



# The Employment Committee

*The Ad Hoc Group*

EMCO/47/121109/EN

## **The Ad Hoc Group report on the 2009 thematic review [part 1. 'skills upgrading and skills matching']**

*Contribution to 2009 Cambridge Review of the National Reforms Programmes*

### **Background**

Globalisation (greater trade openness) and technological change (demand for greater digital capacity) have increased the demand for skilled labour and therefore the importance of human capital development. Further economic advancement that sustains high profits for enterprises on the one side and high wages for workers on the other, requires two crucial policy lines, that i) promote skill development of individuals, and that ii) manage and optimise the use of human capital. Accordingly, the thematic review that was held by the Ad Hoc Group on 26<sup>th</sup> of January 2009 was conducted in two sessions: i) skills upgrading; and ii) skills matching<sup>1</sup>. Given the current economic downturn, quite some attention was paid to short-term skills enhancement to facilitate rapid transitions and minimise unemployment.

The Lisbon strategy for *more and better jobs* emphasizes the challenges linked to human capital development and improvement of its relevance for the labour market. Three of the Integrated Guidelines (namely IG20, IG23 and IG24 – *see*: Box 1) refer to these issues.

These guidelines remain valid also for the recent economic crisis. Moreover, current economic reality shows that further effort in respect of skills upgrading and matching will be required to alleviate the worst effects and prepare for sustainable recovery. Investment in skills is all the most necessary in a downturn. In 2008<sup>2</sup> number of Member States received Country Specific Recommendations (CSR) or Points To Watch (PTW) in these areas, in particular: strengthening life long learning (LLL) strategies (BE, CY, DE, EE, EL, FR, HU, IT, LT, LV, PL, PT, SK, UK); reducing early school leaving (AT, BG, EL, ES, LU, MT, PT, RO); or reforming educational /training systems, especially to enhance their relevance to labour market needs (BG, CY, CZ, DK, EL, HU, IT, LT, LU, PL, PT, RO, SI, SK, UK).

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<sup>1</sup> The report is based on discussion carried in the Ad Hoc meeting on 26<sup>th</sup> of January and complemented with the information from 25 country fiches that has been sent by Members.

<sup>2</sup> By the time of the review the 2009 CSR/PTW were not published yet.

### **Box 1. Relevant Integrated Guidelines**

#### **IG 20: Improve matching of labour market needs**, through:

- the modernisation and strengthening of labour market institutions, notably employment services, also with a view to ensuring greater transparency of employment and training opportunities at national and European level;
- removing obstacles to mobility for workers across Europe within the framework of the Treaties;
- better anticipation of skill needs, labour market shortages and bottlenecks; appropriate management of economic migration.

#### **IG 23: Expand and improve investment in human capital**, through:

- inclusive education and training policies and action to facilitate significantly access to initial vocational, secondary and higher education, including apprenticeships and entrepreneurship training;
- significantly reducing the number of early school leavers;
- efficient lifelong learning strategies open to all in schools, businesses, public authorities and households according to European agreements, including appropriate incentives and cost-sharing mechanisms, with a view to enhancing participation in continuous and workplace training throughout the life cycle, especially for the low-skilled and older workers.

#### **IG 24: Adapt education and training systems in response to new competence requirements**:

- raising and ensuring the attractiveness, openness and quality standards of education and training, broadening the supply of education and training opportunities and ensuring flexible learning pathways, and enlarging possibilities for mobility for students and trainees;
- easing and diversifying access for all to education and training and to knowledge by means of working time organisation, family support services, vocational guidance and, if appropriate, new forms of cost-sharing;
- responding to new occupational needs, key competences and future skill requirements by improving the definition and transparency of qualifications, their effective recognition and the validation of non-formal and informal learning.

### **State of play – general observations and key challenges**

CEDEFOP forecasts of future skill needs in Europe point towards an increased demand for people with high and medium levels of education. There will also be a certain demand for people with a low level of education, but the nature of these jobs and their skills requirements is likely to change. In 2020, around 31.5% of all jobs will need high qualifications, while 50% will require medium and 18.5% low qualifications. This suggests that the correlation between higher skill levels and being in employment is likely to grow stronger.

The results of the 2006 PISA survey conducted by the OECD show that while the expenditure on education has been rising across countries, on overall the learning outcomes have generally remained static. The survey also reveals limited enthusiasm among secondary school students for scientific careers.

