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Subject : **New Skills for New Jobs**  
**- Contribution from the Employment Committee**

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In view of the forthcoming EPSCO Council of 7-8 June 2010, delegations will find attached the Employment Committee's contribution on the "New Skills for New Jobs" initiative, as it resulted from the meeting of the Committee held on 15 April 2010<sup>1</sup>.

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<sup>1</sup> An earlier version of this contribution was forwarded to the Conference "New Skills for New Jobs" which was held in Barcelona on 8-9 March 2010.

# The Employment Committee



## New Skills for New Jobs

CONTRIBUTION FROM THE EMPLOYMENT COMMITTEE

### 1. General introduction

The Employment Committee (EMCO)<sup>2</sup> welcomes the 'New Skills for New Jobs' (NSNJ) initiative, launched by the European Commission in December 2008<sup>3</sup> at the request of the European Council. In its previous opinions and contributions, EMCO clearly stressed that upgrading skills for all those wanting to work, of all ages and skills levels, and providing quality education and training adapted to employers' and individuals' needs is critical<sup>4</sup>. There is a growing need for up-skilling and improved skills matching, as well as a demand for workers with transversal key competencies. These are prerequisites for the employability of workers and smoother job-to-job transitions as well as moving from unemployment to employment<sup>5</sup>. The improvement of people's capacity to adapt to change is key for Europe's equity and social cohesion, short-term recovery and longer-term growth and competitiveness.

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<sup>2</sup> The Employment Committee (EMCO) and its Ad-Hoc and Indicators sub-groups is a Treaty-based Committee composed of representatives nominated by EU Member States. It has an advisory role to the Employment, Social Policy and Consumer Protection Council and plays an important role in the development of the European Employment Strategy.

<sup>3</sup> <http://ec.europa.eu/emco>

<sup>4</sup> COM(2008)868final

<sup>5</sup> See: EMCO policy conclusions from a review of Member States' activities related to New Skills for New Jobs objectives ('Cambridge 2009 thematic review – skills upgrading and skills matching' EMCO/47/121109/EN) based on discussion carried in EMCO Ad Hoc Group in January 2009 complemented with the information from 25 national country fiches.

<sup>5</sup> See: EMCO opinion on Skills and Mobility endorsed by 2009 June EPSCO Council (doc.10132/09).

EMCO presented in various contributions the view that skills development strategies are crucial for confronting the crisis, paving the way for recovery, and easing the restructuring processes. The conference organised by the Spanish Presidency, taking stock of recent developments at EU level and of the recommendations presented by a group of independent experts<sup>6</sup>, is a timely opportunity to share good practices between Member States.

This contribution presents an overview of activities and measures put in place at national level, based on updated information provided by Member States. It focuses on concrete challenges and solutions observed at the national and regional level. It also explores avenues for further activities that could be carried out and the role of the NSNJ agenda in the new EU 2020 strategy.

## **2. A NSNJ agenda: examples of activities in Member States**<sup>7</sup>

### *The economic crisis has pushed the case for skills upgrading and matching measures*

Since 2009, training activities have been used as a measure to preserve jobs, through short-time working arrangement or part-time unemployment schemes.

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<sup>6</sup> New Skills for New Jobs: Action Now. A report by the Expert Group on New Skills for New Jobs prepared by the European Commission, February 2010.

<http://ec.europa.eu/social/main.jsp?catId=568&langId=en>

<sup>7</sup> In addition to the documents mentioned above, this contribution benefits from the discussion carried in EMCO Ad Hoc Group in January 2010 complemented with the information from 23 national country fiches.

Member States have also increased investment into training for vulnerable groups and efforts have been made at various levels to incentivize people and companies to up-skill. Incentives were mainly financial, such as training vouchers (BG, UK), Educational savings (DE), skills account (UK), retraining premium (NL, UK), financial incentives such as tax reductions for companies to invest in skills of their employees (CY, MT, PL, RO), awarding companies that set in service training places (DK), providing remuneration to training supervisor (EE), financial support to young unemployed persons to get trained (IE), free access to training for persons aged 45+ under the condition to register as a jobseeker (PL). DE extended the access to further training for workers whose vocational training or last further training is more than 4 years ago. While in EL targeted training programmes combined with guaranteed employment have been designed and implemented for the sectors struck by the crisis. Migrants have been hit especially hard by the crisis and several Members States put in place measures such as language courses as it acknowledged that a lack of language skills is a main obstacle for employment (AT, EE, EL, SI).

