Skills Summit 2020: Skills strategies for a world in recovery

Issues for discussion

9 October 2020, Virtual Meeting

This document provides background information for participants in Skills Summit 2020: Skills strategies for a world in recovery co-organised by the Government of the Republic of Slovenia and the OECD.

The coronavirus (COVID-19) pandemic (the crisis) has triggered the most severe recession in nearly a century, and has caused enormous damage to people’s health, jobs and well-being. The crisis has also severely tested countries’ capacity to develop and use people’s skills to their full potential. This has occurred in the context of ongoing megatrends such as advances in technology, globalisation, population ageing, migration and climate change, all of which are making skills more important for individuals’ and countries’ success, social cohesion and sustainable development in the 21st century.

The document begins with an introduction (section 1) and analyses: the importance of skills in the context of ongoing megatrends (section 2); skills development policies to support countries’ recovery in the shorter term and resilience in the longer term (section 3); skills use policies to support countries’ recovery and resilience (section 4), and skills governance arrangements to support countries’ recovery and resilience (section 5). It incorporates insights from the OECD’s recent and ongoing analysis of the skills policy implications of the crisis, as well as selected preliminary findings from the forthcoming Skills Outlook 2021 on lifelong learning. Additionally, the paper poses some discussion questions to help prepare participants for discussions during the Summit.

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1. The coronavirus (COVID-19) pandemic has triggered the most severe recession in nearly a century, and has caused enormous damage to people’s health, jobs and well-being. People’s opportunities to develop and use their skills have been significantly affected by the crisis and public health responses, such as the closure of non-essential activities and quarantines.

2. A strategic approach to developing and using people’s skills will be essential for countries’ recovery from the immediate consequences of the coronavirus (COVID-19) pandemic and resilience to future disruptions. Skills are vital in enabling individuals and countries to adapt and eventually thrive in response to changing economic, social and environmental conditions in an increasingly complex and interconnected world. Skills help countries build sustainable and inclusive economies and societies. Megatrends like globalisation, digitalisation, demographic and climate change are transforming learning and jobs, and the way societies function and people interact. The crisis has interacted with these megatrends in complex ways, for example by accelerating some (especially the unprecedented shift to digital (remote) learning and work), while slowing others (global flows of people and goods), at least in the short term. Those already facing disadvantages – such as those with limited access to technologies, low digital skills and competencies, and/or low-skilled jobs – were hit hardest by the crisis: not only in terms of learning and earning, but also in daily life (shopping, socialising, etc.). These challenges provide countries with great impetus, and a rare opportunity, to implement skills policies that not only boost the recovery today, but also build resilience and achieve long-lasting improvements for the future, without leaving any groups behind.

3. More than ever, countries’ success in recovering from the current recession and building resilience for the future will require a strategic and co-ordinated approach to skills policies. The challenges for countries are manifold: creating synergies between short- and long-term skills policy objectives; improving skills investments in the context of public and private financial pressures; ensuring coherence between policies for developing and using people’s skills; and ensuring the success of skills policies for end users. This will require renewed efforts for whole-of-government approaches to skills policies, effective engagement of skills stakeholders, well-targeted and shared skills financing, and improved information on learning opportunities and changes in skill demand.
The importance of skills in the context of megatrends

Box 1. Key points: The importance of skills in the context of megatrends

- Skills are vital in enabling individuals and countries to thrive in an increasingly complex, interconnected and rapidly changing world.
- Digitalisation continues to disrupt all aspects of life, including skills development and use, necessitating continuous skill development. The digital transformation has been accelerated by the coronavirus (COVID-19) pandemic.
- Globalisation has led to the emergence of global value chains (GVCs), in which skills play a key role in determining countries’ comparative advantages. The crisis has demonstrated the vulnerability of domestic production to sourcing inputs from distant locations, and could lead to countries shortening GVCs and reshoring production in some sectors.
- Demographic change, namely population ageing and international migration, have had a great impact on skills demand and supply across the OECD. However, the crisis greatly reduced migration, including of international learners and highly-skilled migrants, disrupting skills supply and higher education.
- Environmental challenges – climate change, air quality, water pollution, waste management and biodiversity loss – have implications for which skills are needed, and potentially how they are developed and used. The long-term challenge for policy-makers will be to help their economies to move towards sustainable highly-skilled, high-productivity activities.

4. Skills are vital in enabling individuals and countries to thrive in an increasingly complex, interconnected and rapidly changing world. Countries in which people develop strong skills, learn throughout their lives, and use their skills fully and effectively at work and in society are more productive and innovative, enjoy higher levels of trust, better health outcomes and a higher quality of life. Skills policies play a central role in paving countries’ development path by, for example, easing the adoption of new technologies and moving up the global value chain. They also make countries more attractive to foreign direct investment and tend to help foster more tolerant and cohesive societies (OECD, 2019[1]). Megatrends are making skills more important than ever for economic success, social well-being and sustainability, while also transforming the skills needed for success in today’s world. The crisis has accelerated some of these megatrends, especially the digital transformation, while slowing others, such as global integration and migration, at least in the short term.
A. Digitalisation: Technology transforming life, learning and work

5. The digital transformation continues to disrupt all aspects of life, including the development and use of skills, and has been accelerated by the coronavirus (COVID-19) pandemic. Information and communications technologies (ICTs), advances in artificial intelligence (AI) and robotics are profoundly changing the way people learn, work, communicate and live (OECD, 2019[1]). OECD research, building on PIAAC, suggests that on average in the countries that participated in the survey, about 14% of workers face a high risk of seeing their jobs automated, and another 32% face significant changes in their job tasks due to automation from technologies available today (see Figure 1). Evidence from the OECD Skills for Jobs database (OECD, 2017[2]) shows that the labour market demand for skills that are hard to automate – e.g. high-cognitive skills such as written and oral expression, reasoning and complex problem solving – has increased in the last decade, while demand for easily automatable skills – such as routine, physical abilities – has dropped significantly. Technology also affects the way people learn. In 2018 almost half of 15-year-olds on average across OECD countries were enrolled in schools whose principal reported that an effective online learning support platform was available in their school (PISA 2018). Online learning was less common among adults prior to the crisis, when just one in five adults experienced distance learning every year (OECD, 2020[3]). However, the crisis and ensuing closures and lockdowns caused an unprecedented shift to online learning and working for millions of people of all ages across the OECD, seriously testing countries’ capacity to develop and use people’s skills remotely (see below).

Figure 1. Cross-country variation in job automatability

<table>
<thead>
<tr>
<th>Percentage of jobs at risk by the degree of risk</th>
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<tbody>
<tr>
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<tr>
<td>60</td>
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<tr>
<td>70</td>
</tr>
<tr>
<td>Significant likelihood of automation (50-70%)</td>
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<tr>
<td>High likelihood of automation (&gt;70%)</td>
</tr>
</tbody>
</table>

Note: High risk – more than 70% probability of automation; risk of significant change – between 50% and 70% probability.
Source: (Nedelkoska and Quintini, 2018[4]), “Automation, skills use and training”, http://dx.doi.org/10.1787/2e2f4eea-en

B. Globalisation: Emergence of global value chains

6. Globalisation has led to the emergence of global value chains (GVCs), in which skills play a key role in determining countries’ comparative advantages (OECD, 2017[5]). Globalisation has led to the emergence of global value chains (GVCs) that allow different parts of the production processes to be
performed in different geographical locations. The general trend in OECD Member countries is for low-skilled, routine tasks to be offshored, leading to the loss of those jobs in well-developed economies and the corresponding gain in developing and emerging countries. On average, in OECD Member countries, close to 40% of the value of manufactured exports and 20% of the value of business services exports comes from abroad. This process has led to greater convergence between world economies and a decrease in poverty rates in low- and middle-income countries (OECD, 2019[1]). However, following challenges sourcing certain inputs and products in some regions, additional trade and investment restrictions have sprung up in the wake of the crisis, and some economies may respond by shortening GVCs and reshoring production (OECD, 2020[8]). This would disrupt skills needs in OECD countries, for example by the reshoring of some manufacturing activity.

C. Demographic change: Ageing and migration

7. Population ageing and international migration continue to have a major impact on skills demand and supply across the OECD (OECD, 2019[1]). The populations of almost all OECD Member countries are ageing and many are expected to decline, owing to declining fertility rates and increased longevity. With fewer young people entering the labour market, it becomes more important to ensure that people are developing the right skills and using them effectively to avoid skills imbalances that stifle growth. Better health at older ages also implies that many older workers can stay in the labour market longer, provided they have adequate incentives and support, especially adequate opportunities to reskill and upskill. The growing needs of elderly people are also leading to the expansion of healthcare and social support, which are difficult to automate. The populations of Japan, Italy and Spain could shrink by more than 50 percent by 2100 according to recent estimates (Vollset et al., 2020[7]). Migration flows were on the rise before the crisis, increasing the potential for countries’ to attract and lose talent and skills. These flows benefited from pro-active migration policies, especially in areas of shortages, as well as policies to recognise qualifications and competences and integrate children into the education system and adults in the labour market. However, the crisis significantly reduced migration, including of international learners and highly-skilled individuals. Experiences from previous economic crises highlight risks of disproportionate and long-lasting negative effects on the integration of immigrants and their children, and declining support for proactive migration policies (OECD, 2020[8]). The effects of the crisis on the virtual flow of knowledge and skills across borders, which could potentially partially offset reduced migration, are as yet unclear.