Public expenditure on education in EU countries in 2005 amounted on average to 5% of GDP (ranging from 3.5 to 8.3%). Many challenges remain. The principal one is to improve the quality of the European labour force (through ensuring higher and more appropriate skills levels), and in so doing to imbue it with a greater level of adaptability and as a consequence more employment security. This challenge becomes even more pertinent in times of economic crisis, urging for activation measures, fostering productivity and greater mobility of workers.

The share of low-skilled people is higher among the unemployed than among the employed in all EU countries (with EU averages of 36% and 23% respectively). In a few countries, the share of unemployed people having low educational attainment amounts to 70% or more. At the same time, many countries are confronted with the problem of early school leaving. In the EU, 15% of young persons (aged 18-24) with low education are not in any further education or training. Even if the situation has improved gradually, some MS still have an early school leaving rate of over 30% (ES, PT, and MT). It should be noted that across all Member States, early school leaving is more common among young men than among young women: 17% and 13% respectively. In some countries, the gender gap is as great as 12 percentage points.

Migrants are a specific group on the labour market in the EU. The high inactivity rate of third country nationals remains a challenge for EU policy makers. When it concerns skills, large differences in skills performance between nationals and foreign-born are seen in some Member States (BG, BE). Furthermore, the skills of migrants tend to be underutilised due, among other reasons, to a lack of recognition of qualifications. Migrants tend more frequently than their native born counterparts to find themselves in jobs for which they are overqualified – around 60% of highly skilled migrants in employment are in this situation, compared to 20% of native born people.<sup>3</sup>

Recent literature indicates that various market imperfections are resulting in a systematic under-provision of training in many economies<sup>4</sup>, leaving substantial scope for public policy support. At the same time, a number of Member States still struggle with low level of participation in LLL. The target is set at 12.5% of adults aged 25-64 to be participating in education and training by 2010. Currently the EU average amounts to 10%. Seven Member States have passed this target; in particular, the Scandinavian Member States and the UK have rates more than double the target. Many of those MS not having reached the target would need to double their participation rates in order to meet it. The lack of recognition of informal or non-formal qualifications remains an issue.

The evidence is mixed in respect to the evaluation of the impact of training measures<sup>5</sup>. But at the same time, a lack of sufficient transparency in education and training systems makes quality assessment very difficult in a number of Member States. Key challenges facing MS include the development: of assessment capacity; of monitoring systems; and of tools to anticipate future skills needs and prevent skills mismatch. Together with globalisation and technological change, the current economic crisis and greening of the EU economy will

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<sup>3</sup> See: Employment in Europe 2008.

<sup>4</sup> E.g. costs of training, reluctance of small enterprises to release staff for training, positive externalities to next employers created by investment in training, asymmetry of information on the side of employees on skills needed and linked to that they risk aversion when investing in training. See: L.J. Bassi, D.P. McMurrer (2006), *Employers' Perspectives on the Roles of Human Capital Development and Management in Creating Value*, EDU/WKP (2008)5, OECD Education Working Paper No. 18.

<sup>5</sup> European Employment Observatory, Review: Autumn 2007, *Overview of SYSDEM experts' national articles on lifelong learning and skills development: a review of trends and policies with a particular focus on gender and age*.

demand more capacity in skills matching on the labour market.

## **Progress with reforms**

The section below describes the implementation of policies chosen by Member States in regard to relevant guidelines and recommendations issued to them. It also analyses progress in respect of reforms across Member States, illustrating the practices and instruments put into effect in different countries, existing bottlenecks and subsequent priorities for further reform.

### **❖ Skills upgrading**

Skills upgrading is central to labour force employability. It can be encouraged through strengthening education, vocational training and lifelong learning systems. A number of measures are called into play in Member States in that respect.

There is general acceptance of the need to maintain and improve employability through new incentives and investments, especially in times of crisis. Measures (often making use of ESF possibilities) taken by Member States are wide-ranging. Examples include the UK where the PES is being strengthened, both to mitigate the short term impact of the downturn on employment and skills, as well as to facilitate re-skilling for the medium and long term. DE provides a 'qualification offer' for short-time allowance recipients (*see* Box 2). PL focuses efforts on the low skilled, and HU also targets this vulnerable group with an ESF funded voucher scheme which aims to improve access to education. With the same aim in mind, AT uses the ESF to better integrate marginal groups into the labour market by encouraging short time work combined with training, rather than layoffs.

#### **Box 2: qualification offer for short-time allowance recipients [DE]**

A key objective of the government's labour market policies to deal with the financial and economic crisis is to maintain jobs and broaden the skill levels of the workforce. Based on the principle of "training instead of layoff", policies to secure jobs are linked with further qualification.

