

Tripartite Social Forum

on the implementation of the
Europe 2020 flagship initiative

'An Agenda for new skills and jobs'

Brussels, 10-11 March

- Workshop 2 -

Equipping people with the right skills for employment

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- Commission background note¹ -

Background

In 2008, the Commission Communication "New Skills for New Jobs", followed by two Council Conclusions and an independent experts Report, established the anticipation and matching of labour market and skills needs as a top priority for the EU². In May 2009, Member States agreed the "Strategic Framework for European cooperation in education and training" to address lifelong learning and skills development of citizens of all ages.

The crisis has underlined the importance of the challenge: it has accelerated the pace of economic restructuring, displacing many workers from declining sectors to unemployment due to a lack of the skills required by expanding sectors. Now the first signs of economic recovery go hand in hand with difficulties in recruiting high-skilled staff.

Long-term prospects also emphasise the importance of skills. Jobs occupied by highly-qualified people are expected to rise by 16 million between now and 2020 in the EU, while those held by low-skilled workers will decline by around 12 million. Too many people do not have the competences needed to succeed in the labour market; adults with low educational attainment are seven times less likely to be involved in continuing education and training than those with high attainment levels, and as a result face increasing difficulty in adapting to newly-emerging and evolving skills needs.

¹ Extracts from the Commission's Communication 'An Agenda for new skills and jobs: A European contribution towards full employment' COM(2010) 682 final/2

² COM(2008) 868, 16.12.2008. Council conclusions of 9.3.2009 and 7.6.2010. 'New Skills for New Jobs: Action Now' Expert Group Report, Feb. 2010.

Serious deficits in qualified professionals, in management and technical, job-specific skills are hampering Europe's sustainable growth objectives. This is also the case for shortages in areas critical for innovation, in particular Science Technology Engineering Mathematics. In the automotive sector and shipbuilding, for example, demand for hybrid vehicles and offshore investment in sustainable energy already requires many skills other than those which workers in those sectors currently have. Indeed, significant investments in "green" skills need to be made to ensure Europe lives up to its ambition of having 3 million green collar workers by 2020. By 2015, there will be a shortage of ICT practitioners estimated at 384 000 to 700 000 jobs, jeopardising the sector itself but also the ICT dissemination across all sectors of the economy. Moreover, more than 30% of Europeans have rarely or never used the internet which significantly hampers their employment opportunities since most jobs already require e-skills³. By 2020, in the health sector a shortage of about 1 million professionals - and up to 2 million if ancillary healthcare professions are taken into account is estimated, i.e., 15% of the care needed in the EU. An additional 1 million researchers are needed to meet our ambitions to establish an Innovation Union.

The mismatch between skills needs and supply has also a geographical component: skills shortages and bottlenecks in high growth areas coexist with areas of persistent high unemployment. Yet, mobility remains very low in the EU: in 2009, only 2.4% of the EU's population were citizens of another Member State. Economic migration is also acquiring strategic importance in dealing with skills shortages. Non-EU citizens amounted to almost 20 million, or 4.0% of the total EU-27 population; without net migration, the working-age population would shrink by 12% in 2030 and by 33% in 2060 compared with 2009. Yet, skilled migrant workers too often occupy low skill low quality jobs, underlining the need for a better management of these migrant workers' potential and skills.

Orientations of the Agenda

Strengthening the Union's capacity to anticipate and match labour market and skills needs

The impact of the crisis and the persistent high level of unemployment have increased the need to better understand where future skills shortages are likely to be in the EU. The knowledge acquired since 2008 through different actions must be brought together into a systematic review of EU skills needs. Member States' actions to raise skills levels must be complemented by EU action, with a strong emphasis on geographical mobility as an adjustment mechanism to ease regional pockets of unemployment, and respond to market needs. The Commission will also continue to support the creation of sectoral skills' councils at European level when an initiative comes from stakeholders such as social partners or the relevant observatories. Similarly, in line with the Stockholm Programme⁴, and in particular the development of EU legislation on legal migration, the Commission will take action to tap more effectively the potential of migrants already in the EU. There are five core areas for action:

1. Developing labour market intelligence and skills governance

Most Member States develop their labour market intelligence on current and future skills needs, through bodies such as Observatories which bring together labour market actors and education and training providers. These analyses help shape qualification standards and adapt training systems to labour market needs.

