



NEWSLETTER

Social partnership for anticipating change and restructuring

Mutual learning: Finland and the Baltic countries
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In December 2010 the European Commission's DG Employment, Social Affairs and Equal Opportunities has funded the Project "Social partnership for anticipating change and restructuring. Mutual learning: Finland and the Baltic countries ". The EC Project is coordinated by the International Training Centre of the ILO (ITC-ILO) in partnership with social partners and research Institutes in the four countries involved.

Project social partners

- Lithuania: Lithuanian Service Workers Trade Union, Union of Lithuanian Metalworkers' Trade Unions, Lithuanian confederation of industrialists
- Latvia: Free Trade Union Confederation of Latvia, Employers' Confederation of Latvia
- Estonia: Estonian Trade Union Confederation
- Finland: The Central Organisation of Finnish Trade Unions (SAC) and the Confederation of Finnish Industries (EK).

Building on the experiences and knowledge gained from the 2008-2010 ARENAS project¹, the aim of this project was to encourage knowledge-sharing activities in a framework of active partnership between the social partners, public authorities and other stakeholders for anticipating change in the labour market and preventing, or mitigating, the potential negative effects of restructuring processes.

How to anticipate and manage restructuring has been at the centre of many debates in Europe in recent years². The concept of restructuring has taken on many different meanings, signifying the ongoing structural changes in market economies, the transition towards privatisation in the new Member States in Central and Eastern Europe, and, most recently, an association with measures related to mitigating the effects of the most recent economic and financial crisis.

A more comprehensive information on job and skills requirements is an essential step for better facing future challenges and for facilitating matching with anticipation. Public authorities at national, regional and local level, business, social partners, training providers and individuals would all benefit from regular information on short-term labour market changes and projections of skills requirements.

Anticipation is an approach linked to foresight. Information and data are essential for anticipating change and trends and these are provided by foresight. Foresight is not only an econometric exercise but it also concerns dialogue between labour market

¹ Anticipating Restructuring in Enterprises: National Seminars. <http://arenas.itcilo.org/>

² See EU Synthesis Report Sept. 2010 – ARENAS Project- ITC-ILO



forecasts and those concerning economic development and related strategies. This dialogue takes place at various levels, such as national, local, sectoral and **company** level.

With reference to the role of the key actors in the Anticipation of change, the Social partnership approach represents a driving force. Social partnership can be viewed as a commitment to a sustained collaborative effort of the tripartite (or bipartite) partners to address labour and social policy issues for the mutual benefits of the partners. Social partnership engenders trust, consultation and participation, and negotiations in good faith among the partners.

The Finnish experience, which is based on a strategic consensus of actors, has offered the opportunity to the Baltic countries to learn more about the advantages and strengths, but also the obstacles and constraints, of Finland's wide range of experiences in active partnership for anticipating change. Although it is not easy to transfer a measure wholesale from one country to another, it is often possible to adapt a practice developed in a specific country or context where its effects have been rated positively, if there is willingness to experiment with this in another country. This project therefore has explored whether the Baltic countries – Estonia, Latvia and Lithuania – could learn from the range of forecasting and anticipating systems in place in Finland.

Methodology

A study on the Finnish experience has been prepared and subsequently validated in a workshop attended in April 2011 by Finnish social partner, Public Authorities and stakeholder representatives.

Following the validation of the Finnish study, national background reports were drafted by national experts for each of the three Baltic countries, on the basis of the results of the preliminary analysis at national level carried out by Social partners involved in the Project work phase.