In this context short-time work plays a key role. Short-time work helps to avoid unemployment, enabling employers to retain experienced workers. To make this instrument of employment policy more attractive, the entitlement period of the short-time allowance was extended from 6 to 18 month and procedures were simplified. Upskilling during short-time work can be used as an opportunity to prepare for the next economic upswing and for immediate reaction when labour demand begins to pick up again.

Supplementary to the extension of the short-time work allowance, a Federal Programme on funding qualification measures for workers on short-time entered into force on 1 January 2009. The programme is co-financed by the ESF. As the programme is linked to the Federal Government's package of measures aimed at *Securing Jobs by Strengthening Growth*, it is limited until the end of 2010.

The programme is aimed at securing the jobs of workers whose company is affected by a temporary loss of work (cyclical short-time working). Tailored qualification is aimed at enhancing workers' adaptability to the requirements of the labour market.

The programme makes a distinction between qualification measures geared to the labour market in general and specific qualification measures focussing more strongly on the needs

of the respective company. The amount of assistance varies between 25% and 80% of training course costs, depending on the type of training, the size of the company, and the persons participating in the scheme.

During the current downturn, with its probable rise in unemployment, it is important to protect workers' employability and to help them with rapid labour market reintegration. Targeted training for the unemployed is one of the options. On-the-job training and apprenticeships for unemployed or young persons are the instruments being extended and/or upgraded in line with labour market requirements in different Member States (BG, CY, EL, IT, MT, AT, FI and UK). BE authorities grant temporary workers access to vocational training offered by the public employment services (*see* Box 3). BG targets especially those without education or with low qualification levels. EE seeks to extend this possibility to at-risk groups who often benefit least from continuous training; LT focuses on youth. In FR, the unemployed in particular are being given increased access to vocational training, and at the same time on-the-job training is made mandatory in companies of more than 300 workers. In order to widen access to such opportunities, some MS facilitate transport to the sites where training takes place. Similarly SK assists by contributing to the cost of transport to the PES, whereas BG provides free transportation for those attending compulsory school.

### **Box 3: training under temporary unemployment [BE]**

A temporary unemployment arrangement can be set up in a company for economic reasons (due to a reduction of demand). This arrangement is available only to workers with an employment contract. In the event of temporary unemployment, the employment contract for the workers concerned remains valid but their work benefits are temporarily reduced or suspended.

To put this arrangement into place, the employer is obliged to make a communication to ONEM (the federal office which grants the unemployment benefits). The suspension of the work benefits can be total or partial. A total suspension arrangement is possible for a maximum of four weeks after which the employer must reinstate a complete working week before introducing a new suspension. If the suspension is partial, i.e. when one alternates working days and days of unemployment, the arrangement can be introduced for three months (if it is envisaged less than three days of work per week or less than one working week per two weeks) or for 12 months (if it is envisaged at least three working days per week or at least one week worked out of two).

The workers automatically have the right to temporary unemployment benefits, i.e. there is no need to have worked a number of working days as an employed person, to be able to draw temporary unemployment benefits. From January 1 2009, the formula for calculating temporary unemployment benefits has been re-examined. The maximum unemployment benefit for a head of household passed to €654.9/month and to €544/month for one cohabiting at (against a maximum of €323.92 for a full unemployed person). These allocations can be supplemented by the employer or by a fund supplied by contributions paid by the employers of the sector (*caisse sectorielle*).

Under the measures taken in the Flemish and Walloon Regions to combat the crisis, these workers now have access to vocational training offered by the public employment services.

While there is an important emphasis on increasing LLL and continuous training throughout the length of one's career, it is important to recall that completing a high quality initial education directly improves both employability, and the likelihood of accessing further training opportunities throughout the working life. There are many examples of MS actions to gear education to labour market needs, such as AT and DK which aim to strengthen entrepreneurship education. PL recognises the need for reform of content of courses to increase their employment relevance, not merely reworking the system and making qualifications more transparent. With a view to maximising the teacher-pupil contact time, in AT the target is set to reduce class sizes to a maximum of 25, thereby improving the quality of initial education. Whereas BE is lowering the compulsory schooling age to five. EL intends to improve the quality of teaching through training, and ensure the availability of quality education and training to vulnerable groups.