D. Environmental challenges: Climate change and environmental health

8. Environmental challenges – climate change, air quality, water pollution, waste management and biodiversity loss – have implications for which skills are needed and developed, and how they developed and used. The “greening” of economies can support sustained and inclusive employment, but also bring challenges for employment and skills which vary across regions and countries. The transition from high- to low-carbon production will likely affect all workers, and these changes may be minor for the majority. However, they will be substantial for a small number of industries and professions, and require targeted support measures (OECD/Cedefop, 2015[9]). Furthermore, environmental catastrophes can disrupt lifelong learning and labour markets, and are a growing cause of migration. As with the economic crisis of 2008, the current crisis has dramatically affected job prospects in many countries, with policy makers facing potential or perceived trade-offs between growth and sustainability (OECD, 2020[10]). The long-term challenge for policy-makers will be to help their economies to move towards sustainable, highly-skilled, high productivity economic activity (OECD/Cedefop, 2015[9]).
Box 1. Key points: Skills development – Impacts and policies for recovery and resilience

**Impacts of the crisis on skills development**

- The crisis resulted in widespread closures of education and training institutions to learners of all ages. School closures, for example, affected over 90% of total enrolled learners worldwide. Distance-learning solutions (online, TV and radio) were implemented for young and adult learners in many countries, to an unprecedented scale and likely with mixed quality and results.

- The impacts of closures on learning gains, and learners’ socio-emotional skills and wellbeing remain to be assessed, but “learning losses” could be large and persistent. Young learners from disadvantaged backgrounds face the greatest risks of learning loss and dropping out.

- School closures and disrupted learning could have long-lasting implications for gender gaps in education. Remote learning and the use of technologies may exacerbate existing gender gaps in attainment and achievement if they further reduce the engagement of boys at risk of dropping out and of girls who do not feel confident using digital technologies. However, they could also disrupt the status quo and reduce gender gaps if educators used this as an opportunity to find new ways of engaging boys and to increase the digital skills and digital confidence of girls.

- Lockdowns have disrupted vocational education and training (VET) systems, especially work-based learning and apprenticeships, as well as systems to assess skills and award qualifications. These disruptions have been particularly harmful for youth from disadvantaged backgrounds, who tend to be over-represented in VET.

- Closures of higher education institutions (HEIs) to learners also raised concerns about youths’ social and networking opportunities, while the increased use of online forms of delivery may have implications for how the credentials earned are perceived. The combined effect may be to further dampen the already bleak job prospects for youth leaving school today, both in the short and medium-term. Additionally, declining and/or deferred enrolments could have major implications for HEI finances and future capacity.

- Millions of adults experienced reductions in their main form of learning – informal learning in the workplace – reflecting less interactions among workers, reduced hours and/or unemployment.

**Skills development policies for recovery and resilience**

- In the short-term, countries should prepare learning institutions to re-open (and remain open for as long as possible), which can yield major benefits for learners, parents and the economy. This entails adapting learning spaces and teaching practices to minimise the spread of the virus.

- Governments should support efforts to prevent children from dropping out from school and promoting new forms of engagement with learning, especially among boys. The use of online
learning tools could also be leveraged to promote digital skills and digital confidence among girls.

- Countries should also prepare their lifelong learning systems (all age groups) for a potential second wave of the virus, while reversing learning losses from the first wave (especially for disadvantaged learners). Improving delivery systems for remote and blended learning will be essential, including support for learners and families (especially from disadvantaged backgrounds), as well as teachers, to effectively engage in these modes of learning. Such investments can build system performance and resilience for the future.

- In VET, increased flexibility in delivery and assessments will be crucial, and employers will likely need additional support to continue to offer training opportunities, including apprenticeships, during the downturn. Work-based learning opportunities may need to be shortened and complemented through more classroom-based learning in the short term, and greater use of new learning technologies in the longer term.

- In higher education, policy makers and institutions will need to work together to support learners with flexible ways to gain credits, maintain grades and graduate. Governments can provide short-term financial support to institutions and encourage more diversified financing sources.

- In adult learning, governments and providers will likely need to expand learning opportunities, support adults to develop basic skills (including digital skills) and motivate adults’ engagement in online and blended learning (especially for low-skilled adults).

- Governments should invest in improved monitoring and evaluation across their lifelong learning systems, to ensure the overall quality of teaching, learning and skills development. In the long term, countries should reflect on the role and design of their learning systems in shaping the societies that will emerge from this crisis, assuring sustainability, health and well-being for all.

## A. General school education

9. The crisis resulted in the widespread closure of school premises, causing unprecedented challenges for educational continuity and quality, which are a right under the United Nations Convention on the Rights of the Child (1989) and are part of the Sustainable Development Goals (Quality Education). These challenges were greatest for young learners from disadvantaged backgrounds. In general school education, countries must prepare school systems for re-opening but also a potential second wave, while reversing learning losses from the first wave. Countries must also look forward, expanding and improving delivery systems for remote and blended learning, while empowering learners, teachers and families of all backgrounds to successfully utilise these forms of learning.

### I. Impacts of the pandemic on formal general education

10. As a response to the crisis, many countries around the world closed schools to halt the spread of the virus. According to data from UNESCO, the peak in school closures was registered at the beginning of April 2020, when around 1.6 billion learners were affected across 194 countries, accounting for more than 90% of total enrolled learners (UNESCO, 2020[1]). Education policy makers, school principals and teachers had to find alternatives to face-to-face instruction in order to guarantee children’s right to education (OECD forthcoming[1]). An OECD-Harvard Graduate School of Education Survey found that half of learners in primary and secondary schools faced school closures equivalent to at least 2 months of instruction (Reimers and Schleicher, 2020[11]). During this time, distance-learning solutions such as

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1 Strengthening online learning when schools are closed: the role of families and teachers in supporting students during the COVID-19 crisis
online classrooms, TV and radio broadcasts, and computer-assisted learning were implemented to an unprecedented scale to connect teachers and learners. Some countries and schools prioritised core curriculum essential for learner progression and examinations over cognitive, social and emotional competencies during this time. Some countries (such as Denmark, France, Israel, Slovenia and South Korea) had welcomed back learners by June 2020, others (such as Spain and Italy) did not re-open schools until September, while in Latin America most schools remained closed in September (OECD, 2020[12]) (The Economist, 2020[13]).

11. Many young learners, teachers, parents and schools entered the crisis ill-prepared for remote learning, especially learners from disadvantaged backgrounds. Students’ learning gains/losses during school closures varies significantly by access to remote learning, the quality of remote instruction, home support, and the degree of engagement ( McKinsey, 2020[14]). Across the OECD on average, the PISA study reveals that in 2018 15-year-old learners in disadvantaged schools had less access to a quiet place to study, a computer for schoolwork, and internet connection at home than learners in advantaged schools, important pre-conditions for remote learning to occur (PISA 2018). Many learners lost contact with teaching staff initially, which increased the risk of disengagement and dropout, especially among learners from disadvantaged backgrounds (OECD, 2020[12]). A recent study of young learners (4th grade) in 21 European countries using data from the 2016 Progress in International Reading Literacy Study (PIRLS) also highlighted challenges with continuity, learning gains and engagement, which are expected to increase overall educational inequalities in the EU ( Blask and Schnepf, 2020[15]). While teachers’ contact with learners and fellow staff required use of digital technology, only 65% of 15-year-olds are enrolled in schools where teachers have the necessary technical and pedagogical skills to integrate digital devices in instruction according to the school principal (OECD, 2020[16]). According to government representatives in the OECD-Harvard survey (2020[11]), one in every four teachers were not offered any professional development during closures. Finally, working parents of young children in particular faced challenges balancing work and care responsibilities during school and childcare facility closures, with the strain most acute for mothers who likely picked up much of the additional unpaid work (OECD, 2020[17]) (see Section 4).

12. The precise impact of school closures on students’ learning (“learning loss”) is yet to be assessed and will differ by subject, age and other factors, but it will be worst for learners from disadvantaged backgrounds. Some pre-pandemic research and experience during past crisis (for example, the Christchurch earthquakes in 2011) suggest learning losses could be small and temporary (Hattie, 2020[18]). However, recent estimates suggest much larger learning losses and economic impacts associated with the current crisis (Hanushek and Woessmann, 2020[19]; McKinsey, 2020[14]). Hanushek and Woessman consider that a typical learner could have lost one-third of a school year of learning during the crisis. They estimated that this would reduce learners’ lifetime incomes by about 3%, and lower a typical country's GDP by an average of 1.5% over the remainder of the century. Modelling by McKinsey for the US suggests even greater learning and income loss, especially for low-income learners, reflecting the lower average quality of remote learning, increased dropouts and other factors (McKinsey, 2020[14]). Furthermore, research into students’ summer (vacation) learning loss suggests that declines could be steeper for mathematics than for reading, and greater for learners in higher grades. The loss is also greater for lower income learners (Kuhfeld and Tarasawa, 2020[20]) (Cooper et al., 1996[21]) (Reimers and Schleicher, 2020[22]).

13. School closures and disrupted learning could have long-lasting implications for gender gaps in education. School closures and remote learning may impact the learning progression of boys and girls differently and influence gender gaps in education depending on the form remote teaching and learning used to continue instruction (digital content, television/radio, paper-based material delivered to children, no substitution), children’s own attitudes and dispositions towards school and learning and the attitudes and expectations parents and teachers hold for boys and girls. In many countries, boys in general and boys from low socio-economic status families in particular, may be at an especially high risk from dropping out because they tend to be over-represented among students with low grades, low
literacy skills and among students with negative attitudes towards school and learning (Borgonovi, Ferrara and Maghnouj, 2018[23]).

