

## CONCEPT NOTE

### Active Labour Market Policies, labour market transition and skills development in the context of Covid-19 crisis in the ETF partner countries

#### Background and rationale

In the context of COVID-19 pandemic, the European Training Foundation (ETF) supports the EU Neighbourhood and Central Asia countries and the services of the European Commission with targeted advice on policy responses in the areas of education, re/upskilling and employability and monitoring of human capital and socio-economic developments.

The ETF socio-economic mapping (ETF, July 2020) revealed that Partner Countries have focused on short term, income replacement and economic stabilisation, including workers and enterprise support packages to weather the immediate effects of the crisis. Out of the general set of active labour market measures, many countries prioritised the employment subsidizing to protect jobs. Public Employment Services (PESs) are confronted with a significant inflow of registered jobseekers on a backdrop of already weak capacity to deal with pre-crisis unemployment levels. Upskilling, reskilling and other workforce adaptability components are somewhat weaker in the COVID -19 policy responses. As it becomes more and more clear that certain economic sectors, production and trade patterns will not return to pre-crisis situation, investments in human capital development including adaptability and resilience are crucial to prepare the ground for economic relaunching. Young graduates, jobseekers, redundant workers and groups exposed to social vulnerabilities will need enhanced support to face the new labour market realities.

Since the COVID-19 outbreak, the ETF has launched several new work strands to capture immediate developments and provide targeted advice or sharing innovative solutions in response to pandemic impact. One strand covers the socio-economic dynamics and labour market impact of COVID-19 pandemic and policy responses in the context of crisis, post crisis and recovery phases, with focus on the role of active labour market programmes (ALMPs) including skills development programmes.

The working assumptions are that (i) the economic downturn and pandemic induce sectoral changes requiring change in career paths, reskilling and upskilling for people at risk of losing or without jobs; and (ii) approaches to active labour market policies and programmes may need adjustments to fit current and foreseeable socio-economic conditions, technological advancement etc.

We know from current and previous crises that countries and sectors are impacted differently and their institutional and financial capacities to recover, boost economies and support individuals vary to a great extent. A protracted recovery of less advanced economies is a major risk in the post-Covid 19 context, leading to deeper inequalities. Timely and informed decisions on policy changes and interventions targeting the most exposed may help avoiding such risks and helping them to take advantage of new opportunities created by the digitalisation and greening of the economies

## Objectives

The work will entail a mapping of countries' developments, challenges and measures to counteract the effects of crisis on groups exposed to joblessness and social exclusion risks in the ETF Partner Countries. The focus is on people in (risk of) unemployment and marginalisation in the labour market (those who risk to lose their jobs, who have lost their jobs, who will have to change career paths or who risk to remain out of the labour market). The action will also entail an enhanced exchange of practice, involving both EU Neighbourhood, Central Asia and EU Member States (and beyond).

The overall objectives of the ETF work on Active Labour Market Policies, labour market transitions and skills development in COVID-19 context are the following:

- To map existing interventions in the countries (crisis prevention and crisis management), e.g. adjustments to active labour market programmes (within the wider approach to active labour market policies), workers' and company support measures (preventive and corrective), economic incentives; labour market trends and socio-economic context;
- To identify vulnerable to the crisis population groups in terms of labour market outcomes and their needs to adapt, enhance, upgrade their skill sets.
- To reflect on ALMPs effectiveness and PESs capacity to deal with crisis effects and help recovery in, including innovation potential of employment services and activation programmes' delivery;
- To share innovative practices from countries, promote knowledge sharing and encourage peer learning and discussions.

## Main activities (timeline October 2020 – March 2021)

- **Assessment of the effectiveness of active labour market programmes in crisis and post crisis situations.** Drafting a report on assessing the effectiveness of ALMPs in crisis and post crisis contexts. Key topics include a reflection on ALMPs effectiveness and efficiency in transition and developing countries; what can be learn from past crisis and recovery periods and how crisis shape the employment services and ALMPs design and delivery, in particular what is or is there a place for skill development. The report should conclude on how and what changes are needed in the ALMPs type, design and targeting and how innovation of PES interventions can boost the effectiveness of policy interventions in crisis, post-crisis and recovery period.
- **Mapping innovative practices of active labour market programmes among EU Member States, EU Neighbourhood and Central Asia countries.** Analysis to identify and map innovative practices for the adjustment and implementation of ALMPs in COVID-19 pandemic context, such as innovative solutions in design ALMPs, new modalities of delivery, emerging challenges, new target groups or new skills set including for building resilience of jobseekers or workers. The analysis will also investigate solutions found for boosting the capacity of Public Employment Services to deal with increased demand for services and new formats of delivery given the COVID-19 restrictions. This will result in a report comprising a series of case studies focused around the key reforms and innovation practices implemented in the European Union and EU Neighbourhood and Central Asia regions. Two dissemination events are foreseen (on 27 October, and late November/December tbc).
- **Analysis to support readiness of Public Employment Services and other stakeholders to address the post COVID-19 times in a number of ETF PCs.** Research will focus on minimum three ETF Partner Countries and will rely on an analytical framework to study the recovery conditions and foreseeable impact on types of services, measures and other support needed for jobseekers and vulnerable groups. Short country analyses are foreseen that will investigate pre-conditions and measures to boost the readiness of Public Employment Services and other stakeholders to address the post COVID-19 times. The country reports should put forward a number of concrete/actionable policy advice and measures to help respective PES and stakeholders prepare for the recovery period with fit for purpose activation and upskilling measures or other types of interventions, well grounded into country socio-economic realities and delivery capacities. The conclusions and policy advice can inform the planning of EU and external support and country priorities for building up ALMPs delivery and PES capacities while pursuing a transition agenda towards more agile economies and workforce.