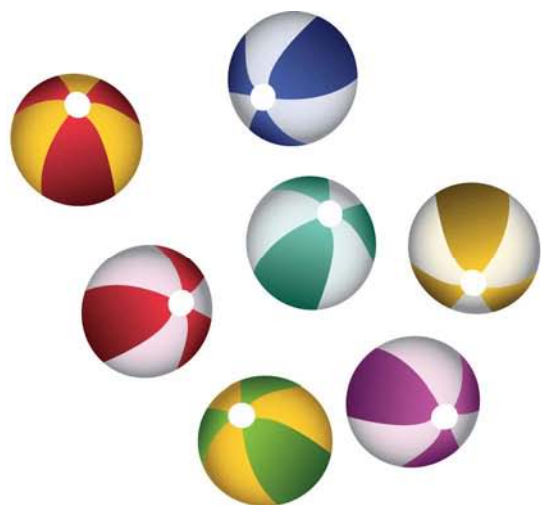




Anticipation for a better management of change

Brussels, 7 & 8 December 2009



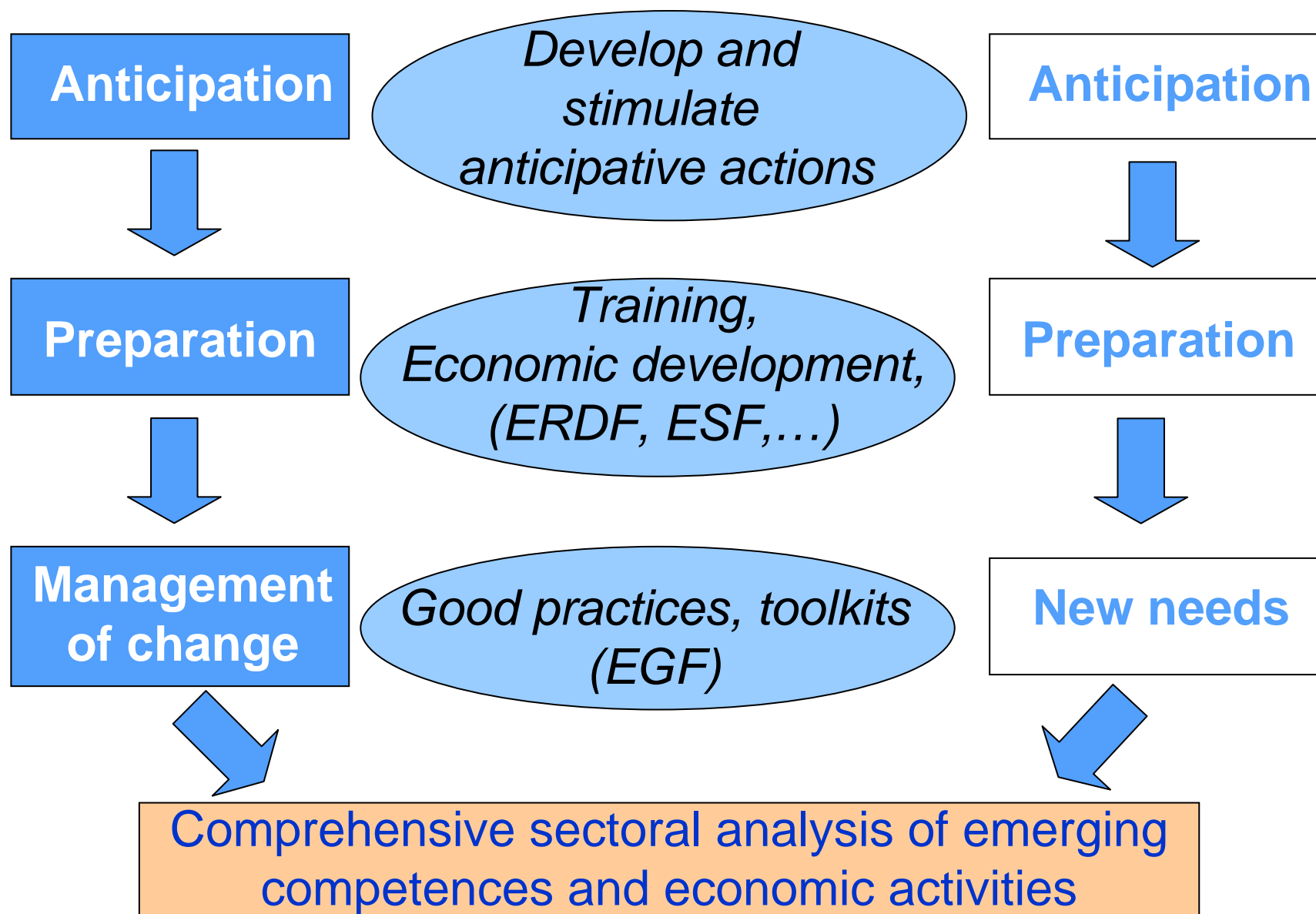
Sectors' New Skills for New Jobs

Jean-François Lebrun et Manuel Hubert

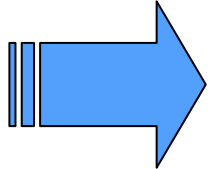
DG Employment, social affairs and equal opportunities



