



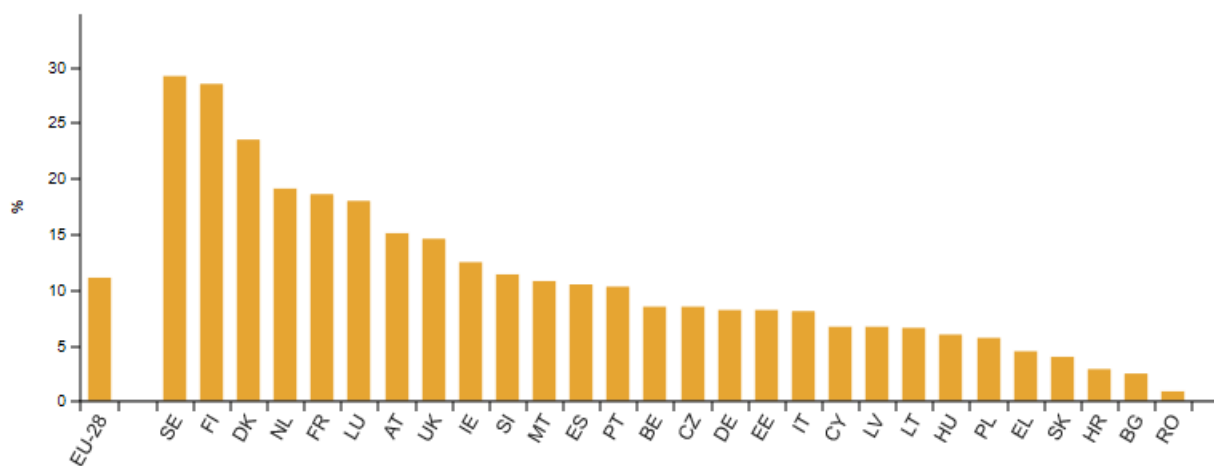
Background Note

Skills and Jobs for inclusive growth

Changing labour markets - skills challenges for the EU

Changing labour markets require continuous adjustment of skills and effective lifelong learning strategies. Digitalisation, globalisation and “green” policies to tackle climate change (e.g. the [European Green Deal](#)) imply structural changes resulting in job creation, job losses and changing job profiles. Due to the demographic change and pension reforms, people work longer making training for older workers a necessity. In many regions and countries, labour force [shortages](#) are a problem in certain occupations (e.g. truck drivers, skilled trades, nurses, doctors, software developers or certain engineers) due to changing occupational preferences, labour mobility or emigration. Further, [employment forecasts](#) predict **continued polarisation** within the labour market: while significant growth in employment for high-skill occupations is expected, medium-skill occupations are projected to see slow growth or even decline in the number of jobs due to automation and offshoring together with some growth for less skilled jobs in services. Nevertheless, the medium qualification level will remain important as new workers will still be needed in these occupations to replace those retiring or leaving the labour force for other reasons and also, because its proportion in employment is decreasing gradually from a high level. [Overall](#), one in two students in upper secondary education take the vocational pathway through the formal education system.

Fig 1: Participation of adults (aged 25 to 64) in education and training (last four weeks), 2018



Source: [Eurostat](#).

Analysis has detected a number of skills challenges in the EU to adequately react to these requirements:

Participation of adults in education and training remains low (11,1 % in 2018) decreasing with age. Only 1 out of 25 low-skilled workers benefits from lifelong learning, though low-skilled workers have the highest risk of unemployment, non-standard work and in-work poverty;

Despite a declining trend, 10,6 % of those aged 18-24 in the EU in 2018 were early school leavers, i.e. they had not completed at most a lower secondary education and were not in further education or training according to the [Eurostat](#);

Youth unemployment in European regions ranges from 4 % to 62 %, demonstrating a dramatic skills mismatch in some regions; 16,5 % of the 20-34 year-olds in the EU [in 2018](#) were neither in employment nor in education and training ('NEETs');

[Skills mismatches](#): about 39% of adult EU employees are overskilled and trapped in low quality jobs.

