

Future Skills - Bridging the Competence Gap

Background

The project “Future Skills – Bridging the Competence Gap” addresses a shared Nordic need to enhance the alignment between labour market demands and the existing skills of the population. This need is particularly acute given the ongoing green and digital transitions. Nordic countries are facing structural challenges in guaranteeing that a qualified workforce is accessible across both urban and rural areas. Simultaneously, systems for competence matching and forecasting have considerable variation across the countries, thereby underscoring the necessity for joint analysis and shared learning.

Expected outcome

The goal of the project is to strengthen the Nordic knowledge base through concrete policy-relevant results and enhance the Nordic countries’ ability to navigate green and digital transitions through improved competence matching and forecasting systems. It will also enable the Nordic countries to remain frontrunners in managing transitions in the private sector, improving competitiveness, and informing education planners and labour market decision-makers across diverse geographic contexts.

Project organization and outputs

The project is anchored in a cross-sectoral initiative between the Nordic Council of Ministers' (NCM) committees of senior officials for labour (EK-A), education and research (EK-U), and regional development (EK-R). It will be implemented over the period 2025–2027 and is managed by the Nordic Network for Lifelong Learning (NLL), which holds the overall administrative and professional responsibility for both main components of the project:

- (1) a comparative analysis of Nordic competence matching systems, and
- (2) a knowledge-sharing initiative on Nordic competence forecasting systems.

(1) Output for competence matching systems

VIA University College (DK) and the Fafo Research Foundation (Fafo/NO) will carry out the research for part 1 on competence matching systems. A comparative analysis of the Nordic competence matching systems involves clarifying the concepts for these systems within a Nordic context, as well as establishing a common understanding of the systems' purpose, areas of use, and structural framework. The analyses will also identify similarities and differences in the systems' function across the Nordic countries, as well as central challenges and opportunities. Case examples from the private sector working with the green and digital transition, covering both urban and rural areas in the Nordics, will be included.

Part 1 consists of five phases:

1. *Conceptual clarification* to create a common understanding, both generally and specifically related to the green and digital transition.

2. *Analysis of the Nordic countries' competence matching systems*, focusing on division of responsibilities, funding, sector policies, etc. Fafo will analyze the systems of Norway and Finland, while VIA University College shall cover Denmark, Sweden, and Iceland.
3. *Analysis of differences and similarities* across the Nordic countries with potential for mutual learning and possible synergies.
4. *Effects of the competence matching systems*, for example regarding the transition from education to work, labor mobility between sectors, degree of over-/under-education, and skills shortages, etc.
5. *Case analysis, policy recommendations* and recommendations for further Nordic cooperation.

(2) Output for competence forecasting systems

The OECD LEED team is anticipated to write a maximum of two technical/policy papers and/or briefs for part 2, competence forecasting systems. These will cover 1) Nordic and international models for skills assessment and anticipation and the use of AI in these models, and 2) Policy barriers and opportunities for the Nordic Region. OECD will also take part in up to three advisory board meetings. Lastly, they will help disseminate the findings at the launch event until the final advisory board meeting.

Part 2 consists of five phases:

- 1: *Project inception and framework design*, focuses on finalizing the scope, research design, and project plan.
- 2a: *Targeted comparison*, focuses on mapping national and selected regional activities, examining their institutional setup, data sources (such as labour force surveys and job vacancy data), and the models used to anticipate short-to-medium-term skills demand.
- 2b: *Targeted mapping*, conducts a detailed methodological assessment of a limited number of selected national or regional approaches, evaluating their specific methods, the definition of skills, and their effectiveness in capturing trends like the digital and green transitions.
- 3: *International comparison and transferable lessons*, examines high-performing non-Nordic forecasting systems to extract transferable lessons on data integration and stakeholder engagement.
- 4: *Artificial Intelligence in skills anticipation*, investigates the emerging role of AI in enhancing the efficiency and granularity of anticipation models, while also considering AI's dual role as a driver of labour market change.
- 5: *Recommendations*, synthesize all findings to identify key barriers and strategic opportunities, including those specific to the "Nordic Labour Market Model" to propose practical, concrete options for enhanced Nordic collaboration in the field of skills anticipation.

Milestones and deliverables

Phase 1: Project start (Q3–Q4 2025)

	Milestone	Deliverable	Deadline
1.1	Advisory board meeting no. 1 Kick-off	The first meeting with the Advisory board is held online to ensure shared expectations and input on the two main components of the project.	31.10.2025

Phase 2: Implementation phase (Q4 2025 – Q1 2027)

	Milestone	Deliverable	Deadline
2.1	First draft assignment	A professional understanding of competence matching systems in a Nordic context is developed in dialogue with the Advisory board. Mapping and analysis, and data foundation and case shortlist is completed as a first draft.	Q1 2026
2.3	Advisory board meeting no. 2	On-site meeting in Copenhagen regarding competence matchings systems and case selection for in-depth analysis.	March 2026
2.4	First draft assignment 2	Identification and description of competence forecasting systems (incl. Nordic/international and AI perspectives) is completed as a first draft.	Mid-Q3 2026
2.5	Advisory board meeting no. 3	Online meeting with NCMS, OECD and the Advisory board.	September/ October 2026
2.6	Report to NCM	Professional summary that compiles analysis and main points is ready for reporting.	End of Q4 2026

	Milestone	Deliverable	Deadline
2.7	Knowledge sharing events	The knowledge sharing events (e.g., two webinars focusing on the two main components of the project) are executed.	Q4 2026

Phase 3: Finishing phase and project end (Q1 2027)

	Milestone	Deliverable	Deadline
3.1	Finalized knowledge product	The final product (via infographics and case descriptions) is ready and presented to the Advisory board.	Mid-Q1 2027
3.2	Advisory board meeting no. 4	On-site meeting in Norway in connection with the final project event linked to the NCM presidency programme.	March 2027
3.3	Closing event	Event (Ministerial meeting, conference, or similar) to raise awareness of the product's results is executed.	End of Q1 2027