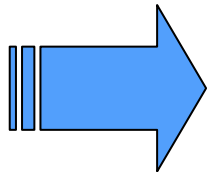
Strategies – Main tools



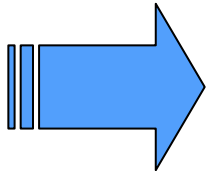
Project objectives



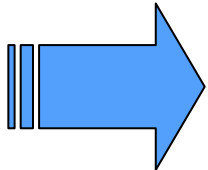
Develop culture of anticipation



Make a case for human resources key to competitiveness



Involve all relevant stakeholders



Meet the goals of the *new skills for new jobs* initiative

Foresight

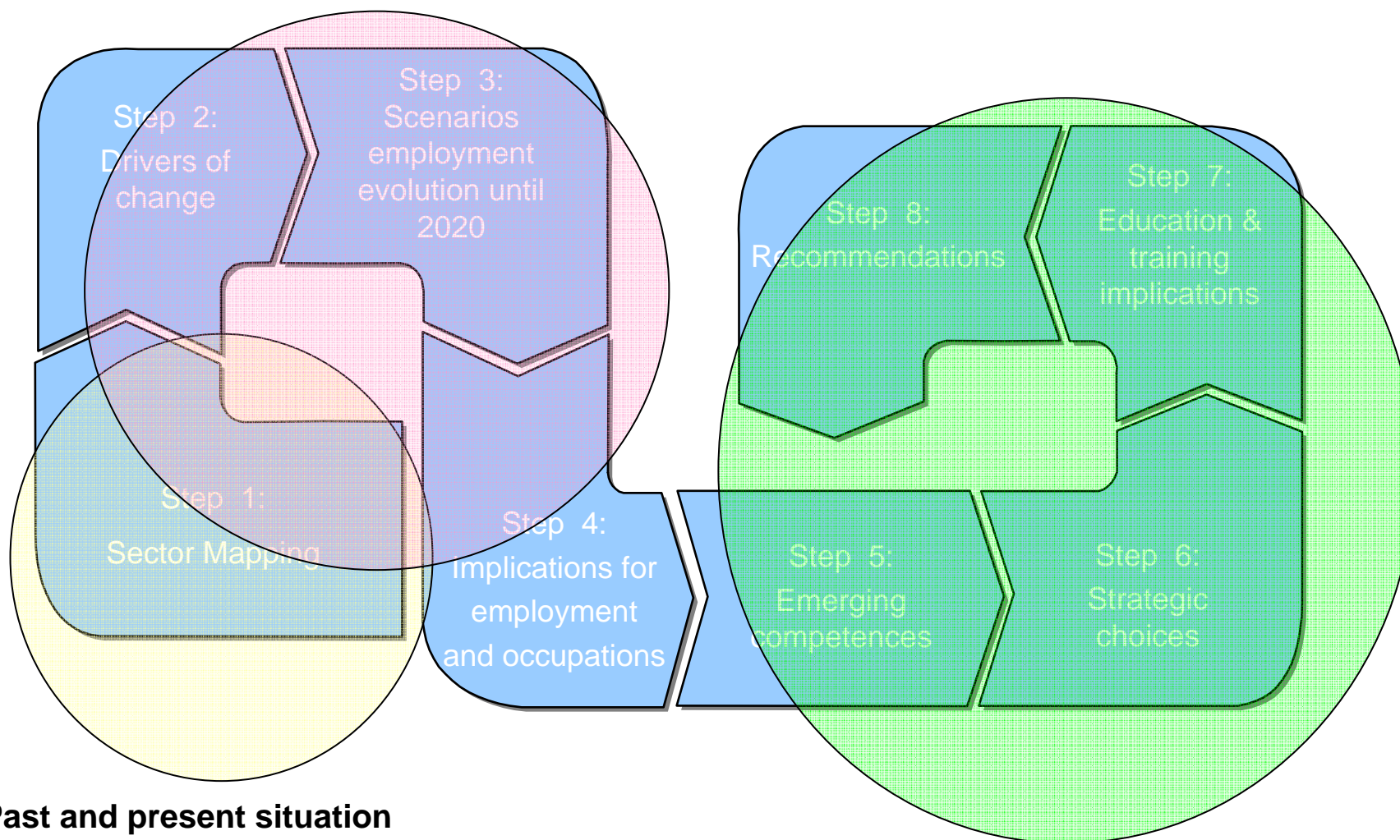
~~**Forecast**~~



Sectoral studies methodology



Possible future evolutions and strategies



Past and present situation

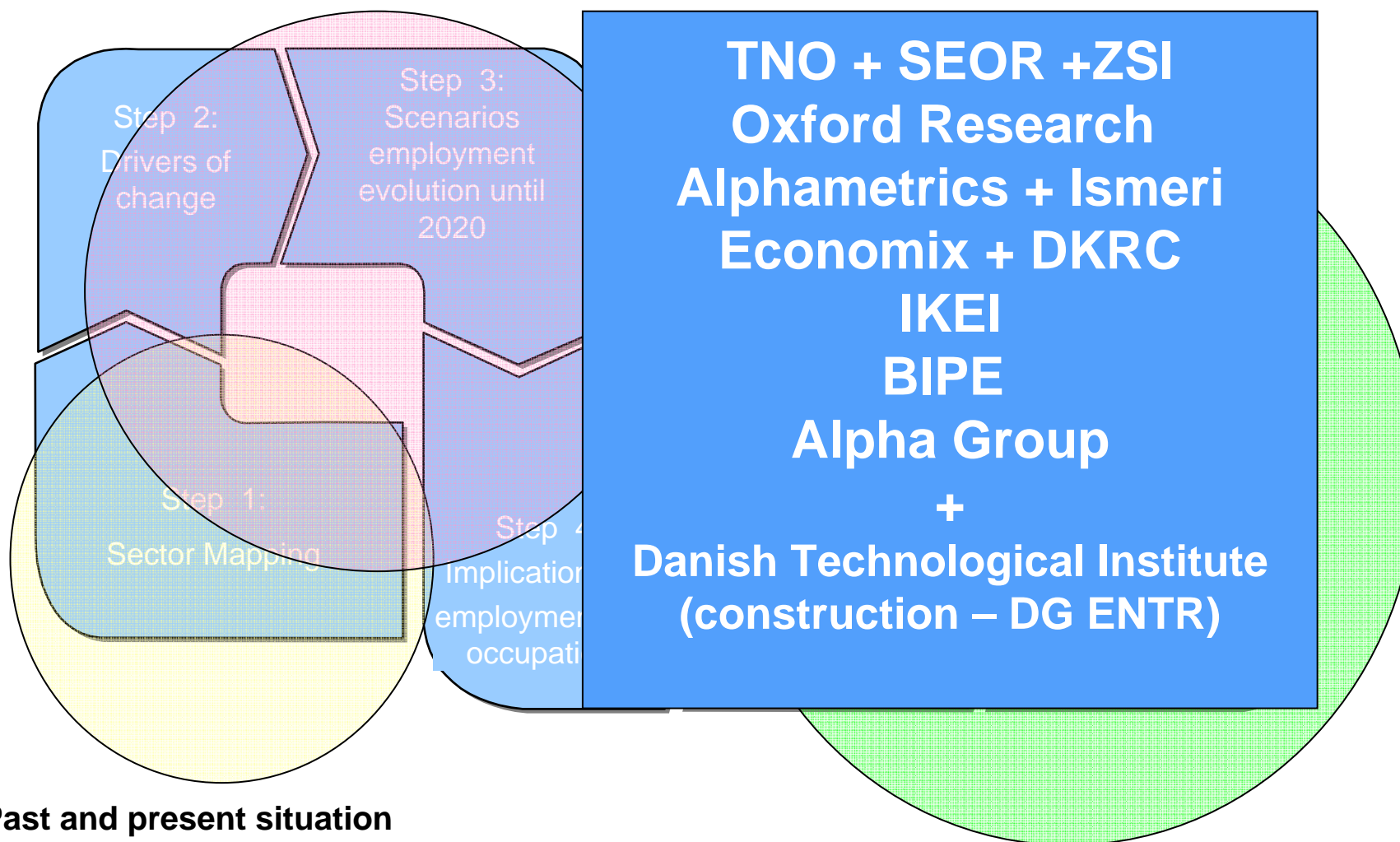
Focus on skills and competences



Sectoral studies methodology



Possible future evolutions and strategies



Past and present situation

Focus on skills and competences



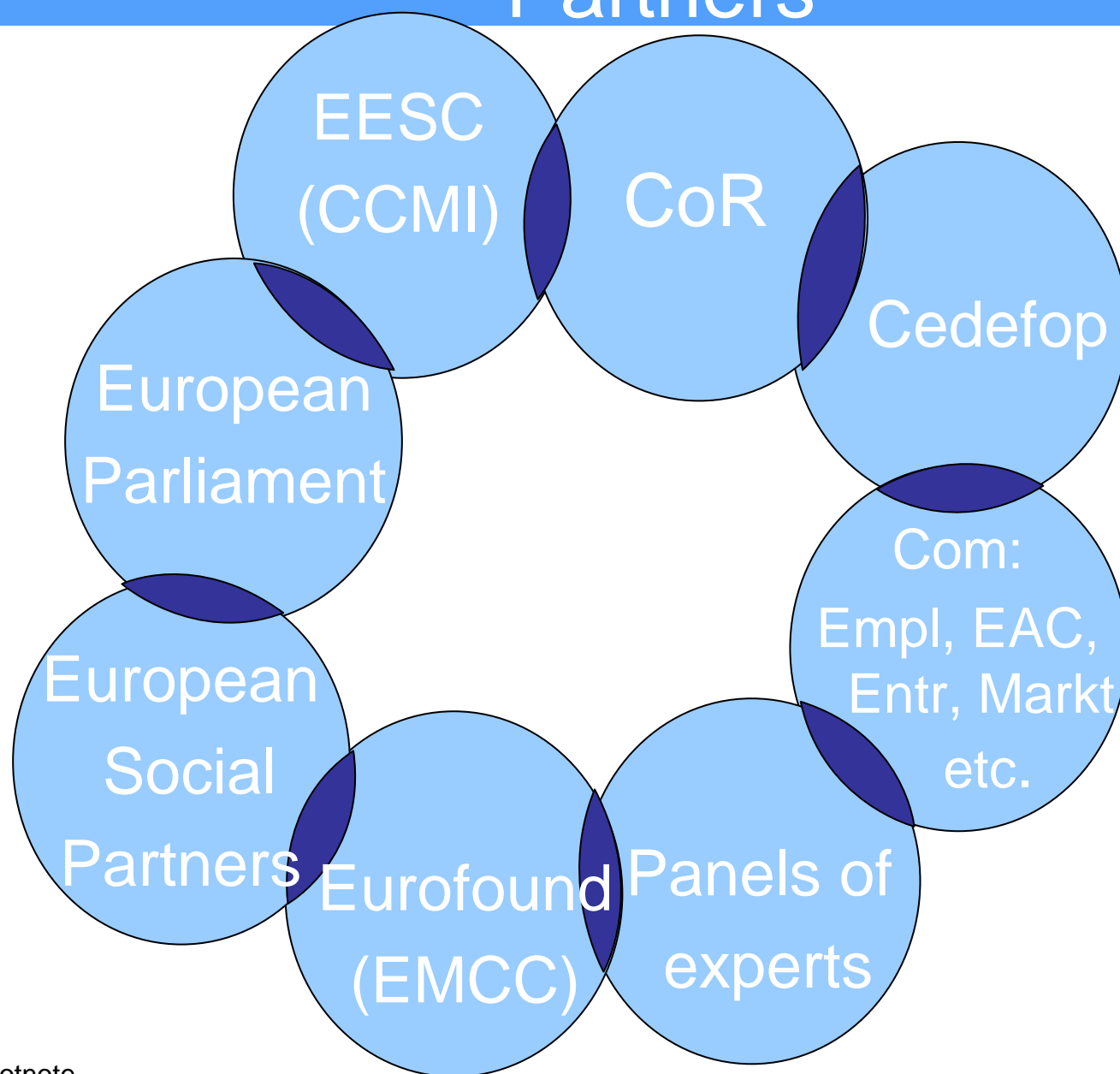
Project history



- Jun 06 Restructuring Forum « sectoral policies »
- Mar 07 Methodology
- Oct 07 Pilot study « automotive sector »
- Jan 08 Kick-off meeting
- Oct 08 First expert workshop
- Mar 09 Last expert workshop
- Jun 09 Publication of the results on-line
- Dec 09 Restructuring Forum « Sectors' New skills for new jobs »



Partners



* Footnote

02-December-09

Source: Source

Directorate-General for Employment, Social Affairs and Equal Opportunities – Unit F3



Main output and follow-up



Specific recommendations for 18 sectors

Publication of results in June 2009

Restructuring Forum on 7&8 December 2009