European Action: The New Skills Agenda and the European Pillar of Social Rights

Skills development and adaptability of the work force to changing needs of the labour market has long been a policy priority of the European Union. Recent policy initiatives include the new Skills Agenda and the European Pillar of Social Rights. The Social Pillar takes a broader, rights-based approach to strengthen the social dimension of Europe in many relevant policy areas.

The [New Skills Agenda for Europe](#), adopted by the Commission in June 2016, launched 10 actions including a broad range of initiatives, such as the Council Recommendation on Upskilling to create new pathways for adults, a Digital Skills and Jobs Coalition, a Blueprint for Sectoral Cooperation on Skills, a European Framework for Quality and Effective Apprenticeships and a review of the Council Recommendation on Key Competences for Lifelong Learning, and a [study on brain flows](#) in the EU. All actions have been implemented or are ongoing.

One year later, in November 2017, the proclamation of the [European Pillar of Social Rights](#) made education, skills development and inclusive labour markets a policy priority:

Skills and jobs in the European Pillar of Social Rights

Principle 1: Education, training and life-long learning

Everyone has the right to quality and inclusive education, training and lifelong learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.

Principle 4: Active support to employment

Everyone has the right to timely and tailor-made assistance to improve employment or self-employment prospects. This includes the right to receive support for job search, training and re-qualification. Everyone has the right to transfer social protection and training entitlements during professional transitions.

Young people have the right to continued education, apprenticeship, traineeship or a job offer of good standing within 4 months of becoming unemployed or leaving education.

People who are unemployed have the right to personalised, continuous and consistent support. The long-term unemployed have the right to an in-depth individual assessment at the latest at 18 months of unemployment.

Principle 5. Secure and adaptable employment

Regardless of the type and duration of the employment relationship, workers have the right to fair and equal treatment regarding working conditions, access to social protection and training. The transition towards open-ended forms of employment shall be fostered.

The first of the twenty principles in the Social Pillar focuses on education and skills development, principle five highlights the need to ensure training of workers and principle four stresses the role of active support to employment. A further principle (17) is dedicated to the inclusion of disabled.

Skills development: A priority of the new Commission

The new Commission President, Ursula von der Leyen, when presenting her candidacy to the European Parliament in July 2019, announced in her [Political Guidelines](#), her will to ‘empower people through education and skills’ (as) ‘the best investment in our future is the investment in our people. Skills and education drives Europe’s competitiveness and innovation.’ [...] ‘We need to bring down barriers to learning and improve access to quality education’. [...] ‘We need to enable learners to move more easily between education systems in different countries. And we need to change the culture of education towards lifelong learning that enriches us all.’

Both, the Commissioner for Jobs and Social Rights, Nicolas Schmit, and the Commissioner for Innovation, Research, Culture, Education and Youth, Mariya Gabriel, committed themselves during their hearings at the European Parliament to take action. [Commissioner Schmit](#) expressed his will to promote employment and inclusion. Starting with young people, he plans to reinforce the so-called [European Youth Guarantee](#) by providing every young person with a basic digital training adapted to her or his knowledge. Further, Commissioner Schmitt plans to support vocational training and, in a lifelong perspective, to strengthen ‘a career and skills policy with improved tools to accompany all career transitions at all ages’ including the exploration of individual learning accounts to foster adult learning. Finally, he envisages ‘to dedicate more resources to policies to support persons who have greater difficulties on the labour market including disabled’. [Commissioner Gabriel](#) confirmed her support for a European lifelong learning strategy. One of her priorities is to strengthen learning mobility across the EU and the budget for the [Erasmus+ programme](#) shall be considerably increased. Further, she wants to address media literacy as part of the updated digital education plan.