The economic crisis put pressure on Public Employment Services (PES) in all countries to enhance their services and facilitate job transitions by speeding up matching processes with vacant posts and providing special support – including training – to unemployed persons. Many PES have implemented early intervention mechanisms for the unemployed, for example through the intensification of pre-lay off services (RO), the setting-up of a rapid reaction unit (MT) to assist firms that experienced collective redundancies or provides profiling, job search assistance, training opportunities on the 5<sup>th</sup> day to help workers affected. In NL, a network of mobility centres has been set up to support job-to-job transitions.

Many countries continue to modernize employment services to improve matching labour demand and supply, by using ICT and simplification of procedures through online services. For example the UK plans to extend the current job search facility to include aggregated vacancies from employers' own websites or other job boards. In PT NET Employment was improved, creating interfaces with other institutions and easing access to employment services and providing a better management of job vacancies. In EL, a mechanism of external matching has been put in place to put directly into contact job seekers and employers. In DE, for a better match between job vacancies and jobseekers,

the analysis of the potential of each jobseeker comprises the identification of all strengths and weaknesses that are relevant for the placement into employment. In FR the reform of PES simplified the procedures for all jobseekers to benefit from training measures regardless of their status. PES are also in charge of identifying sectors in demand and works in cooperation with private training providers.

Outreach services were also strengthened in some Member States. In MT a website specifically dedicated for youth will be developed. Through outreach, the programme intends to use ‘youth appealing’ activities such as films, music and sports and a TV programme.

Guidance activities have also been developed: in FI supplementary staff is to be recruited in PES to strengthen guidance and counselling services for young people, immigrants and redundancy situations. In HU lifelong guidance is being developed for all age groups of the working population. Likewise in PL, centres for professional activation will be created within the local labour offices, while in BE a platform for better access to labour market information will be set up. In EE career counselling will be extended to employed people, and new information centres in the regional offices will be opened, as well as career information online services.

***Specific measures to anticipate skills needs and improve the responsiveness of education and training systems***

To achieve a better balance of supply and demand for skills in the labour market, various actors in Member States addressed issues related to future skills requirements together with the necessary education and training responses.

- Using skills forecasting and labour market information to design education and training offers

Many countries are investing in tools and methods with the aim to build regular skills forecasts taking into account short, medium and long term needs. Most long-term prevision is done at national level, whereas short-term forecasts are undertaken more generally at local or regional level through Public Employment Services (PES). The monitoring of vacancies can give an indication of the type and the extent of the skills required in the labour market and the shortages being experienced.<sup>8</sup>

In a number of Member States, anticipation exercises involve a wide range of stakeholders, promoting a partnership approach to increase accuracy and dissemination of labour market information. This can take the form of sectoral councils (CZ, PT, RO, SE, SK, UK) composed by social partners, government, and other relevant stakeholders within education, training and employment which identify main skills by sectors. In FR observatories are established in each sector and at national level the Council of strategic analysis works on anticipating trends affecting jobs and qualifications thus enabling the State, the professional branches and the regions to specify their employment and training policies. Involvement of partners from the private sector and academia (research institutes, universities) is also taking place by some Member States (AT, FI, MT, PL, SK). For example, AT set up close cooperation between research institutes, chamber of commerce, school authorities and PES to improve forecasts. In RO, a partnership with international organisations was put in place for skills anticipation. In DE an alliance of all relevant stakeholders supports the development of a labour monitoring. Many measures taken in the field of anticipation include a strong effort to promote a better dissemination of labour market information not only to experts, PES, counsellors, but also to the wider public (BE, CZ, IE). In IE for example, the results of detailed monitoring of employment trends are published in the form of a National Skills Bulletin which is widely disseminated to policy-makers, career guidance officers, students and other interested parties.

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<sup>8</sup> It should be noted in this context that PES data is usually based on information on registered unemployed and job offers, and may therefore not represent all vacancies (especially for high skilled jobs) available at a given time.

Most countries are using forecasting results to adapt education and training supply to the (future) labour demand. In PT this is based on the results of joint work between National Agency for Qualification and Sectoral Councils for Qualifications that provide the actualization of the National Catalogue for Qualifications, while in EL a model of identifying specialities and skills in demand for all occupations in the labour market is implemented. In many countries, studies of the needs of employers as well as skills needs are conducted by sector, on which basis then the training courses are organised (BG, CY, HU, LT). In EE, a mid-term employment prognosis is prepared annually to inform vocational education and training (both initial and continuous) planning. In SK, information on identified labour market needs will be used to adapt educational and training programmes. In BE, training offers are targeting occupations facing skills shortages. In RO, methodologies were elaborated to anticipate skills demand and monitor the adequacy of competences and skills acquired through education system or continuous training to the employers' requirements.

