

# **NEWSLETTER #1**

Investigating and responding to Europe's twin transformations

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# Investigating and responding to Europe's twin transformations

Europe's economy is undergoing two fundamental transformations at the same time. New digital technologies mean that individuals and employers are reimagining the way we work and do business. Meanwhile, governments, companies and consumers are responding to the challenges of climate change by pushing for the development and deployment of green technologies.

Those two revolutions are driving seismic shifts in the demand for skills, just as changes in demographics and education affect the supply. All of this is causing new shortages and mismatches to appear. The SkiLMeeT consortium, comprising eight research institutions from six European countries, has just embarked on a three-year journey to investigate how those processes are playing out, and to recommend innovative ways for policymakers to respond.

We're pleased to present you with our first newsletter, which introduces the project and explains more about our ambitious goals and our research agenda. We'll update you on

our progress with another edition of the newsletter every four months.

To stay on top of all the news from our project, including events and other ways you can join us on this journey and benefit from what we're learning, please visit our website at <u>www.skilmeet.eu</u>, and follow us on <u>LinkedIn</u> and <u>x.com</u>.

Happy reading! The editors



Helping Europe's labour market respond to the new skills challenges

Ronald Bachmann, SkiLMeeT scientific coordinator

European labour markets are under more stress than ever before. The digital and green transitions, demographic change, the war against Ukraine, Covid-19, and the disruption of global value chains are massive challenges for firms and workers alike. These developments are causing shifts in skills demand and supply. Companies are being forced to restructure by changes in consumer demand, production technologies, costs, and the regulatory environment, particularly with respect to the green transition. This restructuring causes changes in companies' demand for skills. On the supply side, the changes are driven by demographic trends, educational expansion and updated training curricula. This may lead to a situation where some skills are undersupplied (skills shortages) and available skills are not in line with current and future skills demands (skills mismatches).

Against this background, Europe's labour market must ensure the workforce has the skills demanded by a thriving, innovative and sustainable economy. The labour market must also be highly inclusive, with low inequality, i.e. high participation rates, low unemployment and access to high-quality jobs across all socio-economic groups. The European Commission indicated these priorities in its 2023-24 work programme.

To reach these goals, it is crucial that employers, workers and policymakers stay current with changing skills requirements, shortages and mismatch; that they are aware of what's driving those metrics; and that they are provided with solutions to these challenges. The SkiLMeeT

project therefore pursues three main goals:

- Produce reliable indicators that help to better understand the extent of skills mismatches and shortages, and identify which countries, regions, occupations, industries, and individuals are most affected;

- Provide novel insights into the effects of specific drivers that lead to altered skills requirements and therefore skills mismatches and shortages, with a particular focus on the green and digital transitions;

- Present viable pathways for reducing skills shortages and mismatches, e.g. beneficial worker transitions, and education and training.

To help it reach these goals, SkiLMeeT's methodology is built on three pillars. First, the project uses a wide range of data sources, including innovative data such as online job vacancies and training curricula, and a variety of empirical methods to make the data useable (in the case of big data) and to perform empirical analyses. This allows us to compute novel indicators on labour and skills mismatches and shortages, to analyse their drivers, and to identify viable pathways to reduce them. Second, SkiLMeeT uses qualitative methods to explore these pathways in more depth, taking into account stakeholders' views. Third, SkiLMeeT makes the active involvement of stakeholders a strong priority right from the start of the project, taking into account feedback loops between the insights of stakeholders and policymakers on the one hand, and the research generated by the project on the other.



### Ronald Bachmann, SkiLMeeT scientific coordinator

Ronald Bachmann is head of the research unit "Labour Markets, Education, Population" at RWI – Leibniz Institute for Economic Research and adjunct Professor of Labour Economics at the Düsseldorf Institute for Competition Economics (DICE) at Heinrich-Heine-University Düsseldorf. He is also a faculty member of the Ruhr Graduate School in Economics (RGS) and a Research Fellow of IZA - Institute of Labor Economics.



# Project SkiLMeeT kick-off meeting

Representatives of the eight institutions in the SkiLMeeT consortium met in Leiden on 24-25 January 2024 to begin their three-year mission of exploring how the digital and green transformations are affecting skills shortages and mismatches in Europe.