Three two-day seminars were then held in each of the capital cities of the three Baltic countries: Vilnius, Tallinn and Riga. These seminars were attended by representatives of employers, trade unions, government institutions and research experts. The seminars included a presentation of the Finnish experience of anticipation and forecasting, a presentation from the national expert about the national context and experience, followed by debates and discussions, both free-from and around specific questions and issues about:

- Role of partnership and comparison between Finnish case study and related country (Lithuania, Latvia, Estonia)
- Common elements to be shared and implemented in Baltic countries to improve expertise in partnership building.
- Anticipatory mechanisms and tools shared by bilateral or trilateral institutions and cooperative exercise in using a specific tools;
- Development of operational implications and changes of strategic approach

Table 1.: National experts and national seminar timetable

Country	Expert	National seminar
Finland	Robert Arnkil, Arnkil Dialogues, Hamenlinna, Finland	Validation workshop held on 12-13 April 2011 in Helsinki
Lithuania	Inga Blaziene, Lithuanian Social Research Centre, Vilnius, Lithuania	National seminar held on 31 May-1 June 2011 in Vilnius
Estonia	Kirsti Nurmela, PRAXIS Centre for Policies studies, Tallinn, Estonia	National seminar held on 20-21 September 2011 in Tallinn
Latvia	Aija Zobena, Faculty of Social Sciences, Riga, Latvia.	National seminar held on 4-5 October 2011 in Riga

Dissemination

A synthesis report has been prepared for the dissemination at the national level by social partner organisations and at European level through ANTICIPEDIA aiming to summarize the following key findings:

- main forecasting and anticipation tools and processes in Finland
- key features of the forecasting and anticipation systems in the three Baltic countries of Estonia, Latvia and Lithuania
- overview of the main challenges in the area of anticipation and the common elements between the three Baltic countries
- potential for transferability of the main Finnish anticipation instruments
- main lessons learned from this project
- a way forward.

Key features of the Finnish system of anticipation of change

Finland is highly dependent on exports and the global market, with limited workforce resources. Therefore, restructuring, and maintaining cutting edge productivity, innovation and sustainability of the workforce are highly relevant themes for Finland, and will become increasingly so over the next decade.

Finland has an extremely well-developed system of anticipation and forecasting activities, designed to provide an early warning system to predict economic and labour market trends. This enables key actors and the social partners to put appropriate measures into place to help to mitigate any negative effects of restructuring. There is an abundance of anticipation methods and activities at national/central, regional and sub-regional levels and all key players have a role in this: the government and parliament, ministries, the social partners, regional actors, companies and the scientific community. A

noteworthy feature of the Finnish system is that it is based on a culture of openness, informality and trust. The country's wide-ranging set of anticipation methods, activities and actors form a broad and loose cooperation system. There is no direct legislation requiring forecasting and anticipation, but many legal frameworks, like legislation on cooperation on workplace level concerning changes in workplaces, provide a necessary basic backdrop for cooperation and trust.

In terms of the actors involved in the country's anticipation system, public administration has an important role in producing the basic information for forecasts and anticipations. Following on from this, all major societal issues are covered in tripartite and/or social partner debates and negotiations. Ministries and regional-level government bodies have boards with social partner representation, and social partners participate in various ways in the anticipation processes at central, regional and local levels.

The main tool for forecasting and anticipation at national/central level in Finland is the Parliamentary Futures Committee, which is an expert and stakeholder committee, made up of representatives of the government and parliament, and relevant stakeholders. It produces reports containing five- to 15-year forecasts.

The ministries also cooperate in the most important administrative anticipation process, the PATKET-VATTAGE –process³, which consists of a research-based long-term quantitative calculation of changes in the Finnish economy, the processing and commenting of the findings and the translation of the findings into education plans and other instances. The social

³ PATKET is a Finnish acronym for 'Commission consortium of long-term labour and education need forecasts', and VATTAGE is an acronym for 'Government Institute for Economic Research equilibrium model'

partners participate in various ways in forecasting and anticipation at national level.

The main regional anticipation tools are the regional offices of state administration, which are steered by ministries, and regional councils, which are joint municipality institutions. There are 19 regional councils, which are joint municipality institutions and which participate in forecasting and anticipation in various ways, as sources of information, commentators and advisors. The social partners participate in an advisory role (boards) in the state regional offices.