14. Furthermore, although there is no evidence yet on the impact online educational activities may have on the relative progress of boys and girls, there is evidence that girls in general (low-achieving girls in particular) may perform relatively poorly on tests that require them to be proficient users of digital technologies (OECD, forthcoming[24]). Before the Covid-19 pandemic hit OECD countries, many girls expressed not feeling very confident about their ability of using technology, despite demonstrating proficiency in digital skills assessments such as the 2018 International Computer and Information Literacy Study (Fraillon et al., 2014[25]). The discrepancy between the gender gap in actual performance and the gender gap in self perceptions could be seen across economies and was particularly notable for more complex skills, such as locating specific information online or creating a multimedia presentation. On the ICILS assessment, girls’ self-efficacy scores – that is, their perceived as opposed to their actual abilities – for advanced ICT tasks were significantly lower than boys’ in all economies (OECD, 2019[26]).

II. General school education policies for recovery and resilience

15. Countries will need to prepare school systems for re-opening (and remaining open for as long as possible), while expanding and improving delivery systems for remote and blended learning. This can prepare systems for a resurgence in the number of sick people and strengthen performance and resilience for the long run. Several steps can be taken to manage the risks and trade-offs of re-opening schools, including physical distancing measures, establishing hygiene protocols, revising personnel and attendance policies, and investing in staff training on appropriate measures to cope with the virus (OECD, 2020[27]). Drawing on lessons learnt from remote learning in the first half of 2020, education systems should not only aim to ensure access to remote resources for disadvantaged learners, but strengthen engagement between schools and parents in order to improve information and guidance to parents on effective practices for supporting their children’s learning. Most OECD countries have already put in place interventions to support working parents to provide childcare and support to their children in schoolwork by extending, for instance, paid family leave opportunities (including Canada, France, Germany, Italy, Slovenia, Switzerland, USA and the UK) (OECD forthcoming2). The provision of information to parents on how to effectively support their children’s learning can also improve educational outcomes, for example, Wide Open School, a web platform created in the US, that offers resources for educators and families for learners from preschool to upper secondary education (Vincent-Lancrin, 2020[28]) (OECD forthcoming3). Finally, digital online learning platforms should be blended with classroom-based learning as long as schools remain fully or partly operational (Reimers and Schleicher, 2020[11]). Investing in the continued development of young learners’ digital citizenship skills – competences, attributes and behaviours to participate safely, effectively, critically and responsibly in the digital world – remains essential to the success of online learning (Council of Europe, 2020[29]).

16. Targeting support to disadvantaged young learners will be essential, to help them recover lost learning and remain engaged in learning for the long term. In the Harvard-OECD survey of 59 countries, some 78% of government respondents and administrators reported that remedial measures would have a special focus on disadvantaged learners (Reimers and Schleicher, 2020[11]). Governments will need to understand and address the effects of disrupted learning across different age groups, subjects and, most importantly, different groups of learners (especially disadvantaged learners with little or no access

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to technology, with special needs, from low socio-economic status households, and/or with limited language skills such as migrants, asylum seekers and refugees). Perhaps more importantly, policy should focus on keeping disadvantaged learners engaged and motivated, and minimising drop-outs. This can involve monitoring and assessing learner engagement, attendance, behaviour, and learning progress; offering adequate resources (such as laptops or tablets, and safe places to learn); and providing individualised support to learners to benefit from new modes of delivery (Gouédrard, Pont and Viennet, 2020[30]) (OECD, 2020[12]). In particular, governments should support families and teachers to help learners to develop positive attitudes and dispositions towards learning, for example with tailored information and guidance about effective remote learning and teaching practices and motivation strategies (OECD forthcoming⁴).

17. Countries will likely need to sustain and deepen teacher professional development to underpin support for disadvantaged learners and online and blended learning. Teachers need support to incorporate technology effectively into their teaching practices and methods. Supporting teachers’ training about the use of digital resources for pedagogical practice and promoting teaching practices adapted to this context is key to ensure that ICT is leveraged effectively. In this respect, France has mobilised its network of local digital education advisers to support the transition from face-to-face to distant learning. The network of digital education advisers has supported both teachers and school principals by providing them with online training about digital resources for pedagogical practice, and by promoting teaching practices adapted to educational continuity and the progressive re-opening of educational institutions (OECD forthcoming⁵).

18. Public efforts designed to reduce the spread of the Sars-CoV-2 virus by moving instruction out of physical classrooms may have long term consequences on gender gaps. Depending on the readiness and effort put forward by policy makers and educators it could reduce some of the persistent gender gaps in digital skills and confidence, by encouraging girls to make an intensive use of technologies with help and support. The change in mode of instruction, and the move of learning from school settings may also prove an important opportunity to engage young males, who are often disengaged from education. However, there is also the risk that without support many girls who lack digital skills and or who lack self-confidence in the use of digital technologies may fall behind, particularly low-achieving girls. While this may reduce gender gaps in educational outcomes, it would do so by lowering the skills and competencies of girls rather than strengthening those of boys.

Box 2. Potential discussion questions for participants: General school education and the crisis

- How has your country/organisation improved digital, remote and blended learning to prepare for a resurgence in infections and to build education system resilience and performance in the long run (for example, investing in infrastructure, skills or capacity)?
- How is your country or organisation supporting learners of all ages and gender who fell behind during the pandemic period to catch up?
  - How is your country/organisation assessing the impacts of closures and remote learning on learning gains/loss, especially for disadvantaged young learners, and differences between males and females? What are the preliminary results?
  - How has your country/organisation targeted support to disadvantaged learners and/or schools, as well as to male and female learners, to help them recover lost learning and

⁴ Strengthening online learning when schools are closed: the role of families and teachers in supporting students during the COVID-19 crisis

⁵ Strengthening online learning when schools are closed: the role of families and teachers in supporting students during the COVID-19 crisis
remain engaged in learning for the long term? To which disadvantaged groups have you targeted support?

- How has your country/organisation supported teachers and school leaders to face the short- and long-term challenges and opportunities arising from the crisis, including through teacher professional development?

B. Vocational education and training

19. Vocational education and training (VET) systems have been uniquely impacted by the crisis, as lockdowns in many countries interrupted learning in both workplaces and the classroom, and altered labour market demand for VET skills. Given the important role that VET plays in engaging disadvantaged students in education and facilitating school-to-work transitions, disruptions in VET can be particularly harmful for youth, especially the most vulnerable groups. Increased flexibility in delivery and assessments will be crucial to minimise disruptions, and employers will likely need additional support to continue to offer training opportunities. Work-based learning opportunities may need to be shortened and complemented by classroom-based and virtual learning, such as virtual reality.

I. Impacts of the pandemic on VET

20. The crisis was particularly disruptive to work-based learning, including apprenticeships, and systems used to assess skills and ultimately award qualifications. In the context of lockdowns, social distancing and travel restrictions, the main challenge for VET learners, including apprentices, has been not being able to learn in classrooms, school workshops or workplaces. In some occupational fields, theory can be taught and learned online, but practical aspects cannot be effectively delivered because of a lack of access to tools, materials, equipment and machinery. Some fields have been facing specific challenges, such as health care, where some medical schools were advised to diminish training intensity because of health risks. (OECD, 2020[31])

21. The dramatic decrease in economic activity, especially in hospitality, tourism, aviation and leisure services, has left these professions unable to offer or maintain apprenticeships and other forms of work-based learning due to a lack of staff to provide training and a lack of financial resources. As the economic downturn is expected to last for an extended period of time, the number of work-based learning opportunities might remain below pre-crisis levels for a while. As previous economic recessions have shown, a reduction in economic activity not only affects regular jobs but also apprenticeship places (Brunello, 2009[32]). A recent study in Germany shows that, on average, the number of apprenticeships on offer may see a drop of 9% in 2020, while a similar study in Switzerland estimates a reduction of at least 20% in the number of apprenticeships available over a 5-year period, with a full recovery to pre-crisis levels expected only by 2025 (Mühlemann, Pfeifer and Wittek, 2020[33]; Luethi and Wolter, 2020[34]). A drop in the number of apprenticeship places is also linked to the likely reduction in VET enrolments (and therefore fewer prospective apprenticeships) for the coming school year. This is partly due to uncertainty as to whether learners can effectively access work-based learning, whether a VET programme can be effectively provided online, and whether learners can complete all the requirements necessary to be enrolled on time. As VET serves an important role in engaging disadvantaged youth in education in many countries, the disruptions to VET might have a particularly detrimental impact on vulnerable youth through an increased risk of becoming NEET.