However, there is still wide scope to further develop the existing forward-looking labour market tools at Member State, regional, sectoral and EU level, and to disseminate their

³ See definition in COM(2007) 496, 7.9.2007.

⁴ COM(2010) 171, 20.4.2010.

results in order to better address skills shortages. The Commission will facilitate cooperation between bodies in Member States involved in skills governance (anticipation of skills needs and responsiveness of education and training systems), in order to promote information sharing and better use of labour market intelligence in employment, education and training policies.

2. Providing the right mix of skills

Irrespective of age, gender, socio-economic background, ethnicity or disability, all EU citizens should have the opportunity to acquire and develop the mix of knowledge, skills and aptitudes they need to succeed in the labour market.

To this end, education and training systems must deliver the right mix of skills, including digital and transversal key competences, media literacy, and communication in a foreign language. They must also ensure that young people, graduating from secondary and tertiary education, possess the skills and competences needed to make a rapid and successful transition to employment. Fighting against early school leaving and low educational achievement in basic competences such as literacy, numeracy and science, including among adults, is an essential element for inclusion, employment and growth. Continuing training must reach the benchmark of 15% of all adults participating in lifelong learning⁵.

Good progress has been made in adapting school curricula, introducing reforms along the European Key Competences Framework for Lifelong Learning, and using the Europass. However, Member States should step up the pace of reform and implement national qualifications frameworks based on learning outcomes, as indicated in the European Qualifications Framework Recommendation. Similarly, the Copenhagen process should further help improve the attractiveness of initial vocational education and training.

Given the transversal role of digital competences across the economy, the Digital Agenda for Europe is an essential catalyst that can help provide the right digital competences for workers and job-seekers, with targeted efforts to promote basic digital literacy for those with least competences such as the elderly, less-educated persons or SMEs employees but also to promote specialised and advanced ICT competences for those holding specific job profiles such as ICT practitioners.

3. Matching people's skills and job opportunities, and capitalising on Europe's potential jobs

While delivering the right mix of skills is important, avoiding the under-utilisation of people's talents and potential is just as essential. This requires better cooperation between the worlds of work, education and training, and an increased transparency in the labour market, beyond traditional approaches which measure skills only through formal qualifications.

The shift towards competence- and skills-based approaches is already leading to a significant change in education systems, labour markets, and their interaction. This in turn has important implications for the work of employment services in the area of skills assessment, profiling processes, training delivery, cooperation with training providers, career guidance and client (including employers) counselling. Cooperation between employment services and guidance centres in the education field must be reinforced, so that the latter can provide advice directly relevant to the labour market.

Counselling, incentives and assistance to companies, including SMEs, is also essential to help them develop and make the best use of competences in the work place. Employers should be encouraged to co-invest and participate in the activities of education and training

⁵ Council conclusions on the "Strategic Framework for European cooperation in education and training ET(2020)" (doc. 9845/09).

institutions, particularly in higher education and vocational education and training; these partnerships can develop and update skills profiles, multidisciplinary curricula and qualifications, and facilitate the provision of work-based learning, from apprenticeships to industrial PhDs. These structured partnerships could offer an efficient and systemic means of developing this interaction.

In order to bridge the skills gap for the jobs of the future and make our education systems more responsive to the future needs of our economy (e.g. green economy), new academic specialisations need to be promoted so to achieve a critical mass that will raise European competitiveness.