Municipalities are the local-level actors in Finland, and are a very important part of Finnish society. Municipalities participate in various ways in the anticipation of change in the labour market and society, particularly through their joint institutions, such as regional councils. Local unions, entrepreneurs and companies participate in the forecasting and anticipation processes through the regional and local workshops, forums, for commenting on administrative findings and forecasts. Within companies themselves, forecasting and anticipation activities vary, with larger companies having a higher level of resources.

Finland has a long tradition of social dialogue and there has been a strong tendency to seek consensus on major societal issues such as innovation, wages, pensions and education. The negotiation concerning redundancies and lay-offs has been enhanced by a new tripartite measure called “*Change Security*”. This consists of early cooperation between employers, employees, unions, public officials (particularly PES) and others.

Box 1: The Occupational Barometer

The Finnish occupational barometer -developed at local level and now extended across the country - forecasts labour shortages and surpluses in a region, based on the views of the local employment and economic development offices regarding labour market developments over the coming six months. This can be used to match labour supply and demand and to promote mobility of the workforce, or to plan the training of jobseekers. Local employment and economic development officers are in a good position to forecast the labour market situation, as they have close contact with and employees (an unemployed jobseeker must be registered in the PES system in order to qualify for benefits). The local employment offices assess the demand for and supply of 200 occupations in one year. The results are collected into a database in every region.

Anticipating change in the Baltic countries: key aspects

Lithuania

Anticipation and forecasting systems are relatively under-developed in Lithuania, due to issues such as a narrow concept of restructuring as something that is managed by companies rather than public authorities. Further, the role of the social partners in the process of anticipating restructuring is relatively limited, due in part to a lack of sectoral collective bargaining and a low level of company-level bargaining.

Main forecasting instruments in Lithuania

Macroeconomic forecasts, including employment forecasting, are produced by the Bank of Lithuania, the Ministry of Finance, and other banks. However, these forecasts tend to be at national level only, with no sectoral forecasting, which impedes the process of forecasting restructuring events or unemployment. The Bank of Lithuania issues an outlook for economic development four times a year, including

data on inflation, GDP, unemployment and current account balance. The Ministry of Finance publishes medium-term projections of economic indicators twice a year, including labour market, earnings and prices data. In addition to these macroeconomic forecasts, Lithuanian Statistics (LS) produces a statistical business tendency survey, based on the opinion of company executives on past, present and future changes in their economic activity.

The Lithuanian Labour Exchange (LLE) also carries out employment forecasts on an annual basis, based on methodology devised in conjunction with experts from the Swedish National Labour Market Board. The purpose of these forecasts is to plan the activities of the country's labour exchanges, to seek to match labour supply and demand, and to try to assess the need for vocational training.

Further, the Lithuanian Confederation of Industrialists (LPK) produces a quarterly high-level survey of management opinions and forecasts. A range of surveys have been carried out in Lithuania that aims to match the supply and demand for different types of workers. The surveys have mainly been carried out on the initiative of the Ministry of Education and Science. However, there is no uniform model that would enable a reliable forecast of skills needs to be developed. Vocational Education and Training (VET) needs are forecast on a sectoral basis.

Social dialogue and the anticipation process

It should be noted that the history of independent Lithuanian trade unions and employers' organisations is relatively short, dating from after 1990. Although social partnership can be developed at national, sector, territorial and enterprise level, it is most well-developed at national and enterprise level. There is a national-level Tripartite Council of the Republic of Lithuania, which discusses a range of social and employment issues on a tripartite basis and meets at least once a month. The issue

of anticipation of restructuring falls within the ambit of the Tripartite Council and issues related to restructuring do appear on its agenda. However, no targeted actions on anticipation of restructuring have as yet been undertaken at national level by the social partners. At company level, in companies with active trade unions, social dialogue tends to be well-developed. However, the weakest area of social dialogue is the sectoral level: there are almost no sectoral collective agreements and there is barely any sector-level bargaining in Lithuania.