22. The impact of the crisis differs strongly between economic sectors, and this has an impact on the skill needs in the labour market. Moreover, the crisis could be expected to contribute to ongoing structural changes in OECD countries’ labour markets, such as increased automation of tasks and the adoption of flexible working arrangements, such as teleworking. These changes will have an impact on the type of skills required and the pathways to employment.
of work-based learning opportunities offered by employers and their content, and – if VET systems are responsive to labour market needs – the curricula of programmes in VET institutions. When learners take labour market information into account in their study choice, these changes could also result in a shift in the demand for VET programmes. Given the important gender differences in field-of-study choice in VET (OECD, 2020[17]; OECD, 2020[35]), the impact of the crisis will likely differ between men and women. Sales and service jobs are the most important occupations for young female VET graduates, accounting for 44% of employment across OECD countries, compared to only 15% of male VET graduates’ employment. Given the strong impact of the COVID-19 crisis on sales and services jobs (e.g. in retail, tourism and hospitality) – at least in the short run – the fact that many female VET graduates working these jobs makes them particularly vulnerable in the crisis. By contrast, the strong demand for health and personal care workers puts female VET graduates at an advantage, although it has also meant that they have been under particular strain during the peak of the pandemic (OECD, 2020[36])

II. VET policies for recovery and resilience

23. Increased flexibility in VET delivery and assessments has proven to be of crucial importance for VET systems. Some countries have, for example, extended the calendar for work placements, shortened the work-based learning component, allowed for breaks in learning, and temporarily relaxed progression requirements to make VET more flexible for learners who are facing difficulties completing their work-based learning (OECD, 2020[31]). To ensure that learners in VET can still complete and gain their desired occupational qualification, assessment arrangements might need to be revisited to make them more flexible. Flexibility can also be increased by expanding access to online learning to complement hands-on learning, which in many countries will require more online programmes with VET content to be developed.

24. Even without new lockdowns, the availability of work-based learning opportunities could be expected to be limited as a consequence of the economic downturn. Work-based learning opportunities are key to the success of VET in facilitating school-to-work transitions, and a more limited exposure to workplaces could have detrimental impact on the employment outcomes of youth entering the labour market in the coming years. Employers might need additional support to continue to offer training opportunities, including apprenticeships, to learners in VET. Several countries have put in place wage subsidies and other financial incentives to encourage employers to provide work-based learning opportunities. These incentives are often focused on SMEs, as they are the ones facing the largest barriers to hiring and retaining apprentices and other VET learners. Specific measures can also be put in place to encourage employers to take on VET students who have been made redundant during their apprenticeship, as is the case in Scotland where employers can receive a financial incentives when taking on an apprentice who has been made redundant by another employer.

25. When there is a shortage of work-based learning opportunities, these might need to be shortened and complemented by classroom-based learning opportunities through workshops, the use of simulators, virtual reality, augmented reality and other available technologies. In some extreme cases, and for those industries heavily affected by the economic crisis, work-based learning may temporarily need to be fully replaced with a classroom-based training modality – potentially combined with online learning for certain parts of the curriculum. Some countries, such as Denmark and Norway, already provide alternative school-based VET in cases where learners in upper-secondary VET are unable to secure an apprenticeship (recognising that school-based VET cannot fully replace the practical, real-world aspects of work-based learning). In other countries, like Estonia, Finland, the Netherlands and Sweden, apprenticeships and school-based VET provide alternative pathways to the same

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6 Refers to adults aged 15 to 34 whose highest attained qualification is at the upper secondary or post-secondary non-tertiary level with a vocational orientation.
Delivering high-quality, school-based practical training that corresponds to the realities of the workplace represents an important challenge for schools in all countries. The delivery of practical learning in a school-based environment could be facilitated through the adoption of new technologies. The use of simulators, virtual reality and augmented reality could become widespread in education systems, as they continue to become more effective and affordable, and teachers develop the skills to effectively use them in the classroom. Some of these technologies are already being implemented in VET learning environments, especially in companies where their use shortens the amount of time that new trainees need to spend on real equipment, reducing the cost of training (OECD forthcoming).

Well-designed VET systems can play a crucial role in the recovery from the crisis by equipping youth and adults with the skills needed in the post-COVID labour market. VET systems that have close ties with the world of work, for example where VET providers cooperate closely with social partners, can be responsive to changes in the labour market caused by the crisis and by structural factors (OECD, 2020). In responsive systems, the VET offer and the content of VET programmes is adapted in response to changing skill needs. Therefore, high-quality skills assessment and anticipation exercises are needed to inform VET policies, by shedding light on the sectors and occupations that are in demand or facing shortages. This type of information should also play a key role in career guidance, to help students make informed education and career decisions and overcome gender stereotypes in field-of-study choices. Moreover, the crisis has highlighted the need of strong digital and basic skills, and this should be reflected in the content of VET programmes. Finally, VET systems not only need to be aligned with labour market needs, but also have to ensure that learners in VET are resilient in a changing world of work by equipping them with solid foundational skills that will support their adaptability and lifelong learning investments.

Box 3. Potential discussion questions for participants: VET policies for recovery and resilience

- How has your country/organisation ensured an effective continuation and completion of VET programmes during periods of lockdowns and social distancing?
- How is your country/organisation monitoring the availability of work-based learning opportunities in different sectors, in SMEs and large firms? How has your country/organisation been supporting employers to provide work-based learning opportunities for learners in VET?
- Has your country/organisation developed a strategy to deliver the practical component of VET programmes in the absence of sufficient work-based learning opportunities? What role do innovative technologies for teaching and learning play in this strategy (such as simulators, or virtual or augmented reality)?
- How is your country/organisation using the latest information on projected skills needs in the labour market and the effects of the economic downturn in different sectors to adapt the offer and content of VET programmes for young people and the many adults who will need to find alternative employment opportunities (many of whom are women)? Are social partners involved in this process?

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7 “Teaching and learning in VET: The impact of the COVID-19 crisis on the use of digital technologies”.
C. Higher education

27. Closures of higher education premises to learners have raised concerns about young learners’ social and networking opportunities, while the increased use of online forms of delivery may have implications for how the credentials earned are perceived by employers. The combined effect may be to further dampen the already bleak job prospects for youth leaving school today, both in the short and medium-term. In addition, declining and/or deferred enrolments could have major implications for HEI finances and future capacity. Governments can support institutions to devise flexible ways for learners to gain credits, maintain grades and graduate following the closures. They can also provide short-term financial support to institutions and encourage more diversified financing sources (partners, foundations, multilaterals, international organisations).

I. Impacts of the pandemic on higher education

28. Closures of higher education premises to learners have raised concerns not only about students’ learning gains, but also their social and networking opportunities, awarding of qualifications, and labour market prospects upon graduation. By April 8 2020, universities and other tertiary education institutions did not offer face-to-face tuition in 175 countries and communities, and over 220 million post-secondary learners had their studies ended or significantly disrupted by the crisis (The World Bank Group, 2020[37]). Compared to schools, HEIs are typically have more experience delivering online courses and have a rich bank of online materials (OECD, 2020[38]). However, many HEIs needed to move hundreds of courses online at once, which entailed many challenges. For example, a survey of 31,000+ learners from 100+ countries and 150+ institutions by the University of Ljubljana and international partners found that the share of tertiary students who feel confident in using online teaching/collaboration platforms was as low as 45% in Asia and 53% in Europe (Aristovnik, A. et al. (2020)). Key obstacles to online learning have included learners’ self-motivation and self-organisation skills, getting faculty to adapt, engaging learners and ensuring course quality (Amemado, 2020[39]). Higher education examinations were also affected, causing disruption to students’ learning trajectories and progression (OECD, 2020[37]). The most common concern of higher education learners worldwide now is their professional career in the future (Aristovnik, A. et al. (2020)), which will be hampered by the global recession and may be further limited if employers attach stigma to qualifications attained by the “class of COVID” (The World Bank Group, 2020[37]).

29. Declining and/or deferred enrolments, particularly among international learners, could have major implications for HEI finances and capacity. For some learners, the crisis has also raised questions about the value of a tertiary education, given many go to universities to socialise with other learners and interact with faculty, collaborate with researchers and experience campus life. Some learners in higher education are already demanding a partial refund of their tuition fees, and many institutions are offering some refunds or fee deferrals (OECD, 2020[27]). According to the International Association of Universities (IAU) 2020 Global Survey of 424 HEIs in 109 countries, almost 80% of respondents believe that pandemic will have an impact on the enrolment numbers for the new academic year (Marinoni, Van’t Land and Jensen, 2020[40]). Indeed, a large share of universities and colleges will only offer online and distance education in 2020, which will likely affect enrolment rates. For example, a survey of 516 undergraduate degree applicants in the UK in May 2020 found that over one in four applicants would not enrol in Autumn 2020 if their university still delivered many classes online, severely restricted most university activities, and maintained social distancing restrictions (London Economics, 2020[41]). The pent-up demand created by deferred enrolments could also lead to excess demand for, and a shortage of tertiary places in future years. On the other hand, relatively inexpensive online courses at a time of high unemployment and/or job insecurity could lead to some mature-aged learners returning to higher education. The pandemic has also had an impact on international learner mobility at 89% of HEIs, according to the IAU 2020 Global Survey. While the type of impact is diverse and varies from institution
to institution, it has been negative everywhere. Private HEIs in particular report that the impact of declined/deferred enrolments would have negative financial consequences (Marinoni, Van’t Land and Jensen, 2020[40]).

II. Higher education policies for recovery and resilience

30. Governments can support institutions and learners in ensuring completions, progressions and graduations following the crisis and shutdowns. The IAU 2020 Global Survey of 424 HEIs in 109 countries revealed that the most common kind of support offered by government/ministries of education was support for the regular completion of the academic year (67% of HEIs), followed by guidance on missing course credits required for progression/graduation (31% of HEIs) (Marinoni, Van’t Land and Jensen, 2020[40]). Support for students can take the form of more flexible grading and credit requirements to support completions.