4. Enhancing geographical mobility throughout the EU

Many non-regulatory factors influence interregional and transnational mobility: housing, language, the employment opportunities of partners, return mechanisms, historical 'barriers', and the recognition of mobility experience, particularly within SMEs. Recent efforts to improve geographical mobility have focused on the removal of legal and administrative obstacles (e.g. in the area of recognition of qualifications and portability of supplementary pension rights). Citizens must now be better informed of these changes to embrace with confidence cross-border career moves; more emphasis must also be put on raising the transparency of job vacancies across the EU. In the context of the coordination of social security systems the Commission in cooperation with Member States will also examine the situation of highly mobile professional categories, in particular researchers engaged in remunerated research activity, to facilitate their geographical and inter-sectoral mobility in order to complete the European Research Area by 2014.

Some professionals must still comply with long and cumbersome procedures before their qualifications are recognized. The Commission is currently carrying out an evaluation of the Professional Qualifications Directive, in order to identify possible solutions such as a professional card and simplify the current situation.

5. Reaping the potential of migration

To maximise the potential contribution of migration to full employment, migrants already legally residing in the EU should be better integrated, particularly through removing barriers to employment, such as discrimination or the non-recognition of skills and qualifications, which put migrants at risk of unemployment and social exclusion. The lower performance of third-country nationals with respect to the indigenous population in Member States' education systems should also be addressed.

A better monitoring and anticipation of skills needs, as well as improvements in the recognition of skills and qualifications, also those obtained outside the EU, can substantially reduce the 'brain-waste' of highly educated migrants employed in low-skilled or low-quality jobs. While respecting the principle of Community preference and of the right of Member States to determine the volumes of admission of third-country national workers, a mapping of the skills profile of third-country nationals already living in the EU, would be instrumental in determining how the expanding legal framework of EU and national admission schemes for migrant workers could help mitigate skills shortages. A flexible, demand-driven admission policy can make an important contribution to meeting future labour needs. Skills matching can also be improved through reinforced cooperation with third countries in the areas of skills recognition, sharing information on labour market needs, and working with recruiters and employment agencies.



Concrete actions put forward by the Agenda

Key Actions

The Commission will:

- 4) As of 2012, produce an **EU skills Panorama** to improve transparency for jobseekers, workers, companies and/or public institutions. The Panorama will be available online and contain updated forecasting of skills supply and labour market needs up to 2020. It will provide: i) up-to-date information on the top 25 growth occupations in the EU, and on the top five 'in demand' occupations per Member State; ii) an analysis of skills requirements based on the European Vacancy Monitor; iii) an analysis of skills mismatches and use of skills in the workplace, through surveys of employers, learners and graduates; iv) foresight analysis at sector level, based on the work of the European Sector Councils' on Skills and Employment; and v) CEDEFOP⁶ and Member States' projections. Where relevant the Panorama will report on skills needs in particularly important areas such as science, technology, engineering and mathematics.
- 5) By 2012, complete in all European languages the **European Skills, Competences and Occupations classification (ESCO)**, as a shared interface between the worlds of employment, education and training.
- 6) In 2012, consider the possibility of presenting proposals to help **reform the systems for the recognition of professional qualifications**, on the basis of the evaluation of the Professional Qualification Directive.
- 7) In 2011, launch a **New Agenda for Integration** of third country nationals, to provide improved structures and tools to facilitate the exchange of knowledge, and the mainstreaming of integration priorities of the Member States in all relevant policy areas.
- 8) In 2012, consider the possibility of presenting proposals to help improve **the enforcement of rights of EU migrant workers** in relation to the principle of free movement of workers.

Accompanying and preparatory measures:

The Commission, in cooperation with Member States, will also:

- By 2011, propose a **new benchmark on education for employability** to stimulate a new focus on preparing young people for the transition to the labour market, propose a Council Recommendation on **reducing early school leaving**, and set up a **High Level Expert Group on improving literacy** among young people and adults.
- By the end of 2010, launch an **awareness campaign on how citizens can benefit from EU social security coordination rules to move within Europe**, without losing their rights.
- In the framework of the **SME Performance Review**, assess future skills needs in micro and craft (-type) enterprises for a representative sample of EU Member States, to better mainstream the needs of these enterprises in existing EU policy initiatives.

