Notably, if they focus on recognition of qualifications, validation of skills and competences, skills profiles of migrants and addressing the root causes for migration – both 'push' and 'pull' factors. With this, the social partners would play a role in the definition and implementation of the Talent Partnerships, with a view to win-win-win solutions, which can turn the risks of brain drain into opportunities for human capital development.

The challenges in the transition towards a more digital, green and inclusive societies and economies require the engagement of all and the role of social partners is crucial to make a **just transition** with benefits for all.

The **skill mismatch** between the profile of jobseekers and inactive people and changing labour market needs is a particular **challenge** faced in the transition and developing economies. Economic, sectoral and technological **transformations** are major **triggers** of such **imbalances**; therefore, the **skills mismatch analysis** must be part of overall skills anticipation exercise which requires **coalition of partners** (public and private) as well social partners and civil society organisation to **convert these analysis in to action and policies**. Such research can reveal the past and present inefficiencies in human capital development and utilisation. For example, a boost in provision and enrolment in certain education programmes, particularly at tertiary level, in response to skills forecasts signalling a certain demand on short to long term does not necessarily lead to a matched labour market integration of graduates in the labour market.

- **ETF's studies** of skills mismatch incidence in partner countries show **high and persistent mismatch** in imbalanced labour markets with detrimental impacts: individual **dissatisfaction** about the job in relation to educational attainment and expectations; or **losses for companies** forced to invest in skills development or update for (newly) hired workers because they don't find the required set of skills and competences in the labour market; or **inefficiencies at sector or entire economy's level** due to skills shortages. Lower economic performance forces workers to accept jobs that are not fully matched to their level/field of education.
- **Social partners role** in skills identification and development, is therefore very important to **address** efficiently and fairly the big **challenges** linked to skills matching to evolving labour market requirements.
- The work of the ETF (on skills and migration and transparency of qualifications and on public-private partnerships for skills development indicates that more **effective School-to-Work Transitions** and actions to support people with **obsolete skills and qualifications** are particularly important in this regard. The potential longer-term impact of the pandemic further emphasizes the need for the **most vulnerable jobseekers** to be prioritised to prevent them from falling into long-term inactivity and social exclusion.
- After these years of **pandemic**, but more generally, looking at the **global challenges** the countries have to face (technological, economic, environmental, demographic), the ETF conclusions and proposals to countries reinforce the key message from the Regional dialogue Opening: **inclusion, equality and equity, focusing on vulnerabilities, young people and women**. So, **the need to invest in people**, preparing them for what lies ahead. Ensuring **equal opportunities** for more vulnerable groups (i.e. the low-educated, the poor, women and young people), to **access better education, training and employment within lifelong perspective** needs particular focus. This would require more **flexible** education and training systems (e.g. introduction of modular educational programmes, micro-credentials, learning accounts), ensuring **different learning pathways** both within formal education (e.g. transition between VET and HE) and between formal

and non-formal education (e.g. validation of skills and competences acquired through experience and learning outside formal education- through the development of VNFIL mechanisms), and support the **integration of VET in public and private training sectors and at enterprises**. A massive **upskilling and reskilling** effort requires **mobilisation and collaboration of all institutions and comprehensive adaptation of education and training systems at all levels in the countries**.

- It is important building a **coherent approach** and an **agreed roadmap** with specific **mechanisms and devices**. For example: agreements on training provision, tripartite bodies such as National Skills Funds, various forms of PPPs, skills committees, etc. *(As discussed in Panel 3 Social dialogue to facilitate low-skilled workers' transition from informal to formal economy)*

In 2020 we celebrated the **25th** anniversary of the **Barcelona Process**, launched in 1995 with the aim of strengthening relations between Europe and the Southern Mediterranean countries. The effects of the pandemic and the recovery period that is now opening makes us reflect on the importance of social dialogue and its focus on skills and on not leaving anyone behind, based on the strong cooperation platform established throughout these 25 years.

The contributions and proposals presented in the Regional Dialogue will be fully used to prepare the 5th Ministerial conference on Employment and Labour, with a focus on the employability of the most vulnerable, ensuring that social partners and other civil society organisations contribute to this conference with their commitment and participation in the implementation.

Key messages from the panel discussions

Panel 1 “Social dialogue as driver of change” built on the key ideas and added on the social partner roles and their drivers for action:

Ms Ingrid Schwaiger, EC DG NEAR

- People are the centre of policies. People and their benefits should be placed at the centre of policies and programmes from the beginning. This means from the early stage of policy design and formulation.
- The economy we need is the economy that works for people. The implication is that the recovery should not merely duplicate the previous models but initiate new approaches to the economy.
- Relevant regional programmes funded by the European Commission are: SOLID II to promote an inclusive and structured social dialogue and SOLIFEM to bridge the employability gap.

Mr Patrick Itschert, ETUC:

- Unions play a key role in the current transition
- Transition means a new business model, rather than the model we know, thus there is no transition without social dialogue
- Building capacities is high in ETUC agenda, to effectively contribute to the recovery
- Social interlocutors, social partners: we're on the same boat.