Estonia

There is not a particularly wide range of anticipation methods used in Estonia, and some issues, such as skills forecasting, are relatively underdeveloped. Further, anticipation activities tend to be carried out at national level, but sector-level forecasting activities tend to be confined to certain sectors only. There is no systematic system for including the social partners in anticipation measures and practices, although there is social partner involvement in a number of measures and activities.

Main forecasting instruments in Estonia

Macroeconomic forecasts are carried out by the Ministry of Finance, the Bank of Estonia and the largest commercial banks operating in Estonia, such as Swedbank, SEB, Nordea and Danske, in addition to forecasts by the Estonian Institute of Economic Research.

The Ministry of Finance publicises its macroeconomic forecasts twice a year, covering a five-year period and detailing changes in GDP, foreign trade, domestic demand, consumer prices, changes in the number of employed people, unemployment and average wages.

The Bank of Estonia publishes a macroeconomic forecast twice a year which includes a forecast of economic and labour market indices for the coming three years.

Latvia

The Ministry of Economic Affairs and Communications undertakes annual forecasts of labour force demand over the coming seven years, including changes in employment, moves in and out of employment and changes between sectors.

The Estonian Development Fund is leading an initiative entitled Foresight, which aims to provide a strategic glimpse into the future and identify potential sources of economic growth, thus providing an input into long-term strategies and policies.

There are a number of sector-level studies being carried out in Estonia, providing a detailed assessment of labour forces needs at sectoral level, using a combination of methodological approaches.

Skills forecasts and skills provision

Since 2010, unemployed people are able to take part in training initiatives provided by the Ministry of Education and research in the framework of the European Social Fund. There are also attempts to match formal and vocational education to the needs of the labour market, based on economic forecasts made by the Ministry of Economic Affairs and Communications

Social dialogue and the anticipation process

There is no systematic system for including the social partners in anticipation measures and practices. However, the social partners are involved in a range of activities. For example, the Estonian Employers' Confederation contributes to the forecasting activities of the Ministry of Economic Affairs and Communications and at local level. Similarly, trade unions affiliated to the Estonian Trade Union Confederation would like to see more social partnership involvement in anticipatory strategies. The Estonian Association of SMEs believes that anticipation of change at local level is weak and could be developed further, particularly regarding local cooperation between the social partners and local administration.

Overall, the concept of anticipation is not a frequently debated topic in Latvia and the concept remains widely unknown and little understood outside the circles of officials, experts and scholars. Nevertheless, measures and policies that can be classed as anticipatory do exist, in the form of forecasts and analysis. Social dialogue is relatively well developed in Latvia, although the government and its institutions generally play the most crucial role in anticipating and managing restructuring in Latvia. The majority of the anticipation and forecasting instruments in Latvia are therefore implemented by the government (see the annex for details).

Main forecasting instruments

The Economic Council of the Ministry of Economics produces policy planning documents aimed at facilitating sustainable economic growth. Further, the Advisory Council of Labour Market Forecasting, also from the Ministry of Economics, coordinates the work of the institutions that are responsible for the preparation of labour market forecasts.

As part of its short-term labour market forecasting, the State Employment Agency carries out surveys of employers and employers' associations twice a year to analyse the situation in the labour market and provide forecasts regarding labour sufficiency. Employers are asked about the needs of enterprises for employees at that moment and over the next six months, as well as about requirements for the candidates. The focus is on employers' demand for labour and early identification of the skills needed by employers.

Social dialogue and the anticipation process

The social partners and the government are represented on the National Tripartite Cooperation Council, which is an important national-level tripartite body. This body reviews policy documents, drafts legislative

acts and helps to prepare proposals to the government in a range of policy areas, including employment policy. Over the past few years, the role of the social partners has significantly increased because the government has acknowledged that social dialogue may help to find better ways to overcome the economic crisis. On the trade union side, the Free Trade Union Confederation of Latvia (LBAS) is represented in the National Tripartite Cooperation Council. On the employer side, the main representative organisation is the Employers' Confederation of Latvia (LDDK), claiming that its members employ 37% of all employees in Latvia. LDDK also sits on the National Tripartite Cooperation Council.