Role of
stakeholders to
use these
results and
make them
more
operational!

EU follow-up

- Analysis of transferable competences across sectors
- Sector councils on employment and skills at EU level



Other activities



Realised

- Guide for training in SMEs
- Restructuring in Europe report
- Checklist on restructuring processes
- Sectoral studies
- Several Restructuring Forums

Current

- Toolkit on restructuring
- National restructuring seminars in 27 countries(6/10)
- www.anticipedia.eu

Future

- Sector skill councils
- New Restructuring Forums





Thank you for your attention!

Contact:

Jean-francois.lebrun@ec.europa.eu

<http://ec.europa.eu/restructuringandjobs>



Transversal Analysis on the Evolution of Skills Needs in 19 Economic Sectors

EU Skills Forum

7th – 8th December 2009

Prepared by Oxford Research for DG Employment, Social Affairs and Equal Opportunities

Oxford Research A/S
Falkoner Allé 20, 4. sal
2000 Frederiksberg C
Danmark

Oxford Research AB
Box 582
201 25 Malmö
Sverige

Oxford Research AS
Kjøita 42
4630 Kristiansand
Norge

Background of the study

- A transversal analysis of 19 comprehensive sector studies
- The (18) sector studies where carried out in 2007-2009 all following the European Foresight Methodology
- The amount of comparable sectoral data provides a unique possibility for developing a coherent view on the emerging skills needs process in Europe