Ms Laura Schmid, ILO:

- The Lifelong Learning (LLL) cycle is a continuous process. But the issue is the system ability to adapt.
- Financing LLL system is still an open question: who contributes? More the public or more the private?
- LLL also is an issue of capacities: social dialogue should address the capacity issue.

Mr Tarek Tawfik, BUSINESSMED:

- The one-size-fits all approach does not work, to find solutions on a case by case.
- To focus on the dynamic of each economy and look into their own demands for skills.

The Panel 2 “Social dialogue to overcome the skills mismatch” highlighted the various aspects of mismatch, its root causes, and the diverse range of people it affects:

Mr Tlili (Arab Trade Union confederation)

- Covid is still impacting heavily on Southern Mediterranean partners, Tunisia registered these days the highest numbers of contagions and deaths since the start of the pandemic
- Economic downturns and difficult socio-economic conditions record high downturns and projections are gloomy as well
- Social dialogue is key and joint efforts need to be put in place do find feasible and sustainable solutions to persistent skills mismatch
- It is of paramount importance to carry out profound reforms of training and education systems
- Mobility and migration as a result of the mismatch bring on the table the difficulty linked to skilled people looking for more decent and quality job, leaving countries of origin in a vicious circle of lacking constantly the right skills for the recovery and growth
- The need to look for sustainable options to have qualifications being recognised is important to create benefits for all, origin and destinations countries.

Ms Kwiatkiewicz-Mory (BUSINESSEUROPE)

- Challenges linked to skills mismatch and skills mismatches themselves existed also before the pandemic as we all know, as well as shifts within existing jobs linked to green and digital transitions that for some years are requiring new skills
- Social dialogue is key to cope with these transitions and the recovery, their role is key since they know well labour markets and what skills are needed, in particular sectoral social partners have the view of what goes on in specific sectors and specific jobs and how skills demand is changing
- In countries where social dialogue is weak, it is key to enhance capacities of social partners and mechanisms for social dialogue
- Examples of collective agreements in specific sectors in Germany and in Austria provide interesting examples of the centrality that skills development and training have for both employers and workers representatives (options for education leave, re-skilling and upskilling opportunities, etc)
- Government have a role to play in allocating sufficient resources
- Social partners driven approaches are the most powerful to address mismatches
- Possibility to cooperate with third countries around improving matching with EU qualifications (talents pool)
- Improving correspondence with EQF

Mr Dennis Van Gessel (DG EMPL)

- Strategic approach to legal migration
- Attracting and keeping talents, channelling legal migration towards where there are skills shortages
- Need for migrants to support the covid recovery
- Initiating partnerships with VET centres
- Skills agenda developments with a particular emphasis on the transparency and mobility tools and the comparison of qualifications against the EQF

The Panel 3 “Social dialogue to facilitate low-skilled workers’ transition from informal to formal economy” discussed approaches and mechanisms that have proven to work:

Presentation 1 from Siria Taurelli, ETF, focusing on the study of Public-Private Partnerships (PPP) for Skills Development, based on 23 cases of PPPs located in EU Member States and Partner Countries:

- These PPPs are joint endeavours that engage the partners in all stages, from the design to the financing, implementation and achievement of results. Social partnership is one of the conditions that can increase the effectiveness of PPPs in the field of skills development. Other conditions include the legal and financing arrangements and the actors’ capacities;
- PPPs can be useful for supporting upskilling and re-skilling in context of transition from informal to formal economy. They are worthwhile when designed to attain benefits for the learners in terms of high quality and inclusiveness (outcomes), beyond quantitative outputs. This means that the PPP partners have a higher level of responsibility compared to less stringent forms of cooperation;
- There is no unique model since PPPs for skills development are diverse. The ETF study identified a typology based on 3 dimensions. The first dimension is the PPP function (knowledge creation, for example skills intelligence; training provision, for example work-based learning; resources, for example training equipment). Second, the degree of integration in the skills system (fully part of the national system, or pilot projects). Third, the membership modalities (PPP is open if new partners may join at any time; or closed if no new partner may become member).
- Financing of upskilling and re-skilling is becoming more and more central, and should be a topic in the social dialogue agenda. There are various co-financing instruments (PPP is one), which require discussion, agreement and implementation.

Mr Daniel Cork, ILO, of the SOLIFEM initiative funded by the EU, focusing on social partners capacities for social dialogue:

- Crucial need to move from informal to formal economy in this period of COVID crisis and rapid technological and non-technological transformations
- SOLIFEM (DZ, EG, PA and LB) is an opportunity for fostering Social Dialogue and the transition to formal economy

Mr Pierre Lucante, GIZ, focusing on multi-stakeholder approaches in the field of employment services: role of public employment services post-COVID, particularly in terms of re/up-skilling vulnerable groups. Practical example: “YouMatch II project”

The monitoring framework required by the previous Ministerial on employment was already developed and its implementation is ongoing. EC’s DG EMPL, GIZ, ETF are discussing with UfM on how it can be used the findings from this monitoring process to feed the would-be Community of Practice (CoP) and the modalities of implementation of this CoP.