In the face of a likely substantial rise in unemployment, the improvement of ALMPs effectiveness is receiving greater attention among Member States. Availability but also quality are the objectives set for training measures (BG, FI, EE, EL, ES, IE, MT). ALMPs are being shaped to meet labour market demand for higher skill levels, eg. through development of adult training (BG), and training for unemployed (BE). At the same time, the efficiency of ALMP measures put in place, such as training programmes, for labour market reintegration of workers becomes an issue of concern (BE, LV – see Box 4). It is not enough to simply institute reforms: there must be effective and transparent mechanisms for monitoring the impact of measures. Indeed, HU is among the countries acknowledging that results have fallen short of expectations: it points to certain inertia in its VET systems which impedes needed reforms, and which it is striving to overcome. Some MS such as EE underline the need for better targeting of ALMP measures. In this vein, RO is seeking to improve career guidance as well as the career relevance of continuous training.

#### **Box 4: improvement of the effectiveness of the ALMP instruments [LV]**

In Latvia it was recognized in the analysis of preliminary mid-term labour market forecasts last year, that there will be serious problems with labour supply unless the education system is properly adjusted. In order to avoid problems and mismatches in the labour market, corrections in the education system have to be carried out, especially on the level of vocational education. To tackle this issue analysis and forecasts of future labour market needs are of importance. At the end of last year it was decided by the government to carry out a sounder evaluation and revision of the effectiveness of current vocational education programmes. After this evaluation some of those could be closed by transferring more resources to others. According to *The Action Plan for Implementing the Latvia's Economic Stabilisation and Growth Revival Programme* (adopted by government on 3 February, 2009) re-evaluation of secondary vocational education programmes according to the labour market demand has to be carried out by the Ministry of Education and Science by 1 April, 2009. There will be efforts pursued to draft a reorganisation plan of the network of vocational education institutions and a set of legal acts by which a number of vocational education institutions with a low number of students and high costs would be reorganised upon a comparison with costs per student of other vocational education institutions by taking into account the effectiveness of those programmes at the end of the year.

It should be also mentioned here that each year the State Employment Agency of Latvia (the public employment service) revises and identifies priority areas for training programmes for unemployed persons and job seekers and prepares a list of potential professions and qualifications where training programmes are to be organized to the government for

adoption. The list of professions is based on employers' surveys carried out by the State Employment Agency and labour market analysis in general.

It is widely recognised that upgrading skills without paying attention, both, to individual profiles and to the need of the current labour market, would be insufficient to maximise the EUs employment potential. This is why many MS, such as BG, UK, EE, LT, IE, are striving to individualise their approach towards the unemployed. In EE for example, this takes the form of better guidance, helping unemployed people to pursue the right employment opportunities.

Part of this targeted approach involves responding to the challenge of low participation rates in LLL which are reported in BG, BE, LV amongst others. For example, FI recognises that in order to encourage a wider range of people to enter continuous training, it is necessary to modernise and diversify the education system, which is currently too dependent on traditional "school-based" models. Furthermore, content can also be improved to make it respond better to labour market needs. These measures are hoped to increase incentives and access to training opportunities. Various countries are investing in human resources development. In BG, funds from the Operational Programme are to be directed to grant schemes to attract and retain young people in school. CY also has a HR development authority, whose mission is to ensure that the necessary systems are in place to meet the needs of the economy, at all levels and in all sectors.

One of the more frequent approaches to encourage LLL focuses on the validation of competences acquired through informal and non-formal learning. SI strives to promote recognition of skills gained outside of formal work or education, and generally to increase the transparency of skills accreditation. AT is also working for better comparability of skills. LT, IE, FR refer to the need for recognising non-formal training/skills. This kind of accreditation can be an effective way to let employers know about the real employability of workers, which may otherwise not be obvious. It also has the advantage of demonstrating to those workers that qualifications do not end with school, and can encourage them to find out about other ways to boost their employment prospects through training and skills acquisition. This is one of the ways to raise awareness amongst the public of the possibilities and benefits of LLL, which many MS underline the importance of, such as EE and SK.

At the same time, employers themselves have a key role to play in upgrading workforce skills. Several MS have noted the importance of raising awareness among employers about the need to upgrade skills, and about the overall benefits of doing so. To encourage better training opportunities and greater accessibility for those in the private sector, one approach is for governments to provide funds to subsidise such training, as is the case in SI and MT.

One of the greatest advantages for both employers and workers is the development of generic skills, which greatly increase the adaptability of workers permitting them to move better between jobs and sectors. In many cases these can include foreign language skills, and computer literacy competences. In some countries like BE, CZ, the PES has been active in this area. In DK educational options in foreign languages have been strengthened. In IE language competence is a factor that has influenced inward mobility; as IE made a rapid transformation to a knowledge-based and innovation-driven economy, it has had to constantly focus on attracting high skilled workers in order to avoid skills shortages. With respect to migration, HU cites a lack of language skills as a barrier to both immigration as well as emigration for low skilled workers, raising the risk of a "brain drain" if highly trained elites search for employment in other countries. HU, EL and EE are among those

countries that are training migrants in the language of the host country. BG is running a programme to strengthen levels of literacy and qualification of Roma people with the aim of integrating this minority more fully into the formal economy.