Restructuring forum:
Sectors' New Skills
for New Jobs

Content of the presentation

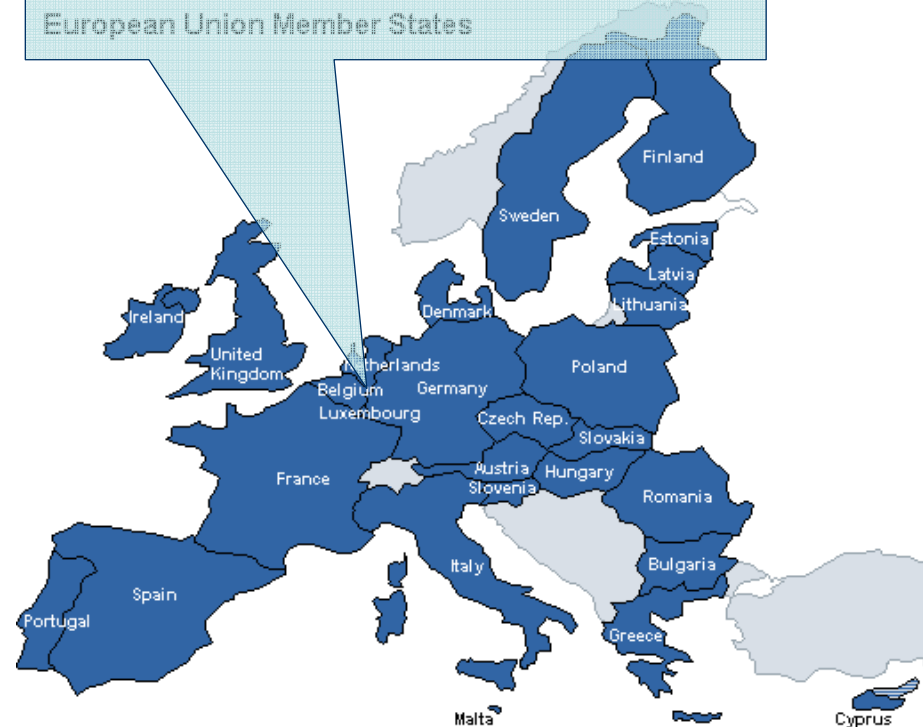
- 
1. Methodology
 2. Main economic trends
 3. Drivers of change
 4. Scenarios
 5. Emerging skills and competencies
 6. Strategies
 7. Main findings
 9. Recommendations

Sectors included in the study

Sectors included in the transversal study

Automotive	Furniture
Building of ships and boats	Health and social work
Chemicals, pharmaceuticals, rubber and plastics	Hotels, restaurants and catering
Computer, electronic and optical devices	Non-metallic materials
Construction	Other services, maintenance and cleaning
Defence industry	Post and telecommunications
Distribution and trade	Printing and publishing
Electricity, gas, water and waste	Textiles, apparel and leather products
Electromechanical engineering	Transport and logistics
Financial services	

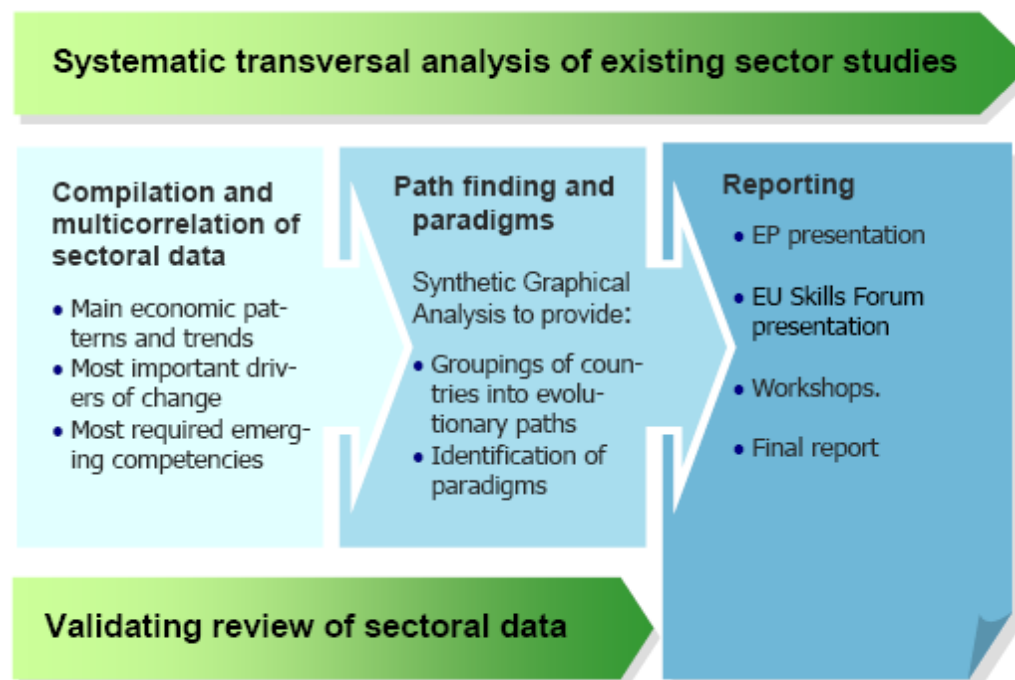
The 19 sectors together covers around 60 % of total EU employment



- **Compilation of sectoral key data from the 19 sector studies**
- **Validating review of available sectoral data** (impact of the financial crisis)
- **Multicorrelation of data**
- **Sectoral path finding and evolutionary paradigms**