On 14 January 2020, the European Commission presented its [reflections](#) how to further develop the European Pillar of Social Rights including a timeline for the activities planned:

Quarter 1/2020	Updated New Skills Agenda
Quarter 2/2020	Reinforced Youth Guarantee and Updated Digital Education Plan

The Council highlights the key role of effective lifelong learning policies

On 24 October 2019, the Council issued its [Conclusions](#) on *The key role of lifelong learning policies in empowering societies to address the technological and green transition in support of inclusive and sustainable growth*. In the same vein like the Commission’s recent [Annual Sustainable Growth Strategy](#) published in autumn 2019, the conclusions highlight the commitment of the Member States to the United Nations 2030 Agenda and its [Sustainable Development Goals](#). With regards to policies for skills development, the Conclusions emphasise

- the need to give a strong boost to lifelong learning policies and provision in order to better respond to the challenges of a changing society;
- the need for more efforts and a broader range of policies and instruments to implement the Council Recommendation on Upskilling Pathways as a crucial step towards effective lifelong learning policies;
- the commitment towards an ambitious further development of the European Education Area in order to make Europe the leading learning society in the world.

On [7 November 2019](#), during the Finnish Presidency, ministers of finance and education of the EU hold a first-ever joint Council with the aim of discussing the importance of education for a strong economy.

European Parliament stresses the need for market relevant and green skills

In its resolution of 10 October 2019 on employment and social policies, the [European Parliament](#) is stressing the need to transform education and training systems, as well as, develop market relevant skills and competences to be able to make full use of the opportunities offered by digitalisation and the greening of the economy. Mismatch and shortage of necessary skills can be a major obstacle for investment and can hamper job creation and economic growth, therefore, it is crucial to improve the quality, accessibility and inclusiveness of education and training, and improve mutual recognition of qualifications.

In order to encourage smart, sustainable and inclusive growth and job creations, on 10 October 2015 the Parliament adopted a [resolution](#) on creating a competitive labour market for the 21st century, followed by its 14 September 2017 [resolution](#) on the New Skills Agenda for Europe issued by the Commission in 2016. Both resolutions stress the need to develop or upgrade skills for life and jobs, highlighting the role of education (including vocational education and training) and lifelong learning. Moreover, in July 2015, the Parliament adopted a [resolution](#) on the Green Employment Initiative, in response to a Commission communication, stressing the need for skills for green employment (e.g. new skills needed for the circular economy, a European data bank listing training courses related to green employment).

ILO and OECD propose comprehensive policy strategies based on partnerships

In its [Centenary Declaration](#) having been inspired by the report of the Global Commission for the Future of Work, the ILO adopts **A human-centred approach** focusing on three axes: 1) Increasing investment in people's capabilities; 2) Increasing investment in the institutions of work; 3) Increasing investment in decent and sustainable work. ILO's work will be directed to promoting the acquisition of skills, competencies and qualifications for all workers throughout their working lives as a joint responsibility of governments and social partners in order to address existing and anticipated skills gaps.

The OECD highlights in its [Employment Outlook 2019](#) that training participation is lowest among those who need training the most, including the low-skilled, older adults, unemployed as well as non-standard workers. These face several barriers to training participation, such as poor training choices, and a lack of motivation, time, money or employer support. In its [Skills outlook 2019](#), the OECD supports a better integration of ICT in the classroom to support teaching and learning practices. Moreover, many countries should revisit the way technology, in particular Massive Open Online Courses (MOOC), are integrated into the curriculum and into pedagogical practices. To make the future of work inclusive and rewarding, the OECD suggests a **9*** – 'a whole-of-government approach that targets interventions to those who need them most'.

Some framing questions for the debate

What would be important policy elements to strengthen participation in learning of low-skilled (older) workers?

What could be priorities for adjusting the European Youth Guarantee?

How could the EU support reducing the proportion of early school leavers?

What could be the role of European cooperation in promoting efficiency, effectiveness and high quality of education and training, and how could future upskilling and reskilling needs be best anticipated?