### ❖ Skills matching

In respect of matching, MS are concentrating their efforts on building systems for the monitoring, evaluation and forecasting of skills needs. There is a mixed picture of mechanisms and capacities in respect of skills anticipation within the EU, but the issue remains crucial in terms of input for shaping employment policy. Different Member States have developed different approaches to anticipation, including quantitative, qualitative and sectoral approaches.

As has been observed, such mechanisms will not help in shaping vocational training programme if the labour market is exposed to fast economic changes or to restructuring. Nevertheless, some countries have developed forecasting methodologies which are prospective. In FI there is a long standing tradition of tri-partite collaboration to anticipate skills needs. The existing system is to be replaced this year with a new procedure. CZ extrapolates employment and skills forecasts from macro level statistics.

In other countries, skill forecasting mechanisms are still not in place, eg. BE and EL. While little doubt was expressed that labour market monitoring and forecasting is central to shaping training and education systems to emerging labour market needs, some countries such as RO underline the increased difficulty of the task in the uncertain economic times. Nevertheless, RO is amongst those countries reporting some success in producing forecasts and using them to produce regional and local skills action plans up to 2013. In CY updated forecasts are available to 2018. LT and FR are examples of MS where sectoral forecasting is in place, allowing skills needs to be analysed by occupation for a number of years to come. IE has an Expert Group on Future Skills Needs (EGFSN) which provides sectoral predictions up to 2020.

#### **Box 5: List of Occupations used for programming of training schemes [BG]**

The vocational training for unemployed people financed by state budget for active labour market policy is organised by the Employment Agency or respectively by the Labour Offices under a *List of Occupations*.

The *List of Occupations* is annually updated with the aim at ensuring better correspondence between the trainings and the labour market needs. The occupations to be included in the List are proposed on the base of conducted surveys of employers' needs of labour force with certain qualification. The *List* is approved by tripartite bodies on local, regional and national levels, which are respectively the Councils for Cooperation to the Labour Offices, the Regional Employment Committees and the National Advisory Council for Vocational Training of Labour Force to the Minister of Labour and Social Policy. The bodies includes representatives of the local /regional authorities, ministries and national agencies working in the field of education and training and employment, social partners, regional inspectorates for education, labour offices, NGOs, etc. The *List* enters into force after the official order issued by the Minister of Labour and Social Policy.

The *List* approved for 2009 includes about 80 professions in different vocational fields.



As well as long term anticipation to better guide the development of education and training systems, short term forecasting is also necessary in order to pre-empt and address skills shortages and bottlenecks, for example by promoting mobility of appropriately skilled workers. Short term forecasting based on surveys is taking place under the responsibility of PES as well as mid term to long term forecasts done by Ministry of Economy in LV. Member States are addressing different problems with a view to bringing their existing systems up to speed with employment requirements. BG uses lists of occupations developed annually together with social partners to shape its vocational training programmes (*see* Box 5). Seeking to shorten transitions between jobs, CY prioritises the modernisation of the PES, the improvement of its ability to conduct matching and to provide guidance and counselling. FI is seeking to increase comparability in its systems in view of considerable regional variations.

There is a growing need to identify and respond to skills needs in a true collaboration between different stakeholders on all levels: employment and education authorities, firms, other social partners, local and regional actors. FI, BG, DK and LV, among others, all liaise with the social partners on this issue. In PL a scheme is already in place which involves multiple stakeholders, and which is to be progressively expanded and improved. SI offers more incentives for people to train, and also aims for a wider scope for participation by different stakeholders, for example by promoting private investment in human capital.

Certain MS involve the social partners in the management of PES, thus involving them in defining lifelong learning strategies, as well as in the development of training programmes by PES or the upgrading of lists of professions. This is the case in, BE, LV, IT, PT, and SK amongst others. CY has a longstanding tradition of social partner involvement through tripartite consultation; this contributes to the development of life long learning approaches, designed to respond to upcoming skills needs. Likewise, in FI the government has set up a tripartite working group whose aim is to prepare a comprehensive reform of occupational adult education and training. Elsewhere, the transition from initial education to the work place is facilitated, for example by broadening of internship opportunities, allowing students to enhance their employability by gaining practical knowledge, as is the case in BE and MT.