NB! Work in progress



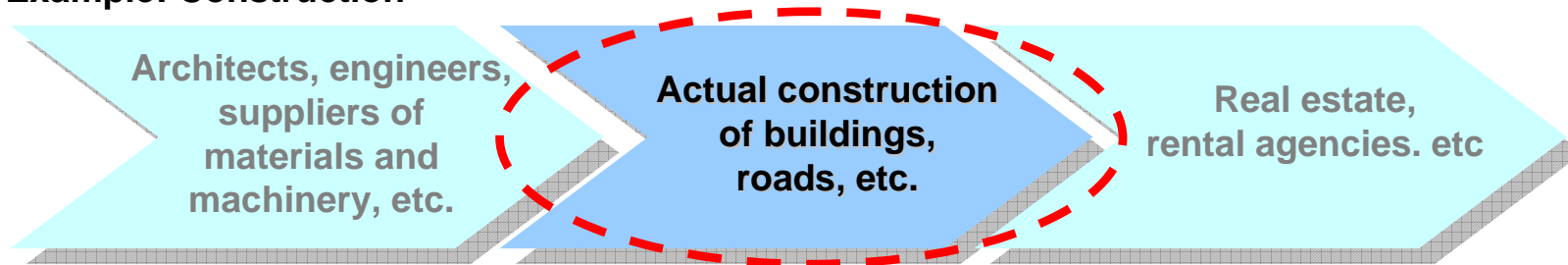
Main economic and employment trends

Main economic and employment trends

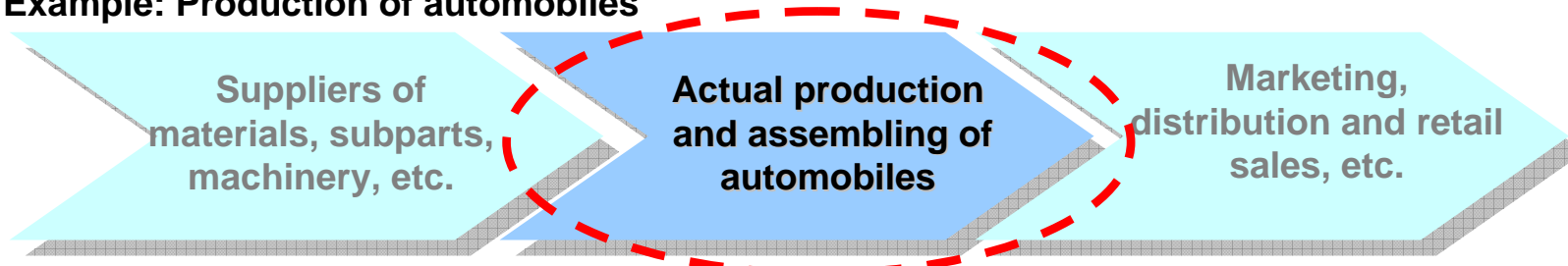
Focus of the study

**Focus of the study: Direct
sectoral employment**

Example: Construction



Example: Production of automobiles

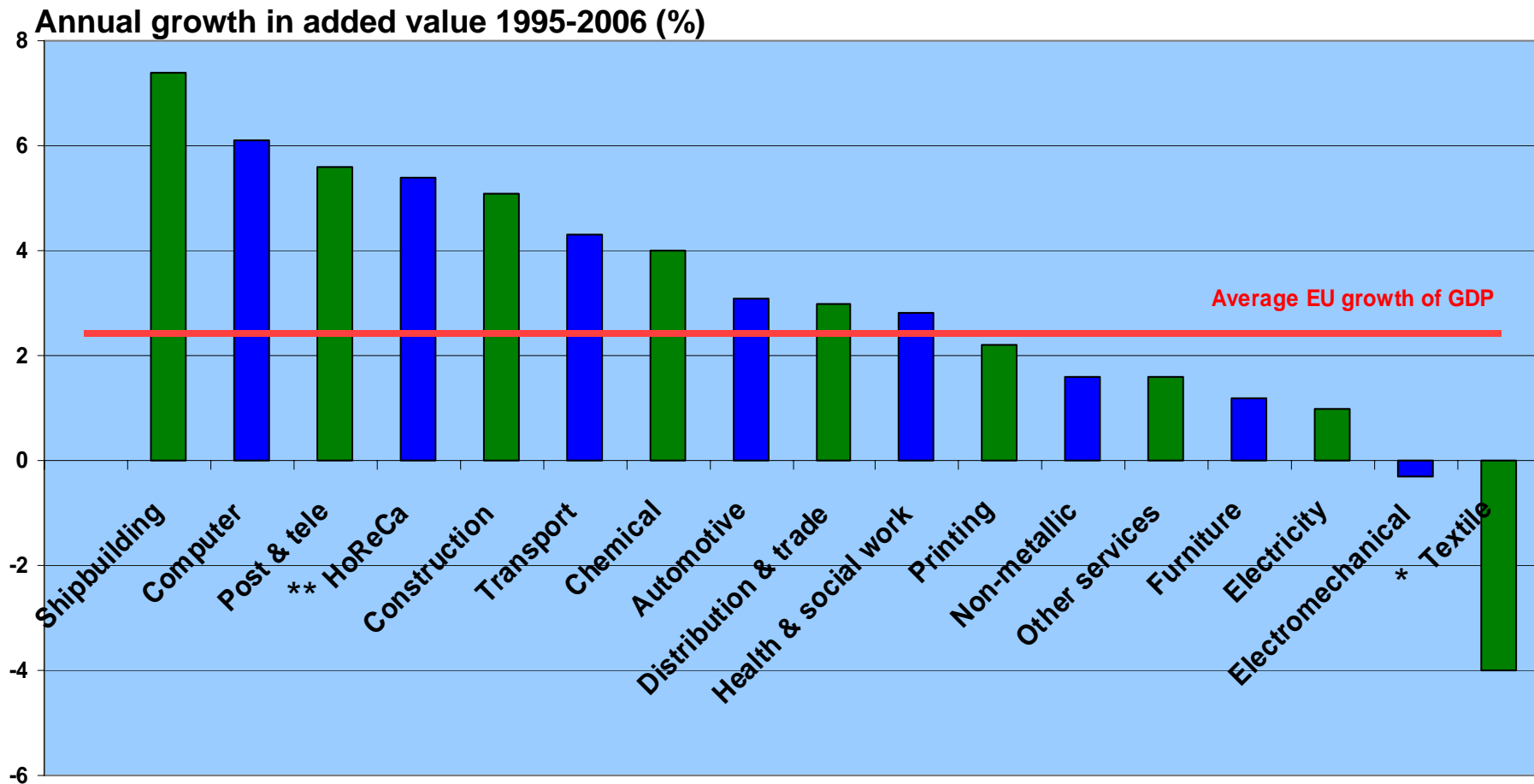


Example: Other services - cleaning