Although social dialogue does take place on restructuring and anticipation, particularly at national level, there are concerns about its effectiveness, particularly as it has no binding elements. There is also felt to be a need to strengthen tripartite social dialogue at the sectoral and regional levels.

In terms of anticipation in general, although the structures are in place, an expert evaluation is that there is a lack of an overview in terms of a body that is responsible for the discussion and preparation of anticipation measures. At present, there are several institutions carrying out actions in this area, which are weakly coordinated. If one central controlling body were in place, this would improve the situation and therefore be a step in the right direction.

Main challenges and common elements

The three Baltic countries experience examined in this study all face issues and challenges with reference to the anticipation of restructuring. They are all facing an ongoing difficult economic situation, as they attempt to pull themselves out of the recession. Among the three, Estonia is known as the "Baltic tiger", with an economy that was growing well until relatively recently, and which has been affected to a

lesser extent than its two Baltic neighbours. Further, Estonian wage levels are higher than in Latvia and Lithuania.

All three Baltic countries were badly affected by the recession in 2009, with GDP growth of -14.3% in Estonia, -17.7% in Latvia and -14.8% in Lithuania, compared with the EU average of -4.3% for that year. GDP growth recovered in 2010 in all three of the Baltic countries, although, with the exception of Estonia, it remained below the EU average.

Unemployment remains relatively high in all three Baltic countries, with overall unemployment rates remaining well over the EU average in all three Baltic countries, and increasing between 2009 and 2010. Youth unemployment in particular is a difficult issue, with rates well above the EU average in 2009 in all three Baltic countries, and increasing between 2009 and 2010. Long-term unemployment as a percentage of the active population was also just above the EU average in 2009 in all three Baltic countries, and grew significantly in 2010, in comparison to the EU average. For details, see table 4.1 below.

Given this similar context, it is not surprising that many of the current challenges faced appear to be similar across the three countries, involving labour market challenges, issues related to the organisation of social dialogue, challenges in interpreting and using data that is collected, and issues relating how to provide and finance training. Further, although all three countries have measures in place that can be classified as anticipation and forecasting measures, they may not be formally classified as such, as anticipation is not a widely defined concept in the Baltic countries. This means that there is relatively little focus on and debate about anticipation, compared to countries such as Finland.

Labour market issues

Emigration

A key issue that is common to all three of the Baltic countries is emigration, which is draining economies of labour and skills. This also means that employers are reluctant to invest in training a workforce that may emigrate to another country.

Skills shortages

Matching supply and demand in terms of skills and occupations is a difficult task, and one with which all three countries struggle. In Lithuania, for example, workshop participants felt that the education system does not correspond to the reality of the labour market and in particular there is a shortage of specialised qualified workers. Nevertheless, some skills forecasting systems exist in the Baltic countries. For example, in Lithuania, a range of surveys have tried to anticipate and monitor skills demands and supply.

One challenge with occupational forecasting, common to all the Baltic countries, is that they usually rely on surveys among employers regarding their occupational needs, and employers can be reluctant to fill in repeated surveys. This was highlighted as a particular difficulty by Latvian workshop participants.

Social dialogue structures and practices

All three of the Baltic countries have social dialogue systems that are relatively new, dating from around 1990, and therefore not as well-embedded as the social dialogue structures in Finland. This makes it difficult to build reliable anticipation and forecasting systems that are based on tripartite cooperation. Linked to this, there can be communication difficulties between the involved parties, and a lack of involvement of the social partners in formal decision-making structures. In Estonia, for example, workshop participants pointed to a lack of trust between the social partners in general,

with a focus on making statements rather than looking for joint solutions to issues.