Apart from skill upgrading, mobility is another key factor to counteract labour market shortages and improve labour matching. In order for migrant workers to maximise their potential contribution to the labour market, it is important to take all steps both to increase the transparency of their human capital, and to facilitate their integration into the labour market. Several countries, including EL, EE, HU, underline the importance of language skill development for migrants. On the other hand, skill shortages in some areas in EL is encouraging inward mobility, and likewise in IE, the need for high skilled workers means encouraging inward migration. Various factors can influence workers' willingness to be mobile: EE, for example, points out that outward mobility may not be due to skill mismatches because in that country there is a *need* for higher skilled workers. PL points to action needed to make qualifications comparable in order to facilitate and encourage mobility. RO argues the same case, pointing out that migrants tend to find themselves in lower-skilled jobs than their skill portfolio should allow.

In all such actions, and not least in terms of targeting measures at those groups who stand to gain most fully, the PES have a central role to play. They are important catalysts in understanding labour market needs and mobilizing necessary responses. In this sense, the merging of benefit agencies with guidance and information services, as is the case in UK and FR, helps to give unemployed people access to PES services. In general it is acknowledged that PES should be strengthened and modernised in response to business

expectations, in order that they facilitate matching of people to job vacancies as well as contributing to acquisition of the necessary skills in the labour force, and not least amongst the unemployed. IT is among those MS where this role of PES in meeting the expectations of recruiting companies is identified as a key challenge to be strengthened.

There is a clear ongoing relevance of ESF funding for policy implementation at national level, which is widely recognised by MS. Amongst the many examples, RO makes use of the fund to put in place measures which strengthen capacity for medium and long term anticipation of skills needs with a view to ensuring the relevance of training programmes. Likewise, HU and FI use ESF to anticipate needs and to develop skills. In the current economic climate, it is seen as important that ESF is used where possible to mitigate the negative effects of the downturn. This is the case in the UK, for example.

## **Conclusions**

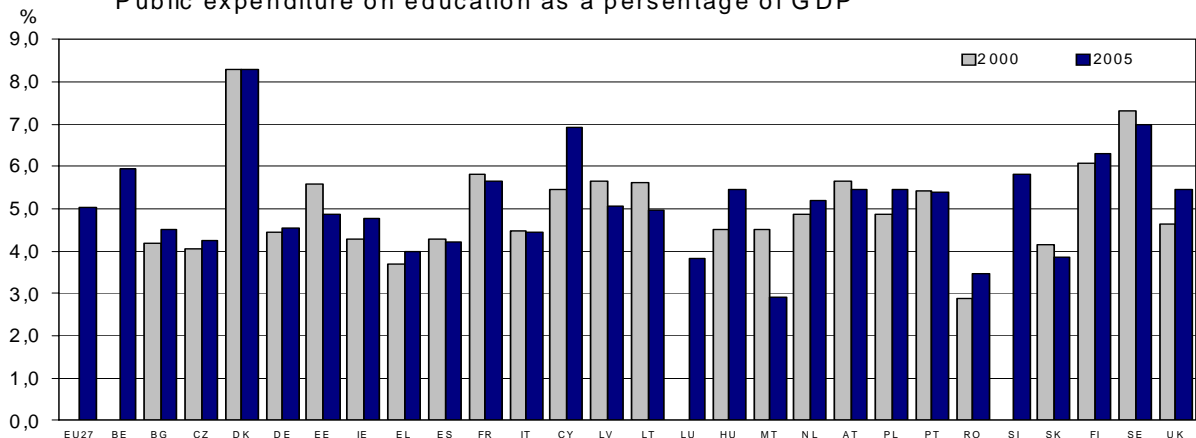
Action on skills upgrading and skills matching is crucial to prepare the EU for the changes which will be felt in labour markets in the mid to long term, due among others to demographic, technological and climate change. The current economic crisis also put skills at the top of the agenda, as an important part of the equation to enhance employability and maintain productivity. Member States have recognised this, and put in place new incentives for both employers and employees to focus on skills developments. While some inertia can be seen in respect of the investments and capacity building in skills monitoring and anticipation, the need for further efforts is recognised as a substantial element of better labour market matching. Consequently much can be gained from sharing of experiences and best practices.

Promoting mobility and easing employment transitions should lead to more efficient filling of job vacancies, to preserving the employability of the workforce and to lessening the employment effects of the crisis. Likewise, expanding access to internships will allow students to gain practical experience of the workplace, and develop important generic skills.

The appropriate targeting of measures, along with an individualised approach, are key to the success of measures. Tailored training is an instrument that supports workers to rapidly re-integrate into the labour market. At the same time, in the current downturn, it is even more important to focus more sharply on the quality of training, and its employment relevance. Labour market monitoring and skills forecasting are crucial to these aims.