31. Governments can help support disadvantaged learners in HE. Governments could consider dedicated (financial, logistical, pedagogical, andragogical) support programs for at-risk learners, and direct funding for greater provision of no-cost educational resources for institutions serving disadvantaged learner populations (The World Bank Group, 2020[37]). Furthermore, in countries using student loan and grant schemes such as the Australia, Canada, UK, and the USA, governments should review the terms and conditions of such schemes so as to avoid undue financial stress for learners, particularly those from low-incomes backgrounds.

32. Governments can help create conditions conducive to expanded and improved remote and blended learning. Governments can revisit and adapt quality assurance regulations for a more flexible approach to support online and blended delivery of academic programs. They could also assess and reduce any bureaucratic or regulatory barriers to HEIs adapting to the new realities of teaching, learning, and research in a post-COVID world. Governments could also use funding levers to incentivise HEIs to invest in expanding and updating technological infrastructure for digital teaching and learning, and the professional development of staff (The World Bank Group, 2020[37]).

33. Governments will need to understand, and can help mitigate the financial impacts of the crisis on publicly-funded HEIs. As with the VET sector, HE will continue to support countries’ economic development, highlighting the need to maintain dynamic and equitable HE sectors. To the extent that public funding is linked to enrolments, governments may need to provide short-term financial backing to HEIs in expectation of a future rebound in domestic and international enrolments. Governments could also seek opportunities to diversify financing sources, including working with private sector partners, foundations, multilaterals and international organizations (The World Bank Group, 2020[37]). However, the IAU 2020 Global Survey revealed that only 13% of HEIs worldwide indicated that their government/ministry of education will support their institution with financial support for expected income losses (Marinoni, Van’t Land and Jensen, 2020[40]).

Box 4. Potential discussion questions for participants: HE policies for recovery and resilience

- How has your country/organisation ensured completions, progressions and graduations for learners in higher education (HE) following the crisis and shutdowns (such as flexible credits and grading)?
- How has your country/organisation been supporting learners in HE from disadvantaged backgrounds to access and continue in HE during the crisis?
- How has your country/organisation supported school to work transitions for youth in higher education, to minimise the rates and scarring effects of youth unemployment and mismatch?
• What has been your country's/organisation's approach to financially supporting HEIs, against a backdrop of declining and/or deferred enrolments?

D. Adult learning

34. In the spectrum of lifelong learners, adult learners have arguably been the “invisible losers” of the crisis, most critically low-skilled workers who often lost access to informal learning in the workplace. Governments and providers will likely need to expand adult learning opportunities, support adults to develop basic skills (including digital skills) and motivate adults’ engagement in online and blended learning (especially for low-skilled adults).

I. Impacts of the pandemic on adult learning

35. Adult learners suffered the consequences of learning institution closures and reduced informal learning in workplaces. First, adult learners at formal education institutions (schools, colleges, universities, dedicated adult learning institutions) faced closures, distance-learning and potential learning loss like young learners (see above). According to the European Association for the Education of Adults, adult education providers were forced to cancel or virtually continue courses, with financial losses having dramatic consequences for providers and staff, as well as for learners⁸. Second, millions of adults experienced reductions in their main form of learning – informal learning in workplaces – reflecting reduced physical interactions among workers in some occupations, reduced hours and/or unemployment.

36. Recent OECD analysis suggests that working adults missed out on millions of hours of informal and non-formal training during the shutdown. Across the OECD on average, about 70% of workers engage in informal learning activities over a 12-month period, 41% engage in non-formal training, and 8% engage in formal training (Fialho, Quintini and Vandeweyer, 2019[42]). Lost informal and non-formal learning is not easily recoverable, and any associated depreciation in human capital could flow through to firms’ productivity and workers’ wages. Low-skilled workers faced the largest training losses during the crisis, as low-skilled jobs were less adaptable to teleworking and more exposed to sectoral lockdowns. Furthermore, as the lockdown is progressively lifted and businesses gradually reopen, workers employed in the most affected sectors will likely continue to experience a noticeable loss in training opportunities until the end of 2020 (OECD forthcoming⁹). Finally, the sudden spike in unemployment at the height of the shutdowns also put immense pressure on employment services to engage newly unemployed adults in meaningful training (see below).

37. Women in general, and mothers in particular, likely had relatively less time to acquire new skills for, and effectively participate in remote working in light of their care responsibilities. Digital technologies allowed many workers to continue working during mandatory lockdowns and remote working arrangements implemented by companies and organisations helped to limit the spread of the virus. However, the widespread adoption of remote working arrangements required workers to rapidly and extensively change and update their work habits, with companies investing heavily in new technology to facilitate this shift. Pressure for rapid upskilling coincided with generalised school closures, limiting not only the ability of many parents to engage in effective remote work, but also their ability to invest the time needed to acquire new skills at a time when companies were providing support for workers to do so. Evidence suggests that women may have been particularly hard hit by these time constraints,

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⁹ Adult Learning in times of lockdown: how much informal and non-formal training do workers miss when at home?
given their greater engagement in caring responsibilities in general and during school closures in particular (OECD, 2020[36]).

II. Adult learning policies for recovery and resilience

38. To ensure a sufficient supply of upskilling and reskilling opportunities for adults, especially the newly unemployed, expanding education and training opportunities linked to growing sectors might be required, especially as economies reopen and social distancing measures are progressively relaxed (OECD forthcoming10). This could involve expanding existing public financing schemes for formal and/or non-formal adult education and training, especially those targeted to workers most affected by the crisis and ensuing recession and to sectors expected to experience growth in the aftermath of the crisis (for a discussion of training for the unemployed, see the next section on Skills Use). In particular, flexible online and blended forms of learning could be expanded, especially those targeting low-skilled adults. Few courses are currently available online and they tend to focus on the skills needed in white-collar jobs. In France, it is estimated that, prior to the crisis, only about 10% of training courses were accessible online. While the crisis will have increased that share, training for crafts-related occupations and training involving a work-based component remains difficult to deliver online. To overcome these limitations, training providers are turning to Artificial Intelligence (AI), which can help develop simulations and virtual reality experiences that allow for a “learning by doing” experience (OECD, 2020[3]).

39. Governments will need to continue to support adults to develop basic skills (including digital skills, and complementary skills such as literacy and numeracy), and providers should expand efforts to motivate online learners (especially the low-skilled) (OECD, 2020[3]). Several countries launched programmes to equip adults with basic digital skills prior to the crisis. In the United Kingdom, the Digital Skills Partnership brings together government and national and local employers and charities in an effort to address digital skills gaps in a more collaborative way. As of 2020, low-skilled adults in the United Kingdom have access to fully funded digital skills programmes, in addition to the already existing maths and English programmes. Motivating online learners is key to retention given low-skilled adults exhibit the lowest willingness to learn (OECD, 2019[1]) as well as lower completion rates associated with online learning (as low as 10% in Massive Open Online Courses). In addition to basic digital skills, online learning requires autonomy and self-motivation. Digital badges – validated indicators of accomplishments or skills – are one important way to increase motivation, as are tools to facilitate interaction with other learners and teachers (OECD, 2020[3]).

40. Governments could support the adult education and training sector to develop effective testing methods and certificates, and safeguard the overall quality of online learning (OECD, 2020[3]). Tests, quizzes and assessments are becoming an important part of online training courses. They help consolidate learning and measure the effectiveness of the learning course. Several initiatives already exist. In France, the PIX platform (https://pix.fr/) allows users to take tests in 16 digital skills domains and share their skills profile directly with employers. It is also possible to obtain certifications of the digital skills (through tests at PIX centres). Another solution is the adoption of digital badges. Establishing quality assurance mechanisms for online learning is essential to ensure that online courses provide value for money/time to participants. It remains an open question whether online courses require an ad-hoc quality assurance system (OECD, 2020[3]).

41. As in schools, teachers in the adult education and training sector need professional development to effectively deliver online and blended learning.

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10 Adult Learning in times of lockdown: how much informal and non-formal training do workers miss when at home?
Box 5. Potential discussion questions for participants: Adult learning impacts and policies

- How is your government/organisation supporting expanded opportunities for adult learning, especially online learning and those targeted to low-skilled adults?
- How is your government/organisation supporting adults to develop basic skills (including digital skills), and providers to motivate online learners (especially the low-skilled)?
- How is your government/organisation supporting the adult education and training sector to develop effective testing methods and certificates, and ensuring the overall quality of online learning?
- How is your government/organisation supporting individuals (the majority of whom are women) who have to balance caring responsibilities (for children, relatives in poor health and elderly care), work and upskilling/reskilling?
Skills use: Impacts and policies for recovery and resilience

Box 1. Key points: Skills use – Impacts and policies for recovery and resilience

**Impacts of the crisis on skills use**

- In April 2020, the unemployment rate rose to 8.5% across the OECD, the highest unemployment rate in a decade. This will most likely not remain a temporary shock and some of the losses in employment and productive capacity could be long lasting.

- Some groups of workers are bearing the brunt of the crisis. Low-paid workers and employees in non-standard (i.e. permanent, full-time dependent) employment, are more often working in jobs with greater risk of exposure to the virus, and experience greater job or income losses.

- Young people once more risk being the big losers of the crisis. This year’s graduates face bleak prospects, with poor chances to secure a job, or even an internship, in the short run; while older graduates are experiencing the second heavy crisis in their early careers.