Level of dialogue and anticipation measures

Whereas in Finland, social dialogue and involvement in anticipation systems takes place at national, sectoral, regional/local and company level, some of these levels are not yet in place on a reliable and productive basis in the Baltic countries. In Lithuania, the sectoral level is the weakest level with an absence of sector-level collective agreements. In Estonia, sectoral dialogue is patchy, depending on the strength of the trade union in a particular sector. In Latvia as well, trade unions tend to vary as to their strength in particular sectors. Sectoral dialogue in Latvia is bipartite only, rather than tripartite. At regional level, dialogue and forecasting mechanisms can also be a weak point. In Latvia, for example, the social dialogue and forecasting systems are relatively highly centralised. By contrast, dialogue at territorial and regional level appears to be functioning relatively well in Lithuania.

Interpreting, analysing and using the data

In all three countries examined data produced can be used for anticipating restructuring and change. The issue is usually not the volume of data that is produced, but the quality, coordination, use and dissemination of the data. Below we look at these issues in more detail.

Data quality

Although data quality can be a challenge for any country that is involved in forecasting, it appears to be a particular challenge for all three of the Baltic countries. In Estonia, for example, gaps in the available data are reported to make it difficult to formulate and implement policy. In Lithuania also, the lack of reliable data was highlighted by workshop participants as a weakness of the country's forecasting system. In Latvia, gaps

in the data were highlighted as one of the issues that can affect the quality of forecasting. Data collection at sectoral and regional level was highlighted as a difficulty in all three Baltic countries, due to the weak or patchy nature of cooperation and social dialogue at these levels.

Coordination and dissemination

Many workshop participants in all three Baltic countries took the view that the issue is not necessarily that more data needs to be produced, but that dissemination and public understanding of the data need to be improved, as well as the coordination of their actions in order to avoid overlaps and duplication of effort. This is a key issue also in Finland, where it is reported that there is a large amount of data, but no systematic interpretation of that data.

Interpretation of data

It is vital that the data is interpreted in the right way so as to form the basis for policy formation and action planning. Translating future scenarios and forecasts into policymaking is therefore an issue for all countries involved in this study, including Finland. Overall, there seemed to be problems in developing a coherent strategy for reacting to change in the Baltic countries. In Lithuania, for example, there is reported to be no common point of departure and no overview that is owned by one particular body. In Estonia, it was reported that there is a lack of a general umbrella organisation, such as a dedicated labour ministry. Sharing of data also seems to be an issue in some countries, and one that is linked to levels of trust. Use of data can also present a challenge.

Training provision

Training and skills development was identified in all three of the national workshops as a key factor in developing a labour force that is equipped to deal with the challenges of the modern labour market and attempting to address skills mismatches in the labour market. Adult education is one

way of dealing with immediate skills shortages, and there are schemes that are carried out by the public employment services in the Baltic countries that go some way to addressing skills shortages in the immediate term. However, it was recognised overall in the national workshops that a longer-term strategy needs to be put into place, which will involve some kind of investment in vocational training and higher education. In both the Estonian and the Latvian national workshops, the issue of how to speed up the transition from education to employment was discussed and was seen as a major challenge.

Potential transferability of instruments

Many of the measures, or elements of these measures, that are in place in Finland and which have been presented in this study could be transferred in some way to other countries.

The measure that attracted the most attention in the national seminars was the Finnish occupational barometer. Workshop participants felt that there was a good possibility of transferability of the major elements of this measure, as it is based on data that could be readily collected and analysed in a different regional and/or national context. There was also interest in the Futures Committee of the Finnish Parliament as a tool to help to identify responsibility for anticipation and forecasting. In the Estonian workshop, participants thought that elements of this measure could be transferred to the Estonian context and that this would be a good way of maintaining an overview of forecasting and anticipation measures in the country.