- Adapting and modernising curricula content to develop the right skills

To deal with the need to up-skill people from an early age, the standards of education attainment have also often been upgraded (DK, PT). Overall, course contents were made more practice oriented. New education programmes were introduced in some MS, for example in SI where it is foreseen to introduce education programmes with self-evaluation components, and to develop the concept of measurement and transfer of competences, as well as improve the quality of teaching methods.

Many countries put in place measures to promote a learning-by-doing approach through apprenticeships and traineeships (AT, BG, DK, EE, FI, SE, UK), increasing also the capacity of school based practical training (DK). The UK for example created a Programme of Professional Traineeship for Young Adults with 35,000 more advanced apprenticeships into higher education. In AT, apprenticeship training was proposed to young people who have not found suitable apprenticeships since leaving school.

To deal with the impact of these new developments within formal education, teacher training has been adapted and reinforced (DK, SK).

In PL, part of the higher education reform consists in developing modern academic centres to train specialists in new technologies and fields of study that would better fit to the needs of the knowledge-based economy; incentives are intended for persons taking up studies in such key fields. To better respond to labour market needs, and increase transparency of educational institutions, some countries are monitoring and evaluating their educational institutions, measuring employment rates of graduates through tracing studies or tracking system (DK, EL, HU, RO).

In FR a new competence portfolio used in some educational institutions has been launched in January 2010 to take into account learners' competences in addition to academic performance.

- Moving towards 'a skills-based approach' to lifelong learning

Some countries have concentrated their efforts in developing new occupational classifications, qualifications frameworks and evaluation mechanisms that takes into account actual skills levels and competences, rather than for example education attainment.

Many countries are developing national qualification systems, assessing qualifications and skills in accordance with the European Qualification Framework (EQF) (BG, CZ, PL, PT, SE, SK). In IE, the framework is a 10-level structure accommodating qualifications gained in schools, the workplace, the community, training centres, colleges and universities, from the most basic to the most advanced levels of learning. In CY, the skills requirements for each occupation are clearly identified and included in the system of vocational qualifications. In SI, the reform of vocational secondary education standards improves the connection between schools and the world of work and simplifies the system for reviewing and approving national vocational qualifications, including for those who have dropped out of the education system.



Several countries are taking measures so that the skills that a person has acquired during his working career through informal or non-formal learning can be acknowledged. In NL, such skills can be recognised in comparison to educational or sectoral standards. In HU a special system of skill assessment has been introduced parallel to the introduction of a new National Qualification Register, giving to those who have not completed primary or secondary education the opportunity to participate in further training if they possess the relevant input competencies and skills. In IT, evaluations of learning outcomes and workers' competencies - independently of the way they have been acquired - are periodically performed through regional evaluators. In the UK one of the priorities in the new National Skills Strategy is to put in place a national 'scorecard' that will measure skills progress. In PT the processes for the recognition, validation and certification of skills acquired have been developed by all means, either academic or professional skills during lifetime.

PES can also play an important role in implementing such a skills-based expansion of traditional systems of codes of occupations and qualifications with the competencies related to these occupations and qualifications, and this can help improve matching between supply and demand. In CZ the PES joined the benchmarking action 'Working with Competences', organized by the world association of PES (WAPES). A skills-based approach also requires new analytical tools and metrics. In DE, the National Educational Panel Study (NEPS) will allow to investigate skills development in the course of life: how it is influenced by the family, and learning processes during (pre)school, secondary, tertiary education and at work, which skills are important to achieve educational qualifications, for lifelong learning and a successful individual and social life, and their connection with critical career transitions.

- Strengthening cooperation between stakeholders at all levels

To better respond to the changing labour market needs, reforms of vocational education and training (VET) and/or higher education fostering cooperation with stakeholders in the employment field have been and are being carried out.

In most countries, social partners play an important role in all aspects of developing VET; their participation in governing bodies contributes to define training needs and develop programmes. Sectoral Councils for skills and/or qualifications identifying the skills needs and setting the standards for the occupations within their sectors, are used by education and training providers to design their programmes (DE, DK, PT, SE, SK, UK). Sectoral meetings are held in order to ensure that VET programmes are up-to-date in content and delivery.