- Women have faced compounding burdens during the crisis, many of which affect their skills use. They have been over-represented on the frontlines of the health care response, and have picked up much of the additional unpaid work in households. At the same time, women are generally facing larger declines in employment and greater economic insecurity.

- The crisis resulted in a sudden and substantial rise in remote working across all OECD countries, especially among high-skilled workers. Remote working was particularly challenging for parents of young children, as well as for businesses that had to adapt their work organisation.

**Skills use policies for recovery and resilience**

- To contain the immediate employment and social fallout, job retention schemes (both short-time work [STW] and wage subsidy [WS] schemes) have been one of the main policy tools in OECD countries, supporting over 50 million jobs across the OECD.

- To reduce pressures on public budgets and to avoid job retention schemes becoming an obstacle to the recovery, such schemes will need to be gradually adapted to provide incentives for both firms and workers to become independent of public support.

- Reactivating the skills of jobseekers will be a major challenge for governments, and will require both upskilling and reskilling by public and private employment services, through both online and offline training, and potentially supported by hiring subsidies.

- Countries need to ensure that young people maintain their links with the labour market, including by providing financial incentives to businesses to create jobs, effective outreach to re-establish contact with them, and by introducing Youth Guarantees.

- Policies to support women to more fully deploy and use their skills in the labour market include expanding public childcare, public financial support for paid leave, and flexible working.
arrangements for workers with family responsibilities. Should some sectors that traditionally employ large proportion of women continue to face difficulties in the long term, reskilling schemes will have to be adapted to ensure the take up among women, who traditionally face unique barriers and constraints to participation.

- Interventions that help to strengthen the effective use of skills could help to improve the dynamism of the business sector and thereby drive broader economic recovery, make businesses more resilient to economic shocks, and support job creation.
- Governments could help businesses to ensure that employees can continue using their skills while teleworking, by reinforcing workers’ rights to flexible working arrangements, providing information and tools for teleworking, and supporting employees to work effectively from home.
- To ensure that employees can use their skills effectively in more digital workplaces, governments can support both workers and managers to adapt their skills sets, including by ensuring sufficient supply of relevant courses.

42. To take full advantage of the initial investment in skills development, and to limit the depreciation and obsolescence of unused skills, countries should strive to use the skills of the population as intensively as possible in the economy, workplaces and society. The coronavirus (COVID-19) pandemic has severely tested countries’ capacity to activate people’s skills in the labour market and use people’s skills in workplaces to their full potential.

A. Activating people’s skills in the labour market

43. The pandemic resulted in a sudden drop in economic activity and employment, consequences that could be long lasting, and that will severely impact jobs for specific groups of workers, such as low-paid workers, women, youth and migrants. Job retention and wage subsidy schemes have been common policy responses to the crisis, but will need to be adapted over time to support a sustainable recovery. Reactivating the skills of jobseekers requires both upskilling and reskilling, and other active labour market measures. Amongst all of this, governments must prioritise workers’ safety to protect the workforce beyond the short term.

I. Impacts of the coronavirus (COVID-19) pandemic on activating people’s skills in the labour market

44. The pandemic resulted in an exceptionally stark drop in economic activity and unprecedented job losses. In April 2020, the unemployment rate rose to 8.5% across the OECD, the highest unemployment rate in a decade, and the initial impact of the crisis on OECD labour markets has been ten times larger than that observed in the first months of the 2008 global financial crisis (OECD, 2020[17]). The nature of the crisis is exceptional, with many countries having put entire sectors of their economy “on hold” to contain the spread of the virus. In spite of the generous support measures offered by virtually all OECD governments, workers have been laid-off from businesses that are struggling to remain afloat or that are forced to close entirely, especially in the hardest hit sectors such as tourism, retail, hospitality, non-essential construction work, and more.

45. Most likely, this will not remain a temporary shock and some of the losses in employment and productive capacity could be long lasting. In the most optimistic scenario, where the virus continues to recede and remains under control, the unemployment rates is expected to increase to 9.4% on average across the OECD by the end of 2020 (up from 5.3% at the end of 2019). In the event of a second wave in late 2020 (signs of which were already evident by September 2020 in some countries), the
unemployment rate would increase to 12.6% (see Figure 1). Projections point to only a gradual recovery, with an unemployment rate still at 7.7% by the end of 2021 without a second wave (and 8.9% in case of a second wave) (OECD, 2020[17]).

46. The increase in unemployment is likely to disproportionately affect workers with comparatively low skills, who generally have lower earnings, less job security, and less favourable working environments. Low-paid workers have been key to ensuring the continuation of essential services during lockdowns, often at a substantial risk of exposing themselves to the virus while working, but they have also suffered greater job or income losses. Workers who are not in standard (i.e. permanent, full-time dependent) employment, notably the self-employed, have been particularly exposed to the shock.

47. Young people are especially affected by the current crisis. While still recovering from long-lasting scars from the financial crisis that were still visible before the COVID-19 outbreak, both this year’s graduates, as well as young workers, are among the most impacted by the COVID-19 crisis. Student who are graduating this year, sometimes referred to as the “Class of Corona”, will face bleak prospects, with poor chances to secure a job, or even an internship, in the short run. Meanwhile, their older peers are experiencing the second heavy crisis in their still young careers. Because young workers generally hold less secure jobs and are overrepresented among workers in hard-hit industries such as accommodation and food services, youth employment numbers have already fallen precipitously in recent months in many OECD countries (OECD, 2020[17]).

48. Women have played a critical role during the pandemic, but have faced compounding burdens that affect their skills use. Since women make up two-thirds of the health workforce worldwide, they are playing a key role in the health care response to the pandemic, and because women generally provide more unpaid work at home than men (around two hours per day more across the OECD), women were responsible for picking up much of the additional unpaid work caused by widespread school and childcare facility closures. In addition to that, unlike the financial crisis, women so far have experienced greater declines in employment than men (OECD, 2020[17]). Women tend to be over-represented in the hardest hit sectors: tourism, retail, accommodation services, and food and beverage service activities. Their labour market attachment tends to be weaker than men’s, especially around parenthood resulting in higher risks of economic insecurity. This effect is heightened during the pandemic because educational provision may continue to be disrupted in the short to medium term,
either because of large-scale closures, or because of localised closures of individual schools or classes with little or no advanced notice. As a result, many women will continue to face additional caring responsibilities that will be difficult to plan for, requiring high levels of on-the-job flexibility. Finally, fear of exposure to the COVID-19 virus may hamper the delivery of complementary childcare arrangements that many families need to facilitate their working hours outside schooling time or during school hours when children need to miss class because of illness or closure.

II. Activation policies for recovery and resilience

49. The enormous impact of the crisis on labour markets resulted in an unprecedented policy response by governments to preserve jobs. To contain the immediate employment and social fallout, job retention schemes have been one of the main policy tools in OECD countries, which help to avoid permanent layoffs by providing public income support to workers whose working hours have been reduced or whose job has become temporarily redundant (OECD, 2020[49]). During the early stage of the crisis, governments scaled up existing job retention schemes or introduced new ones, and in May, these schemes supported over 50 million jobs across the OECD (OECD, 2020[49]). Job retention schemes come in the form of both short-time-work (STW) schemes that directly subsidise hours not worked (e.g. the German Kurzarbeit or the French Activité partielle), and wage subsidy (WS) schemes that typically subsidise hours worked (e.g. Dutch Emergency Bridging Measure [Noodmaatregel Overbrugging Werkgelegenheid]).

50. Going forward, it will be essential to adapt the current job retention schemes. To reduce pressures on public budgets and to avoid that job retentions schemes become an obstacle to the recovery (e.g. by keeping workers in jobs that are not viable anymore), the schemes need to adapted to provide incentives for both firms and workers to move off job retention support (OECD, 2020[17]). For example, governments could require businesses to bear part of the costs of the schemes, introduce limits for the length of support, and promote and support mobility of workers to viable jobs, including by, for instance, including requirements for training as part of job retention schemes. Moreover, in the context of increasing pressure on public budgets, governments should reassess their support programmes to ensure that they are targeted to the businesses and workers most in need of support (OECD, 2020[17]).

51. Reactivating the skills of jobseekers – including displaced workers (i.e. individuals who lose their jobs for economic reasons) and workers at-risk of job loss – will be a major challenge for governments. While some jobseekers may already possess the skills needed to transition to emerging occupations and are aware of the options opened to them, others will need significant guidance and support for upskilling and reskilling to find jobs in a structurally different labour market and at a time of limited job openings.

52. Countries need to ensure that young people maintain their links with the labour market. Providing financial incentives to businesses for continuing to provide job opportunities (e.g. hiring new graduates or offering apprenticeships, or internships), could be an effective way to support job creation. For unemployed youth and recent graduates who struggle to find jobs, it will be crucial to re-establish contact with them through effective outreach. Finally, Youth Guarantees (e.g. the EU Youth Guarantee) entitle all young people to a timely employment or training offer, and can provide a good framework for ensuring that no jobless young person goes without support in the current crisis (OECD, 2020[17]).