Main economic and employment trends

Growth in added value



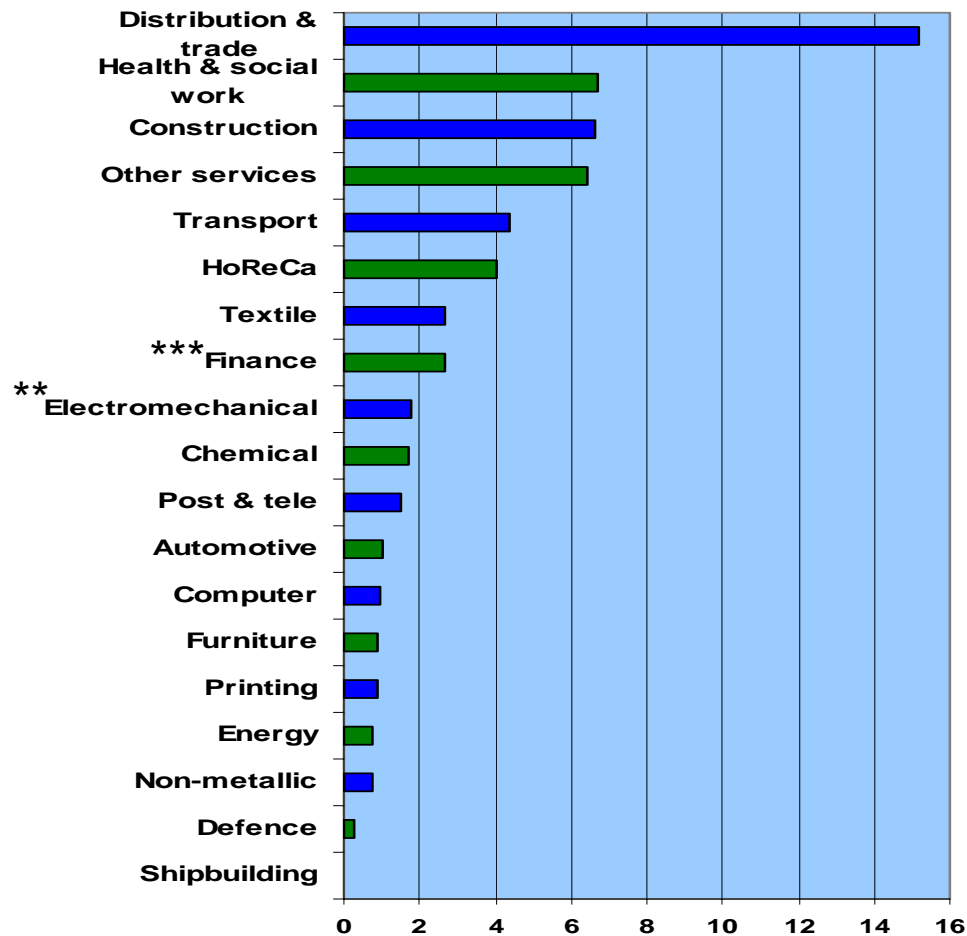
* 2000-2006

** 1999-2004

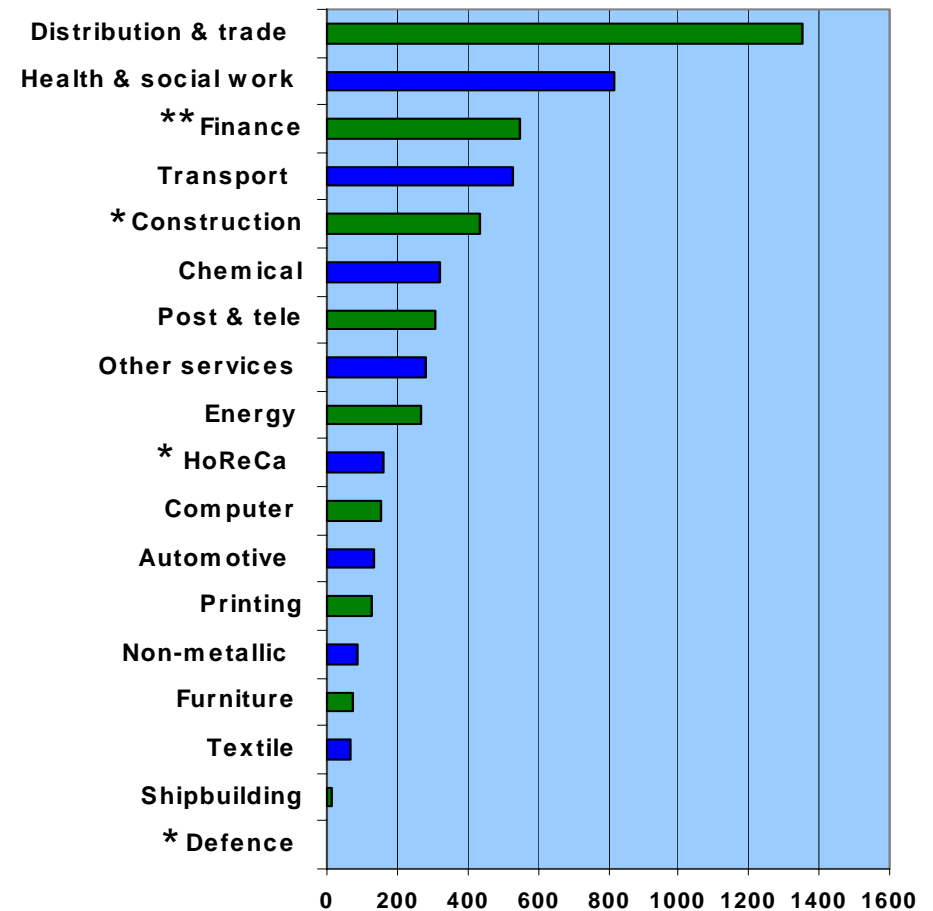
Main economic and employment trends

Importance and size of sectors

Share of EU employment (%) 2006



Total added value (in billion EUR) 2006

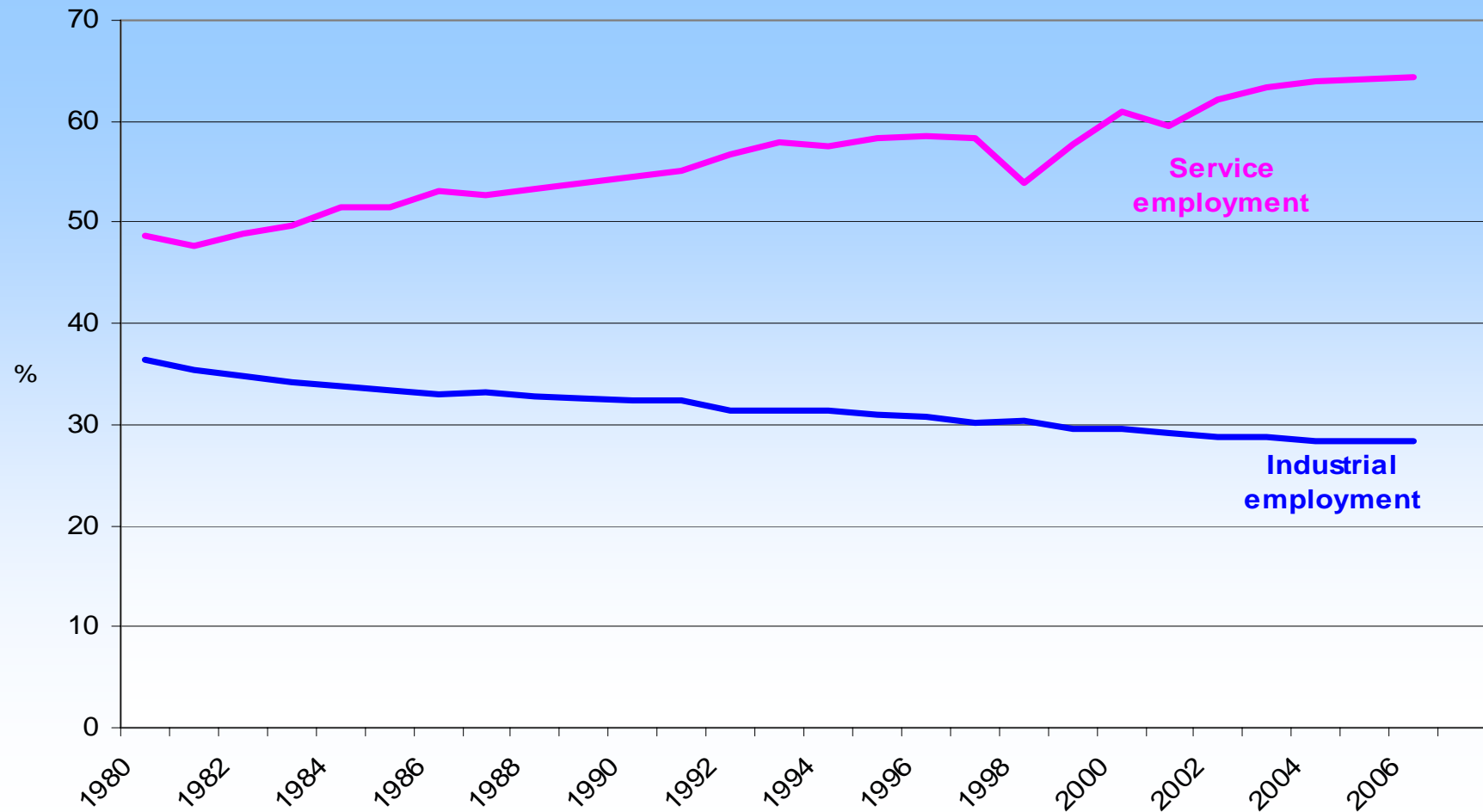


* 2004 ** 2005 *** 2007

Total add. value Electromechanical: n/a