⁶ European Centre for the Development of Vocational Training



- As of 2011, support competences for sustainable development, and promote skills development, in sectors covered by **the Roadmap towards a resource-efficient Europe and by the new Eco-Innovation Action Plan**.
- As of 2011, support '**knowledge alliances**', i.e. ventures bringing together business and education/training institutions to develop new curricula addressing innovation skills gaps and matching labour market needs. The EU Industrial PhDs in the framework of Marie Curie actions and the Erasmus placement in companies will also be developed.
- In 2011, propose a Council Recommendation on the identification, recording and **validation of competences** gained outside of formal education and training, including in particular a **European Skills Passport** to help individuals record and present the skills acquired throughout their life.
- In 2011, present **an analysis of the contribution of migration policies to labour market and skills matching** in line with the Stockholm programme. A **policy network to improve the education of migrants** will be established to address the educational achievement gap between migrant students and the indigenous population at school.
- By 2012, **reform the European Employment Services EURES and its legal basis**, to develop its matching and placement capacity at the service of the European Employment Strategy and to expand it to support Your First EURES Job.
- By 2012, propose an EU-wide approach and instruments to support Member States in the **integration of ICT competences and digital literacy (e-skills) into core lifelong learning** policies.
- By 2012, present a **Communication on the European policy for multilingualism**, proposing priorities in the education and training systems, and a European language benchmark based on results of the European Survey on Language Competence so as to achieve the "mother tongue +2" Barcelona objective.
- By 2012, develop in cooperation with Member States an **action plan to address the gap in the supply of health workers**. The action plan will be accompanied by a Joint Action under the Health Programme on forecasting health workforce needs and workforce planning.
- By 2012, map out and promote European **centres of excellence within new academic specialisations** for tomorrow's job. The Commission will analyse the best way to support mobility of students (European and international) towards these centres of excellence.



Questions for discussion

- Today the unemployment rate in Europe stands at 9.6% and youth unemployment is even more worrying at a high and unacceptable rate of 21%. Despite this fact, many companies and sectors are having difficulties finding skilled staff to fill their job vacancies. Too many people simply do not have the skills needed to succeed on the labour market. The current skills gap and skills mismatches observed on our labour markets risk impacting negatively the competitiveness of our economies, jeopardising a sustainable economic recovery based on innovation and job creation.

How important do you consider the questions of skills anticipation and matching for employment, innovation and the competitiveness of our economies? Do you think that at present the EU is exploiting fully the potential of its workforce or could there be improvements and for whom? Even in times of budgetary constraints should this remain a priority?

- To tackle the challenges highlighted above, investments in education and training systems, guided by improved monitoring and understanding of present and future skills shortages are needed. Education and training systems must be able to deliver the right mix of skills to maximise the chance of a smooth and rapid transitions to and on the labour market. Increased cooperation between guidance centres and employment services as well as between the worlds of work and education and training should be encouraged.

What are your views on the Commission proposals to develop labour market intelligence and skills governance? Do you consider increased cooperation between key actors, i.e. between education and training institutions and employers or between guidance centres and employment services needs to be reinforced to reduce the skills gap and increase the mix of skills and how could this be achieved? The Commission is considering proposals to improve mobility on EU labour markets: how important is this issue in an economic context with high levels of unemployment?

- Many of the Commission proposals suppose the active collaboration of Member States, be it through the exchange of information or via the participation in networks at European level. For these actions to be successful requires as well the participation and full support of the social partners. The Commission would like to involve these key players in the implementation of the agenda and is open to suggestions on the form this cooperation could take.

The social partners have made an important contribution to the skills agenda. Are social partners ready and willing to take a more active role and if so what would this be? What role should Member States play in the implementation of the agenda?