53. Labour market policies need to pay particular attention to supporting women’s employment and job quality. Policies that could support the participation of women in the labour market include expanding public childcare, public financial support for paid leave, and flexible working arrangements for workers with family responsibilities. As noted earlier, safely re-opening childcare and schools, and keeping them open for as long as possible, will have positive impacts on women’s labour market participation. Furthermore, for the sectors that continue to face difficulties in the long term and that traditionally employ large proportion of women, reskilling schemes will have to be adapted to ensure the take up among women, who traditionally face unique barriers and constraints to participation.
54. Public and private employment services (PES) need to scale up their capacities, and provide support on an increasingly virtual (i.e. not face to face) basis, to respond to the unparalleled inflow of jobseekers who need to potentially be reallocated across occupations, sectors and regions (OECD, 2020[45]). PES need to provide jobseekers, as well as workers in job retention schemes, with good up-to-date labour market information on job vacancies, facilitate matching services, and support them with online and offline training to develop skills for jobs in sectors and occupations more in demand. These challenging tasks will require PES to be both agile and quick to adapt to the new situation (OECD, 2020[45]). This could involve prioritising and streamlining unemployment benefit application procedures, while scaling down and suspending other non-essential services in the short term, as well as adjusting job-search requirements and monitoring in line with countries’ capacities to hold these up. To ensure that training is aligned with the skills requirements of these jobs, training should be informed by skills assessment and anticipation exercises (OECD, 2020[46]).

55. While pursuing the activation of skills, governments should continue to give workers’ safety the highest priority, to limit the spread of the virus, to avoid a surge in sickness absences, and to ensure that workers feel secure enough to work effectively. Defining appropriate occupational safety and health practices that limit the spread of contagion, and supporting firms (in particular SMEs) in implementing them remain a priority (OECD, 2020[17]). Furthermore, governments should maintain adequate paid sick leave and uphold support for workers with caring needs.

Box 2. Potential discussion questions for participants: skills activation policies for recovery and resilience

- How is your country/organisation assessing the impacts of the pandemic on jobs for different types of workers (especially the low-skilled, youth, women and those in non-standard work), and enterprises (sectors, SMEs and large firms)? What are the main results?
- How is your country or organisation supporting the newly unemployed, especially recent graduates and low-skilled, older and/or non-standard workers, to upskill, reskill and find work during the recovery period?
  - What type of job retention schemes (e.g. short-time work schemes or wage subsidy schemes) did your country introduce or expand during the crisis, and how will these schemes be adapted to support the recovery from the crisis?
  - To reactivate the skills of jobseekers (including displaced workers, workers at-risk of job loss, and recent graduates), what types of training and job search/matching programmes or schemes has your country are expanded or introduced?
  - How has your country or organisation specifically supported youth and women to build and maintain links with the labour market?

B. Using people’s skills in workplaces

56. There has been a growing awareness that how well employers use skills in the workplace may be just as important as the skills their workers possess. Studies by the OECD demonstrate the positive impacts of the effective use of skills on performance in both the economy and society (OECD, 2016[47]). Because of these impacts, better using skills of employees in workplaces could support the economic recovery (e.g. by driving employment, wages and productivity) and could help to build resilience in the long-term (e.g. through its effect on trust and political efficacy). The effective use of skills could help to improve the dynamism of the business sector and thereby drive broader economic recovery, make businesses more resilient to economic shocks, and support job creation. To this end, public policy
makers can work with employers to help create the conditions or provide direct support for strengthening skills use in workplaces.

I. Impacts of the coronavirus (COVID-19) pandemic on using people’s skills in workplaces

Across OECD countries, many businesses already faced difficulties in optimally using the skills of their employees before the crisis, exemplified by low intensities of use of various types of skills and often large shares of skills under-utilisation. Also workplace practices that are known to positively affect skills use (i.e. high-performance workplace practices [HPWP]), such as work flexibility teamwork, and performance management were adopted to a large extent by only approximately 1 in 4 businesses across the OECD (OECD, 2016[47]).

These challenges are exacerbated by the crisis, which created an immediate challenge for businesses to organise their workplaces in a way to contain the spread of the virus. Since the outbreak, many employers in OECD countries have requested workers to work remotely, whenever this was compatible with their job duties. This has generated a sudden and substantial rise in teleworking across virtually all OECD countries. Early evidence gathered by a Eurofound survey across the European Union (EU) suggests that by April 2020 about 37% of adults started working from home as a result of the crisis (Eurofound, 2020[48]) (see Figure 2). However, still many workers do not have the option of teleworking, especially more low-skilled, low-paid workers – e.g. adults possessing higher levels of skills are significantly more likely to telework (Espinoza and Reznikova, 2020[49]). There are large differences within countries as well, with urban areas having larger shares of jobs amenable to remote working (OECD, 2020[50]).

Figure 2. Teleworking since the outbreak of COVID-19, OECD-EU countries, April 2020


Evidence suggests that not all workers have managed to adjust to the new working arrangements successfully, which negatively affects the effective use of their skills at work. In the process of adapting to the new working environment, it is likely that productivity of workers has been affected. For instance, in the absence of structured working days in the office, employees suddenly needed to rely more on their own motivation to efficiently organise workdays. In addition to that, working from home could bring
potential distractions – e.g. 23% feels that family responsibilities prevent them sometimes, or more often, from giving enough time to work (Eurofound, 2020[48]).

60. The digital transformation, which is accelerated by crisis, will also transform the way we work in a post-pandemic world. This acceleration in digitalisation might help to strengthen skills use and productivity growth (for example by enhancing work flexibility and autonomy), which has been stagnating across several OECD countries in the past decade. However, the extent to which the digital transformation could help to strengthen skills use, depends on the capacity of businesses to adopt new technologies and to adapt to a changing business environment.

II. Skills use policies for recovery and resilience

61. In the short-term, interventions should help to ensure that employees can continue using their skills while working remotely. To start, governments should reinforce workers’ rights to flexible working arrangements, including remote working, but also covering flexible start and finish times, “time-banking”, and the ability to work condensed weeks (OECD, 2020[173]). Moreover, many businesses, especially SMEs who often have less capacity to adapt, would need more active support to implement the required technology for teleworking and adopt management approaches suitable for remote working workforces (e.g. motivating employees, building trust, open communication). Governments could also play an active role in ensuring that employers have access to the necessary information and tools for teleworking, including by sharing relevant information on online government portals (e.g. guides for implementing technologies) and by providing access to external advice and expertise (OECD, 2020[51]).

62. Furthermore, to optimally use skills while working from home, a large share of employees would need extra support to adjust their attitudes and behaviours towards work. Teleworking presents a range of new challenges for many workers, such as having to adapt to a new working environment and ensuring a healthy work-life balance. Employees need to learn and prepare themselves for how to face these challenges, and governments could support them with this by sharing knowledge and good practices, as well as helping employees to create a good supportive home working environment (e.g. by providing subsidies to create physical home offices) (OECD, 2020[51]).

63. For the medium to longer-term, to ensure that employees can use their skills effectively in more digitally intensive workplaces, public policy makers can support businesses with targeted measures and initiatives to help them adopt relevant HPWP. Policies that aim to raise awareness of the relevance of effective skills use and HPWP could be a relevant first step to strengthen skills use performance, including through the provision of information and launching campaigns (OECD/ILO, 2017[52]). However, especially for SMEs it is often not the lack of awareness, but the lack of resources and know-how that prevents them from adopting HPWP (OECD/ILO, 2017[52]). Therefore, while promoting HPWP through soft regulation is important, it may not be sufficient. Public interventions can help to incentivise and support actions by employers, including through direct interventions (e.g. funding), expert consultation and business mentoring and coaching programmes.

64. Strong management and leadership capabilities are vital for the transformation of business practices, since they help to drive organisational change and are associated with higher levels of employee engagement, innovation, and productivity (Bloom et al., 2019[53]; UKCES, 2014[54]). Across OECD countries, there has been growing awareness that weak management and leadership capabilities are a constraint on the performance of businesses and their transition to digital business models, in particular for SMEs. Governments could support these businesses to ensure that their managers and leaders strengthen their skills and acquire relevant knowledge, including by ensuring sufficient provision of learning opportunities and promoting participation in learning activities.
Box 3. Potential discussion questions for participants: skills use policies for recovery and resilience

- How is your country/organisation monitoring the impact of the crisis on skills use and high performance work practices in workplaces, including remote working?
- How is your country or organisation supporting enterprises to use people’s skills effectively, and to improve workplace practices (teleworking, autonomy, training, etc.) and productivity? How is it boosting demand for skills?
  - To continue using skills of employees during the pandemic, how is your country or organisation supporting employers and workers to successfully implement remote working?
  - How is your country or organisation supporting businesses to implement high-performance work practices (HPWP) that help to raise productivity, especially in the context of more digitalised workplaces?
5 Skills governance to support the recovery and build resilience

Box 1. Key points: Skills governance for recovery and resilience

- The crisis has highlighted the importance of a strategic and co-ordinated approach to skills policies for countries’ success in recovering from the current recession and building resilience for the future.

- In order to support the socio-economic recovery from the crisis, countries will need to co-ordinate and collaborate across the whole of government in multiple policy domains, including in skills policy. The crisis has revealed the value of governments working in close collaboration with non-government stakeholders to deal with the complexities of implementing effective skills policies promptly. In both cases, governments can use cross-sectoral bodies, action plans and other mechanisms to facilitate co-operation.

- Governments require comprehensive and timely information on the diverse impacts of the crisis to inform policy decisions. Government information systems must integrate a range of data from the education and training sector and the labour market, to support evidence-based policy making. Specifically, governments can bolster skills assessment and anticipation (SAA) tools to ensure that skills development, especially of displaced workers, is consistent with the labour market needs of the post-pandemic world.