**Public expenditure on human resources, 2000 and 2005**

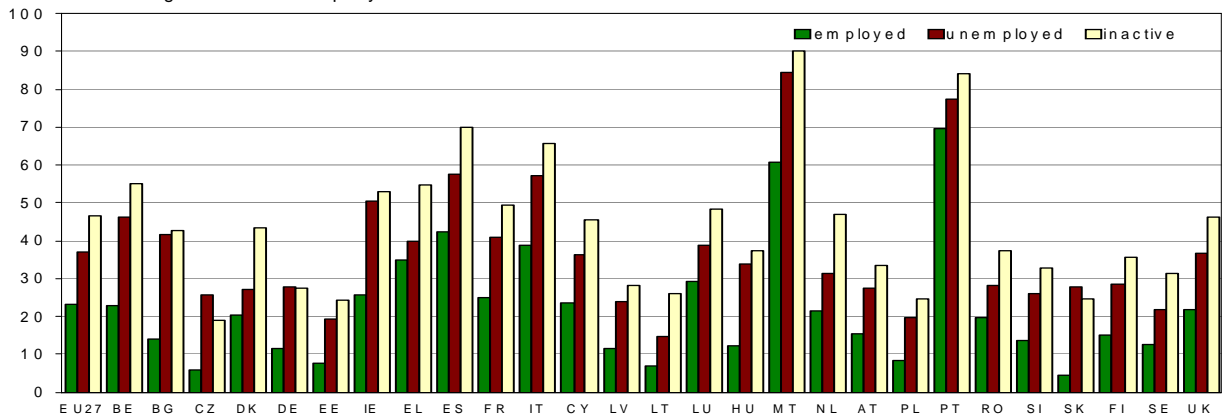
Public expenditure on education as a percentage of GDP



Source: Joint UNESCO/OECD/Eurostat questionnaire

**Low educational attainment of employed, unemployed and inactive adults (25 - 64 years), 2007**

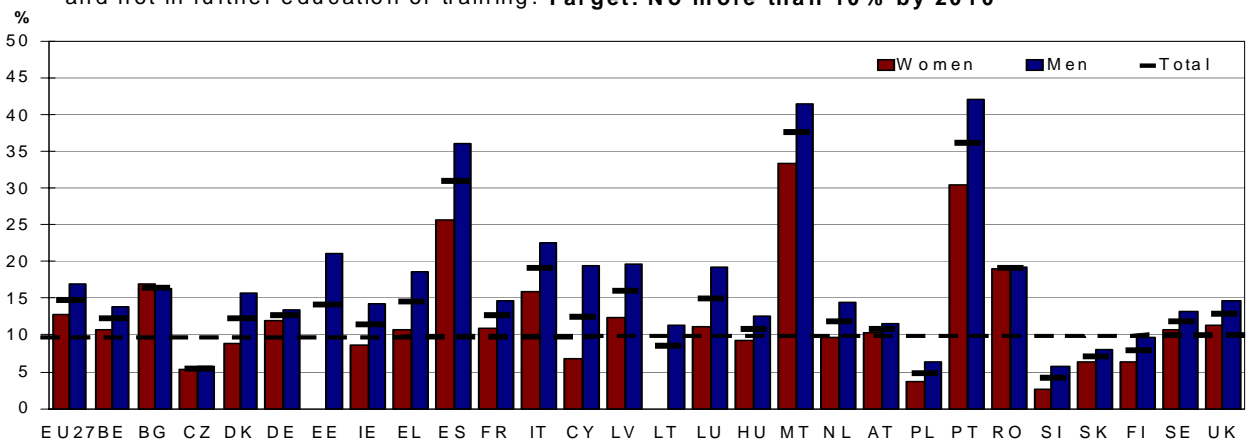
Percentage of each employment status



Source: Eurostat - European Union Labour Force Survey  
 Values for Unemployed in LT, LU and inactive in UK are unreliable due to small sample sizes