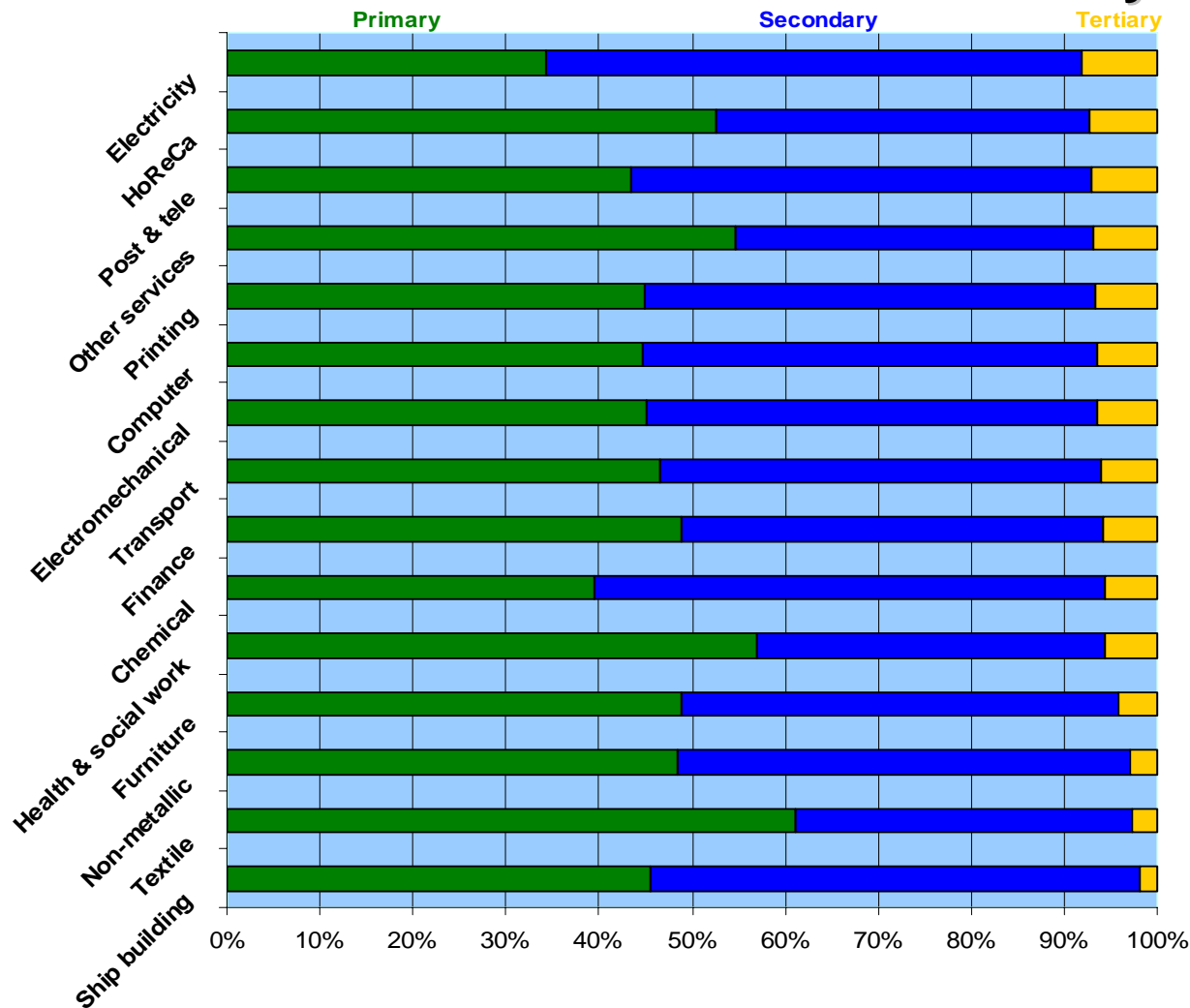
Main economic and employment trends

Historical employment trends (EU-27)



Main economic and employment trends

Educational level – sorted by tertiary level



Sectoral average of 5.5 % of employees with tertiary educational level

Reportings of increase in educational levels of employees in all sectors (significant increase in most sectors).