The Finnish PATKET-VATTAGE process is one of the key tools for producing long-term forecasts in Finland. As long-term forecasting was identified as a particularly difficult challenge in the Baltic countries, there was interest in all the national workshops in this tool. However, the view from all of the national seminars was that the methodology

used in this instrument had limited transferability (this tool comprises the calculation of a base scenario which is then adapted to regions, following calculations and dialogue with stakeholders at national and regional level.

The involvement of the Finnish municipalities and regional authorities in the range of anticipation and forecasting instruments and measures sits at the heart of the Finnish anticipation and forecasting system. While participants in the national seminars agreed that it would be highly desirable to strengthen the regional involvement of actors in anticipation and forecasting systems in their countries, this was deemed to be difficult to achieve, given the relative weakness of this level of cooperation and dialogue in the three Baltic countries.

The cooperation and networking between actors – is not readily transferable, as this is a deeply embedded aspect of Finnish employment relations culture. Therefore, any measures taken from Finland would need to be adapted to the circumstances, culture and environment of other countries. This is particularly the case with the tripartite networked approach to forecasting that is in place in Finland.

Lessons learned

It should be emphasised that many of the challenges faced by the Baltic countries are not particular to those countries, but are felt to a greater or lesser extent by many of the EU Member States, particularly in terms of the demographic challenges, skills policy, labour market issues, how to cope with restructuring, and how to climb out of recession. Nevertheless, a range of lessons can be learned from the knowledge sharing that took place in the three national workshops in the Baltic countries, relating to structures, practices and attitudes. In brief, the three (3) main lessons learned are the following:

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1. To enhance social partnership is a long term perspective

2. It is fundamental to connect national strategies and anticipation
3. National, regional and sectorial levels have to be taken into consideration in the design of forecasting strategy

A description of further and detailed key elements arisen from the knowledge sharing about Anticipation and social partnership approach is brought back below:

- **Building social partners relationships.** Improved relationships, involving more trust and communication between the social partners, needs to be built. The Baltic countries, like the majority of the new EU Member States, have a limited history of social and dialogue and free collective bargaining and therefore it is to be expected that it will take a considerable amount of extra time for the level of social partnership to be built up to the standards seen in many western EU Member States.
- **Coordination and communication.** Coordination and communication of anticipation and forecasting activities appear to be in need of improvement. The issue here is not that there is a lack of data, but that it is not being communicated properly and the bodies responsible for forecasting are often not coordinated. Therefore, it might be worthwhile to consider making one body responsible for the anticipation of change.
- **Trust.** Trust, transparency and openness are qualities that characterise the Finnish system of anticipation and seem to be lacking in many facets of the anticipation systems presented in the Baltic countries, not just between the social partners, but sometimes within government departments. In Latvia, for example, it was noted that in Finland, all the government departments are acting together in a coordinated way, which is not the case in Latvia. Trying to foster more trust, transparency and openness, possibly through more regular tripartite

contacts and coordination, may improve the situation.

- **Levels of dialogue.** Another characteristic of the Finnish system is the fact that social dialogue on anticipation takes place at all levels, ranging from the national to the sectoral, regional, territorial, local and company level. By contrast, the social dialogue and anticipation activities are less evenly spread across all these levels in the Baltic countries. More emphasis on the sectoral and regional levels in particular may be a good idea, as different sectors and regions have different characteristics and needs, and therefore anticipation efforts can be tailored if they take place at a more local level. There are issues and limitation, however, with regard to the strength of social dialogue in particular sectors.
- **Forecasting tools.** Regarding the systems and tools available, it would seem that there is plenty in place already, in terms of forecasting and anticipation tools and mechanisms. It would therefore be a question of improving and streamlining what is already in place, rather than embarking upon a wholesale reorganisation of systems, or putting into place completely new tools. Within this, it should be noted that forecasting and anticipation are not easy processes to put into place and to carry out effectively. Long-term forecasting in particular is a very difficult exercise, due to the volatility of labour markets. Reliability of data also needs to be improved, an issue that is linked to the putting into place of a regular and coordinated forecasting and anticipation system.
- **Training.** There is a need to ensure that vocational training systems are adequately developed and adapted to the specific circumstances of the labour market. Funding of training and in particular life-long learning is a consistently difficult question, and the social partners need to be involved in a debate about how to build and finance a

training system suited to national needs. Flexibility is also key as this will help employers to support workers in the development of their skills.