**Early school-leavers by sex, 2007**

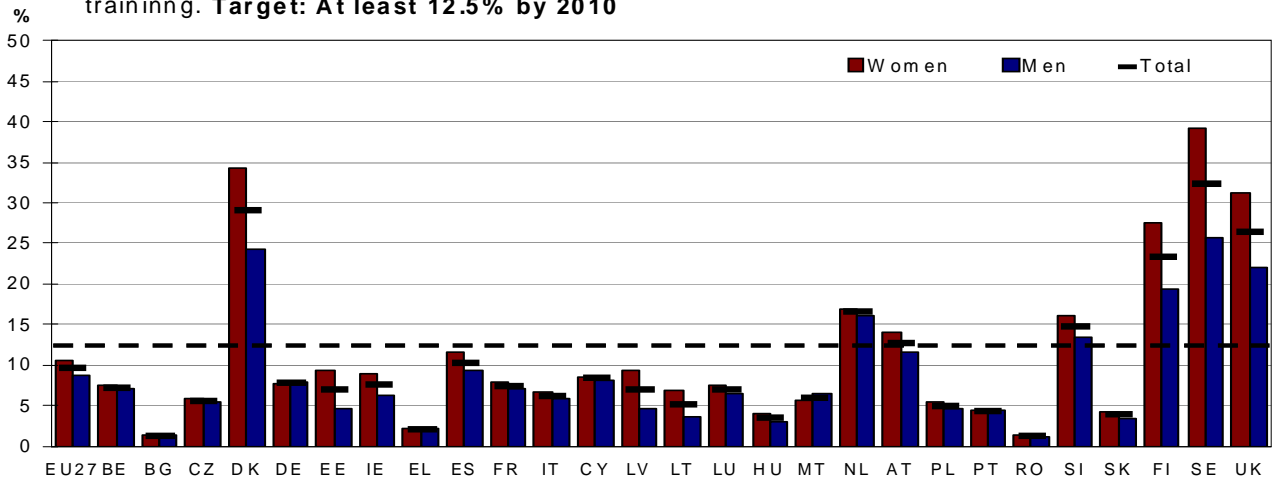
Percentage of the population aged 18-24 with at most lower secondary education and not in further education or training. Target: No more than 10% by 2010



Source: Eurostat - European Union Labour Force Survey  
 Notes: 2006 for CZ, SE and UK. No data for women in EE. Data are preliminary for LV, PT and FI. Data are unreliable for SI and for women in LT and LU

**Life-long learning, 2007**

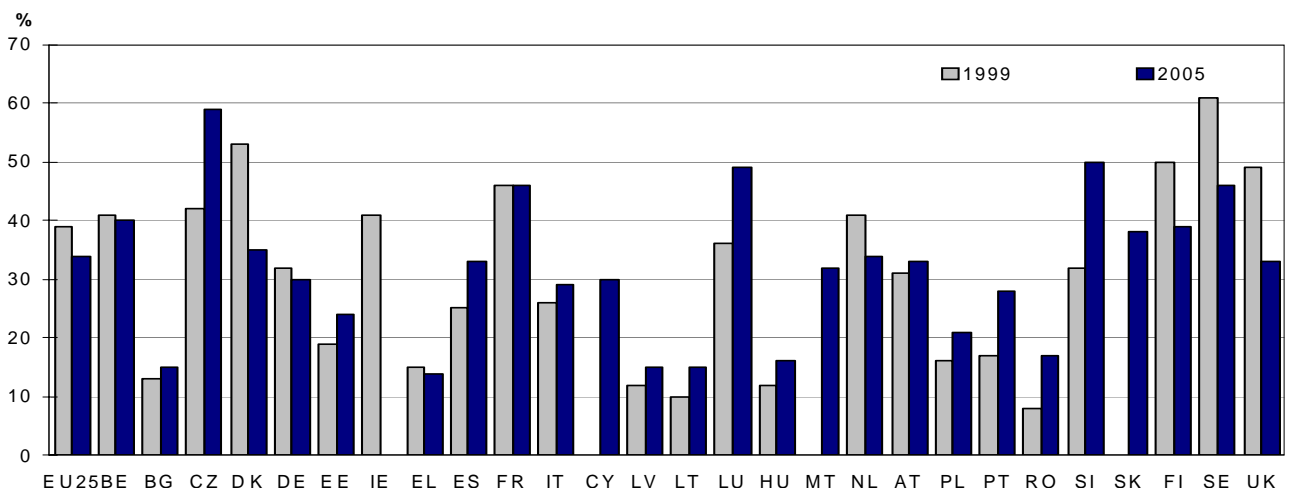
Percentage of the adult population aged 25-64 participating in education and training. **Target: At least 12.5% by 2010**



Source: Eurostat - European Union Labour Force Survey - Annual averages  
 Notes: Unreliable results due to small sample sizes for UK and for women in EE

**Participation in continuous vocational training 1999 and 2005**

Share of employees participation in CVT.



Source: Eurostat - Continuous vocational training survey  
 No data for CY, MT and SK in 1999 and for IE in 2005