



# Report No 14 to the Storting (2019–2020)

## **The Skills Reform – Lifelong Learning**

### **Preface – The Skills Reform and the coronavirus pandemic**

The objectives of the Government's Skills Reform are that no one's skills become obsolete, and that the labour market has access to the skills it needs. The coronavirus pandemic has had swift and severe ramifications for Norwegian society. It has led to an economic crisis that affects many areas of business and industry. We are now in a serious situation where unemployment has rapidly increased to a high level. These are difficult times for many, particularly those who have been laid off or lost their job, business owners who are scared of losing their life's work, and young people and graduates on their way into the labour market.

Many are concerned about their future.

The measures presented in this white paper were devised before the outbreak of the coronavirus in a situation with a very different financial outlook for the Norwegian labour market. This does not mean that the measures presented are not relevant to our current situation. On the contrary, the schemes we present in the white paper will probably be essential to help us through the economic crisis. It is now of fundamental importance that we maintain and develop the population's skills in this acute situation, but the background for this policy is that we know Norway will have to undergo a major transition going forward. The sustainability of our welfare society depends on as many people as possible being in employment. It makes economic sense to use this crisis to better equip people for the labour market after the coronavirus pandemic has ended, but the measures presented here will also contribute to Norway's long-term transition.

A flexible system is needed that can quickly respond to new skills needs. The Government has already established schemes aimed at supporting skills development that can now be scaled up to address the economic crisis.

At the beginning of April 2020, a skills package worth NOK 190 million was allocated to measures that enable people who have been laid off or become unemployed due to the coronavirus pandemic to take an education or renew their skills. The skills package comprises the following measures:

- NOK 100 million to six new tripartite industry programmes for skills development
- NOK 50 million to online training
- NOK 20 million to universities and university colleges to create places for more students on existing programmes
- NOK 20 million to training of unskilled workers through vocational training in the SkillsPlus scheme

The Norwegian parliament (the Storting) has also allocated NOK 250 million to the county authorities to give them greater leverage to take responsibility for regional skills policy in the context of the economic crisis.

These measures are important now, but are also examples of measures we will need in Norway's long-term transition.

This white paper does not mark the end of the Skills Reform. The Government will further develop and adapt the measures in the Skills Reform to address the new challenges we face. The Government will also continue to cooperate with stakeholders in the labour market and education sector to develop good, relevant programmes that ensure that no one's skills become obsolete in the Norwegian labour market.

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*Recommendation from the Ministry of Education and Research of 22 April 2020, approved by the Council of State on the same date.*

*(Solberg Government)*

## **Summary**

The Skills Reform has two objectives. The first is that no one's skills become obsolete. Everyone should be given an opportunity to renew and supplement their skills to enable them to work longer. The other objective is to close the skills gap, i.e. the gap between what skills the labour market needs and what skills the workers actually have.

The Skills Reform builds on the Government's skills policy from 2013 until the present, including the Norwegian Strategy for Skills Policy 2017–2021, which was signed by the Government, the main employer and employee organisations, the Sami Parliament and the Norwegian Association for Adult Learning in 2017. The Government will further develop the reform in the years to come in cooperation with the social partners. This white paper summarises the status of what the Government has done thus far and which reform measures have been initiated, and clearly shows the direction in which skills policy must be developed going forward.

In the period 2013–2018, the Government has given particular priority to adults with poor basic skills and persons who have not completed upper secondary education. A number of measures have been initiated to better adapt the education system to adults who need lower secondary education, vocational education and training, basic skills training or Norwegian language tuition. The Government will continue its efforts to give adults with little formal education or poor basic skills better access to flexible education.

It is not only people with little formal education who need to raise or expand their skills.

The rate of the labour market transition is increasing and people's skills must be continuously renewed. The Government is also aware that people with craft certificates, higher vocational education or higher education need lifelong learning. The development of professions and disciplines is rapid, and tertiary vocational colleges, universities and university colleges are the most suitable providers of updated programmes targeting skilled workers and those with higher education.

Skills development is essential for value creation in the business sector and for quality in the public sector. The Government has implemented a major initiative to raise the skills of teachers and health personnel. With the Skills Reform, the Government wants to better facilitate lifelong learning for everyone in Norway.

## **Why do we need a skills reform?**

Norway, like the rest of the world, has been thrown into an economic crisis as a result of the coronavirus pandemic. It is even more important in times of crisis to ensure that people's skills do not become obsolete, and those who have been laid off or are unemployed can use this time to develop their skills. In principle, Norway is in a good position. Our population is relatively well educated, and both knowledgeable and skilled. We have a learning-intensive labour market and employers who invest a great deal in their employees' skills development. This gives us an important advantage that we must maintain and further develop.

For a long time, Norway has been a country that has invested in a highly skilled workforce. We are a small country on the outskirts of Europe with a high cost level. We are dependent on having one of the most skilled populations in the world to maintain our living standard. It is therefore worrying that we appear to have a growing skills gap with an increasingly high share of enterprises reporting that they have uncovered skills needs.[\[1\]](#)

Skills needs are changing rapidly. This could increase the skills gap. We are in the early stages of what is called the fourth industrial revolution.

Technological development in the form of digitalisation, robotisation and automation has the potential to bring about strong growth in productivity and new business development opportunities. However, there is uncertainty about the consequences of this development when robots are able to carry out many of the tasks currently performed by humans. The rapid changes and new skills needs mean that the education system must take a different approach than is currently the case. Education programmes must be adaptable to people's individual life situations and rapidly shifting needs in society.

The green transition, where oil and gas will gradually be given a less dominant role in the economy, will require new skills. Norway has a good point of departure.

The country's success as an oil and gas nation stems from world-class skills and technology that has also helped to raise productivity in the rest of the economy, including by means of technology transfer. We will take this with us into the development of new, green industries. However, we must also ensure that the people affected by the green transition are able to adapt to new jobs. A green transition of the economy requires us to educate a sufficient workforce, and to ensure that enough people are able to update and develop their skills to fill the new jobs that arise when new green industries are developed.

Technology development and the green transition will mean that many jobs disappear, but also that many new jobs emerge. The new jobs may emerge quickly and will often require different skills than we currently possess. It is not sufficient to wait until young people complete their education. We need lifelong learning to keep up to speed with developments.

In general, Norway is well-positioned to address the increasing need for new skills. Our education system generally provides good access to education programmes, and Norwegian workers have a relatively high participation in skills development. The Government nonetheless believes that we need an even more proactive skills policy to address current and future challenges:

- Many enterprises report an uncovered skills need and there has been a strong rise in the proportion of businesses reporting a high degree of uncovered skills needs.