The SkiLMeeT kick-off meeting was hosted by project coordinator TNO, the Netherlands Organisation for Applied Scientific Research. It started with welcoming speeches by two representatives of TNO, Joost van Genabeek and Suhendan Adiguzel van Zoelen, and by Ronald Bachmann of RWI.

"The SkiLMeeT project, which stands for 'Skills for labour markets in the green and digital transition', will develop indicators of skills shortages and mismatches in Europe, and produce scientific articles and policy briefs with a commitment to the gold standard of open access publishing," said Suhendan Adiguzel van Zoelen. "These materials will be immediately available on the project website."

Following the introduction, Andrea Rotondo, project officer from the European Commission's Research Executive Agency, delivered a presentation on the Agency's expectations, outlining how SkiLMeeT should be managed in areas such as relations with the Commission, periodic reporting, collaboration with other projects, and impact assessment.

Simone Rosini, team leader at DG Employment, presented European Commission policy priorities in the social domain, highlighting that skills and labour shortages are relatively recent issues and citing new research and data gathered by various EU agencies.

In the second part of the day, presentations were made on the seven work packages. Ronald Bachmann discussed the objectives of WP1: Conceptual Framework and Joint Infrastructure, and WP5: Pathways to Reduce Skills Shortages and Mismatches. Ulrich Zierahn-Weilage of Utrecht University focused on the aims of WP2: Data on Labour and Skills Shortages, Skills Mismatches, and their Drivers. IBS President Piotr Lewandowski detailed the tasks ahead for WP3: Indicators on Labour and Skills Shortages and Mismatches. LISER's Christina Gathmann addressed WP4: Drivers of Skills Shortages and Mismatches. Olga Markiewicz of Aldgate focused on WP6: Engagement, Communication, and Dissemination, while Suhendan Adiguzel-Van Zoelen presented WP7: Project Management.

On 25 January the group discussed linkages between the work packages and the work plan for 2024.



# SkiLMeeT consortium wins financing from Horizon Europe

The SkiLMeeT research consortium was awarded almost €3 million to explore how the digital and green transformations of European economies are changing the demand for and supply of skills. Over the next three years, we will analyse the scope of skills shortages and mismatches, identify their drivers, and propose innovative ways to address the gaps.

The SkiLMeeT consortium comprises eight research institutions from six European countries. The Netherlands Organisation for Applied Scientific Research (TNO) is the coordinator of the project, taking on the bulk of the administrative and financial burden; TNO and Germany's RWI – Leibniz Institute for Economic Research are the scientific coordinators. The other consortium partners are Fondazione Eni Enrico Mattei (FEEM) of Italy; the Luxembourg Institute of Socio-Economic Research (LISER); Poland's Institute for Structural Research (IBS); Utrecht University from the Netherlands; the Institute of Philosophy and Sociology at the Bulgarian Academy of Sciences; and Aldgate Strategy Group, based in Poland.

"As Europe experiences the rapid acceleration of the green and digital transitions, we are observing significant shifts in the demand for skills," says SkiLMeeT scientific coordinator Ronald Bachmann of RWI. "However, we lack comprehensive and comparable cross-country indicators on skills and labour shortages, which poses a significant obstacle for skills matching and for developing policies that can help mitigate this problem. Our consortium will address this gap in the knowledge."

The research project, whose full title is "Skills for labour markets in the green and digital transition", will develop indicators of skills shortages and mismatches in Europe, provide new insights into the drivers of the skills gap and offer policy recommendations on how to close the gap. SkiLMeeT employs an inter- and transdisciplinary approach, using a variety of data sources, conducting analyses and engaging in extensive consultations with stakeholders.

The planned output includes nine datasets and indicators, nine technical reports, 15 research papers, and 11 policy briefs.

The SkiLMeeT consortium's proposal was one of 103 projects submitted to the Horizon Europe

Research and Innovation Actions call: Inclusiveness in times of change (HORIZON-CL2-2023-TRANSFORMATIONS-01).



## SKILLS FOR LABOUR MARKETS IN THE DIGITAL AND GREEN TRANSITION

SkiLMeeT is a research project carried out by eight research institutions, exploring how the digital and green transformation of European economies are changing the demand for skills. We analyse the scope of skills shortages and mismatches, identify their drivers and propose innovative ways to reduce skills gaps.

PARTNERS:







University











Funded by the European Union

This project has received funding from the European Union's Horizon Europe Research and Innovation programme under grant agreement No 101132581.

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