In IE, a tripartite Body composed of representatives from the private sector, the social partners and government is responsible for monitoring the balance between the supply and demand for skills and for advising the government on measures to address any identified imbalances. In UK the Commission for Employment and Skills has been established to provide a demand led response to education and training needs of learners and employers. In SI, the creation of a new expert council for the employment and education of young people will enable coordination of education, training, employment and youth policies. In NL the responsiveness of education and training to the needs of the labour market is improved by stimulating the cooperation between schools, employers and other parties at regional level. In EL a Tripartite Advisory Committees consisting of VET representatives, employers, employees and the social partners detects of the needs of labour markets at a regional and local level, as well as the proposal for the initiation of new specializations or the abolition of older ones if there is no need for them anymore.

Another way to influence the education and training systems is through the participation of the social partners in the management and administration of public institutions such as PES. In PT this participation provides a higher-level forum where education and training policies are discussed and decided upon.

At tertiary level, skills needs and shortages are identified through the interaction with higher education stakeholders. FI launched the reform of universities in 2009 with a view to increasing cooperation between universities and working life, as lifelong learning becomes a new responsibility for universities.

### **3. Policy observations – the role of a 'skills and jobs' agenda towards EU 2020**

The scope and nature of measures put in place by EU Member States suggests that the crisis has not challenged the relevance of 'New Skills for New Jobs', in fact it underlined its importance. This also has to do with the fact that some key challenges remain untouched by the crisis, notably demographic developments and its impact on the number of people making up our (future) workforce and challenge of combating climate change and moving to a low carbon economy.. It is therefore not surprising that ensuring the future availability of a skilled labour force and keeping people longer in the labour market continue to be the key priorities for many countries.

Better matching between the supply of skills and the labour market is still a challenge for a number of Member States, as growing unemployment coexists with unfilled vacancies. Therefore, assessing the skills composition of the workforce, anticipating needs at a sectoral level, and subsequently drawing consequences for the adjustment of employment, education and training policies, became and remains more vital.

Other key observations are:

- First and foremost, a stronger focus on 'skills' is the key to better link individuals' needs on the labour market, and employer demand with respect to education and training outcomes.
- The anticipation of an articulated approach between the European, national & sectoral levels in the diagnosis of the skills needs is a precondition to better respond to the labour market needs and must be further developed.
- Strengthening skills upgrading at all levels is a prerequisite to ensure better matching of supply and demand for qualified labour.
- Results of skills anticipation exercises should already feed into the design of the early stages of education, both as far basic skills and transversal competences are concerned.

- Skills-upgrading throughout the lifetime of work means lifelong learning. To increase participation in lifelong learning, especially of those with lower skills levels, education and training institutions need to open up further to learners' and employers' needs.
- Effective anticipation of skills needs, and the reflection of this in education and training, requires close cooperation between social partners and education and training institutions and the relevant public agencies such as PES.

In the context of the global economic downturn, and in view of long-term challenges of employment, social inclusion and global economic competitiveness, Europe and Member States still need to increase significantly their efforts to preserve and increase (public and private) investment in skills, education and training, essential both to help deal with the immediate consequences of the economic downturn and enhance long-term perspectives.

Upgrading skills and better matching skills with labour market needs is a key part of the exit strategy from the crisis, widely endorsed at European<sup>9</sup> and international level<sup>10</sup>. In EU Member States, new challenges and priorities emerged in this area since the beginning of 2009, as rising unemployment has led to a focus on the importance of skills policies in most of the countries.

At a European level the work of the European Centre for Vocational Education and Training (CEDEFOP) has been valuable in exploring potential labour market imbalances by exploring a common European approach to employers' surveys on skill and training needs. The work being undertaken to develop a European Standard Classification of Occupations (ESCO), including the skills and competencies required, is also acknowledged as a potential tool to promote a common European language of occupations, complement national systems and promote mobility in European labour markets.

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<sup>9</sup> The employment workshops and summit organised with the presidencies of the Czech Republic, Sweden and Spain and the follow-up Commission Communication 'A Shared Commitment for Employment' (COM(2009)257 final) have called for the implementation of a series of priority actions to upgrade skills and match labour market needs.

<sup>10</sup> See the G8 in Rome and the London Jobs Summit focusing on an array of skills policies and the leaders' statement of the G20 Pittsburgh summit.

The work of the Heads of Public Employment Services Network (HoPES) in facilitating the delivery and dissemination of the New Skills for New Jobs initiative at a practical level to Member States Public Employment Services should be also acknowledged.

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EMCO stands ready to contribute to the further development of NSNJ initiative by holding policy debates, preparing an opinion for Council and working closely with other relevant European fora in the education and employment fields to ensure a common understanding of what is required for Europe to remain competitive, promote employability and more and better jobs.

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