- The current recession could put downward pressure on skills investments, as public and private budgets tighten, and governments re-allocate public funds to priority areas such as health and welfare. In this context, countries should aim to make financing arrangements as efficient and effective as possible, ensuring that investments in skills policies are well-targeted, appropriately shared by beneficiaries, and sustainable for the long term.

65. The crisis has highlighted the importance of a strategic and co-ordinated approach to skills policies for countries success in recovering from the current recession and building resilience for the future. The challenges for countries are manifold: creating synergies between short- and long-term skills policy objectives; improving skills investments in a fiscally tight environment; ensuring coherence between policies for developing and using people’s skills; and ensuring the success of skills policies for end users. This will require renewed efforts to advance whole-of-government approaches to skills policies, effective engagement of skills stakeholders, well-targeted and shared skills financing, and improved information on learning and labour market activity and skills needs. There were major differences in the strategic governance and problem-solving capacities of OECD and EU countries going into the crisis (BertelsmannStiftung, 2018[55]), which can affect the effectiveness and efficiency of skills policies for recovery and resilience.

66. In order to support the socio-economic recovery from the crisis, countries will need to co-ordinate and collaborate across the whole of government in multiple policy domains (education, labour market,
industrial and others) in devising effective and long-term recovery strategies. The crisis underscored the importance of collaborative and networked leadership in dealing with complex policy challenges (UN/DESA, 2020[56]). More specifically, reopening learning institutions requires sustained and effective co-ordination between education and public health authorities at different levels of government, enhanced by local participation and autonomy to tailor responses to the local context (OECD, 2020[27]). The crisis has tested countries’ practices and institutions to support cooperation on skills issues across ministries, levels of government and with stakeholders to develop the necessary skills policy response.

67. In order to expedite the recovery from the crisis, governments should promote co-ordination and collaboration across levels of government, and could consider the establishment of committees (skills councils or similar co-ordinating committees or cross-departmental institutions) that span different levels and departments of government, as well as involve nongovernmental stakeholders (OECD, 2020[57]). In the long-term, government could bring these efforts together within a framework for skills policy in the form of a skills strategy, which aims to help countries to recover from the crisis today and build resilience to ongoing megatrends and shocks in a post-pandemic world. Implementing a whole-of-government approach in practice, Portugal has introduced the Collaborative work plan in Public Administration, which coordinates of the Incentive System for Innovation in Public Management (SIIGeP). The plan has been designed to allow for co-ordinated development of public servants’ skills across the whole of government in a crisis context, thereby bolstering their readiness to adapt in future pandemic scenarios. It includes six areas of work, which are being implemented by multidisciplinary teams comprising various public sector entities, aided by representatives of the civil society (OPSI, 2020[58]).

68. The crisis has also highlighted important and diverse ways in which governments can collaborate with stakeholders to deal with the inherent complexities of skills policies. Stakeholder engagement offers potential to support such response by drawing on their capacities, as well as first-hand insights about “what works and what does not” in a context where time is short and resources thinly spread. Governments have collaborated with stakeholders in diverse way during the crisis. For instance, Latvia’s Ministry of Education and Science are co-ordinating with mobile network operators to supply mobile phones and tablets to young learners who do not have the internet at home, and with ICT associations and municipalities to increase the streaming capacity of some schools (Reimers and Schleicher, 2020[22]). The government in Estonia has formed a partnership with a private online education platform Coursera. Up to 50 000 people in Estonia will be able to participate in the platform’s programmes aimed at re- and up-skilling the unemployed or those at risk of unemployment, until the end of 2020 (Ministry of Education and Research of the Republic of Estonia, 2020[59]). In South Korea, the “Declaration of a tripartite agreement to overcome the ‘COVID-19’ crisis (March 6)” includes labour-management-government efforts to maintain employment while curbing the virus (OECD, 2020[60]).

69. In order to sustain effective and worthwhile stakeholder engagement in the long-term, governments will need to strike the balance between engaging stakeholders in skills policy in a meaningful way, and preventing gridlock and managing the risk of undue influence by special interests. On the one hand, stakeholders should be given the opportunity to have an input in the process of agenda-setting in joint co-ordination committees, while certain tasks can be delegated to them where their interests and incentives are aligned with government’s. Governments should equally plan and invest time in letting stakeholder engagement develop over time, to provide adequate time for building of trust as well as organisation identity (OECD, 2020[57]).

70. Effective governance in the crisis context requires decision makers to have comprehensive and timely information on the diverse impacts of the crisis to inform policy decisions. Governments’ information system capacities should integrate data collection and analysis of the challenges that the key actors in the skills policy field (teachers, learners, workers etc.) faced during the crisis, allowing them to bolster the skills systems’ resilience in the long term. Slovakia has launched a country-wide data collection on the challenges of distance learning during the pandemic and schools’ needs through online questionnaires, seeking to gather the insights and experiences of “lockdown functioning” from every
primary and secondary school in the country. With the objective of allowing the government to deliver timely, targeted and effective support across the education system in the long-term, the questionnaires asked about the main issues schools were facing, perceived effectiveness of implemented support measures, and experiences with distance learning of socio-economically disadvantaged learners. Drawing on the data collected, the analysis should also permit to better prepare for the potential second wave of the pandemic (Ministry of Education, 2020[61]).

71. High-quality information on evolving skills needs is particularly important for skills governance in the context of crisis, to guide policy makers, employment services and learning providers, as well as learners and job seekers. Governments could consider investments in skills assessment and anticipation (SAA) tools to ensure that skills development, especially of displaced workers, is consistent with the labour market needs of the post-pandemic world. Countries need to understand the shift in skills and occupational demand following the health, social and economic emergency, to make the most of the skills that workers already possess, and identify where reskilling would be most effective. This could require investments in SAA tools, possibly partly based on real time and “big-data” information (e.g. the study of online vacancies) and adapted to the needs of a heterogeneous group of jobseekers, which informs policy makers, case workers and training providers. To raise the effectiveness and efficiency of reskilling and upskilling efforts, countries could also expand the recognition of prior learning (RPL). This information on skills demand and supply should feed into high-quality career guidance, which should be made accessible to both learners and workers to help them make beneficial decisions about their education and career pathways in the challenging context of COVID-19 (OECD, forthcoming[62]).

72. A co-ordinated and coherent approach to financing skills is a key policy area supporting the governance of skills systems. In general, skills investments are at risk of being crowded out by other, more short-term oriented demands on public spending. Furthermore, a strong institutional capacity is necessary to collect, allocate and use financial resources effectively for skills, and to ultimately realise the expected benefits (OECD, 2019[71]).

73. The current recession could put downward pressure on skills investments, as public and private budgets tighten and governments increase funding for short-term priorities such as health and welfare. Funding short- and long-term skills policies in the current context may require increased public debt, or otherwise be reduced. The current crisis may affect education budgets more quickly than it did following the last financial crisis (IIEP-UNESCO, 2020[4]). Forecasts predict that the pandemic will lead to slower growth in government spending in the coming year, and that if the share of government spending devoted to education were to remain unchanged, education spending would continue to grow but at significantly lower rates than before the pandemic (Al-Samarrai, Gangwar and Gala, 2020[5]) (OECD, 2020[27]).

74. Yet there are pressing needs for skills funding in the aftermath of the crisis. As noted earlier, in order to create capacities for remote learning and to build-up school resilience, investments into technological tools, improved connectivity and the development of digital skills of teachers will be needed. At the same time, higher education institutions expecting large declines in international enrolments and revenues may require financial support in order to maintain sustainability of their operations (American Council on Education, 2020[63]). Some commentators have called for conditions attached to such assistance, including that institutions re-orient their investments and services away from international to domestic learners, and/or invest in research that is more relevant to domestic economic needs (Birrell and Betts, 2020[64]), or become major providers of learning opportunities to adults (NCEE, 2020[65]).

75. Countries should aim to make financing arrangements as efficient and effective as possible, while ensuring that funding is well-targeted, appropriately shared between beneficiaries, and sustainable for the long term. The financing instruments (e.g. levies, subsidies, tax credits, individual training accounts, etc.) selected for upskilling and reskilling of jobseekers should deliver the best results with the smallest
investment, thereby necessitating giving consideration to who pays for training (e.g., individuals, firms, government), how funding can be targeted (e.g. to disadvantaged individuals, institutions and/or smaller businesses), and how transaction costs can be reduced. As part of a strategic approach to skills policies, countries should ensure a strategic vision for financing skills development and use. Defining the optimal financing strategy (i.e. how much to spend, at what level, by whom, on what, and using what instruments) will be of critical importance to countries (OECD, forthcoming[62]).

Box 2. Potential discussion questions for participants: Skills governance

- For the longer term, what is your country’s or organisation’s vision for building resilience, sustainability and well-being for all through lifelong learning (all age groups) and better employment policies? What is the role of co-ordination across government and with employers, workers, civil society and other stakeholders to realise this vision?
  - How is your government/organisation promoting co-ordination and collaboration across the whole of government to devise skills policies for today’s recovery and resilience tomorrow?
  - How is your government/organisation engaging stakeholders (businesses, trade unions, not-for-profit organisations, etc.) to design and implement skills policies for today’s recovery and resilience tomorrow?
  - How is your government/organisation improving skills assessment and anticipation approaches to understand evolving skills needs in the labour market in a more detailed and timely way?
  - How is your government/organisation addressing the financing pressures to support multiple skills priorities under budget constraints (e.g. reducing inefficiencies, implementing innovative financing arrangements/schemes, providing support to the most vulnerable groups)?
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