- **Transferability.** During the discussions in the workshops, it became clear that participants in the Baltic countries were extremely interested to hear about the Finnish anticipation system and were also enthusiastic about particular elements, such as the Finnish Occupational Barometer, and how this could work in their country. The view from participants tended to be that certain technical elements, such as the Occupational Barometer, could, with some modifications, be applied to their own countries and could work well in their national context. However, there was also agreement that measures could not, in general, be exported to other countries wholesale, due to differences in cultural, social and economic context. In the case of the transfer of measures from Finland to the Baltic countries, the contextual difficulties would relate to the fact that trust, communication and cooperation between the social partners is not as well developed in the Baltic countries as it is in the Finland, largely due to the relative newness of the relationship. Further, issues such as the lack of strong social dialogue at all levels, particularly the sectoral and municipal level, would make it difficult to recreate the Finnish model wholesale in the Baltic countries.

A way forward

The immediate future looks difficult, due to the continuing economic difficulties in which the Baltic countries find themselves. National economies have been hit very hard by the crisis, which in turn has had a negative impact on the labour market. Given this difficult context, it seems hard to find a firm way forward. However, there are some issues that are worth considering that may help to build a more robust system for anticipating restructuring in the Baltic countries in the future. These are detailed below.

- **Design and coordination of tools**, ensuring participation from all actors. Particular emphasis should be placed on the coordination and communication.
- **Taking responsibility** including also the creation of a new, independent forecasting and anticipation body, or the designation of an existing body as the responsible body for anticipation.
- **Quality and use of data** from forecasting and a strategy for presenting the information to the public.
- **Joint working** starting from the mapping of the stakeholders and then to hold more regular joint workshops (similar to the ones run in this project), which will give the social partners and government representatives the time and space to discuss issues that are relevant to their country's labour market and restructuring.
- **Cooperation on all levels.** Good cooperation between the partners at all levels – national, regional, sectoral, local and company – is extremely important and the social partners should all take responsibility in building this, acting on an equal basis.
- **Developing sectoral, regional and local levels.** Cascading information down from national to more local levels is important for local-level implementation, which tends to be under-developed in comparison to the national level, both in terms of anticipation and social dialogue more widely in the Baltic countries.
- **Tackling skills shortages**, involving all the relevant actors, such as employers, employees, employee representatives and education providers (including universities), Employees should also be motivated to take responsibility for upgrading their skills levels.
- **Tackling emigration.** All three Baltic countries are suffering from the loss of their young workers through emigration and need to find ways of keeping them into the country so that they can join the

labour force. This is a difficult task, but could be linked to education and training and revitalisation of the labour market through measures such as encouraging entrepreneurship.

- **Long-term actions.** It is difficult to devise long-term strategies and to put into place long-term forecasting and anticipation measures, particularly in these troubled economic times. However, efforts should be made to do this, using strong cooperation between the social partners and the government and using examples of good practice from countries such as Finland. EU funding also appears to play an important role in maintaining the systems in place in some of the Baltic countries.
- **Engaging experts from other cultures.** Learning from other cultures, particularly those with some kind of links or similarities, is a valuable experience. It may also be worthwhile to try to engage foreign experts in helping and advising the actors in their task of trying to strengthen and improve their anticipation and forecasting mechanisms.

For a detailed description of the main anticipatory and forecasting measures in operation in Finland and Baltic countries please see the Synthesis report.

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