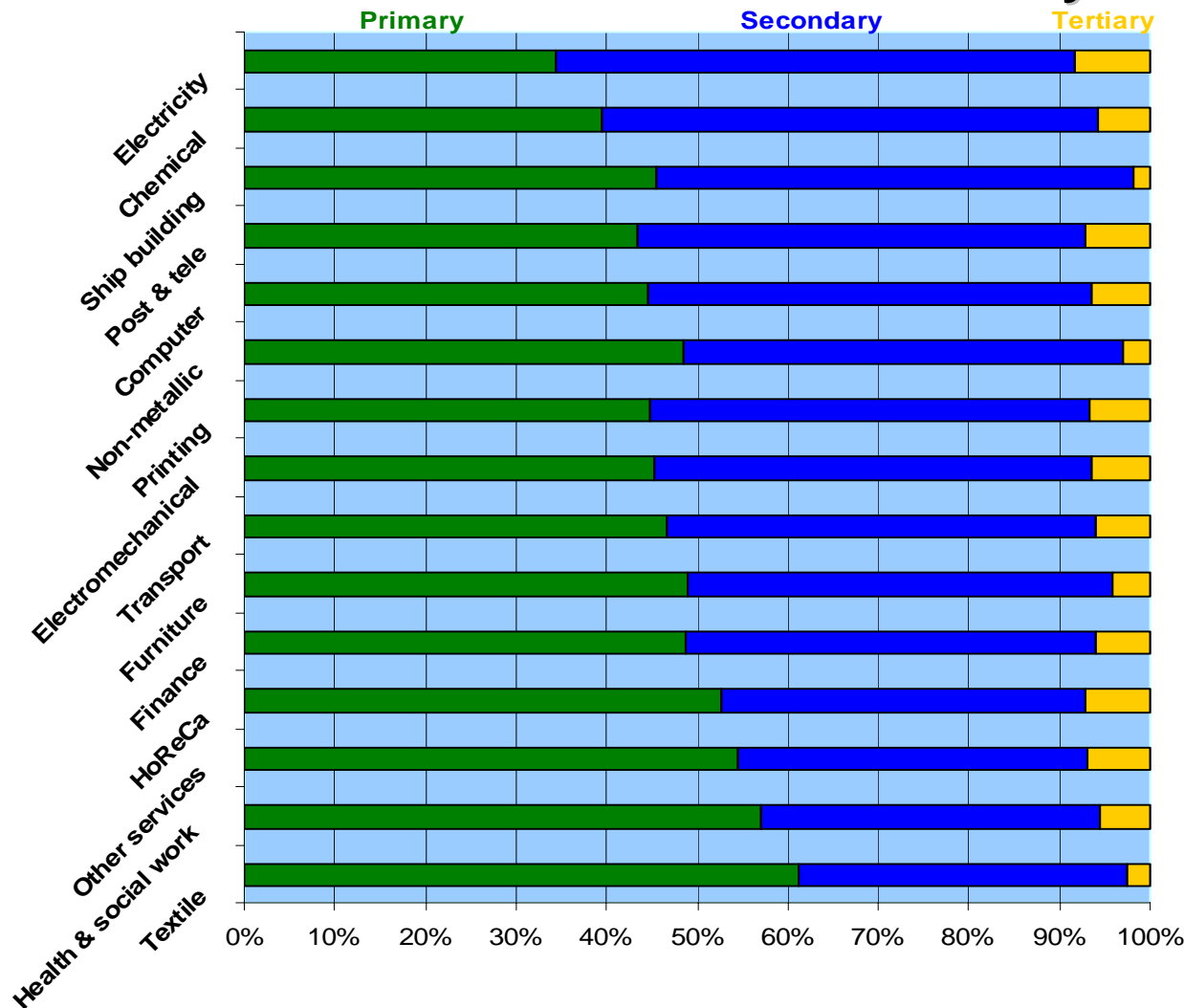
Except Ship building: small decrease

NB! Comparable data not available for:

**Distribution & trade
Construction
Automotive
Defence**

Main economic and employment trends

Educational level – sorted by secondary level



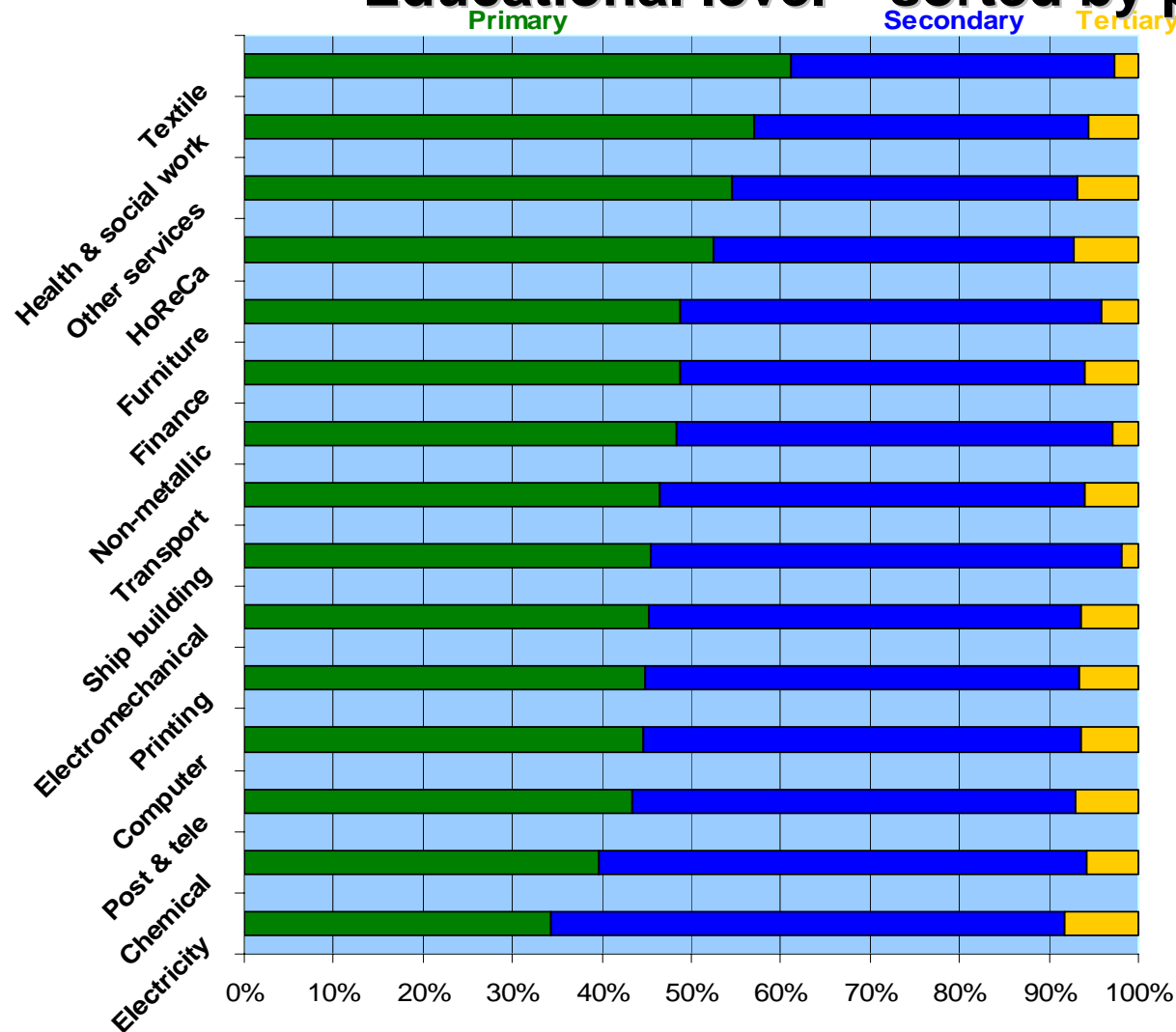
Sectoral average of 46.7 % of employees with secondary educational level

NB! Comparable data not available for:

Distribution & trade
Construction
Automotive
Defence

Main economic and employment trends

Educational level – sorted by primary level



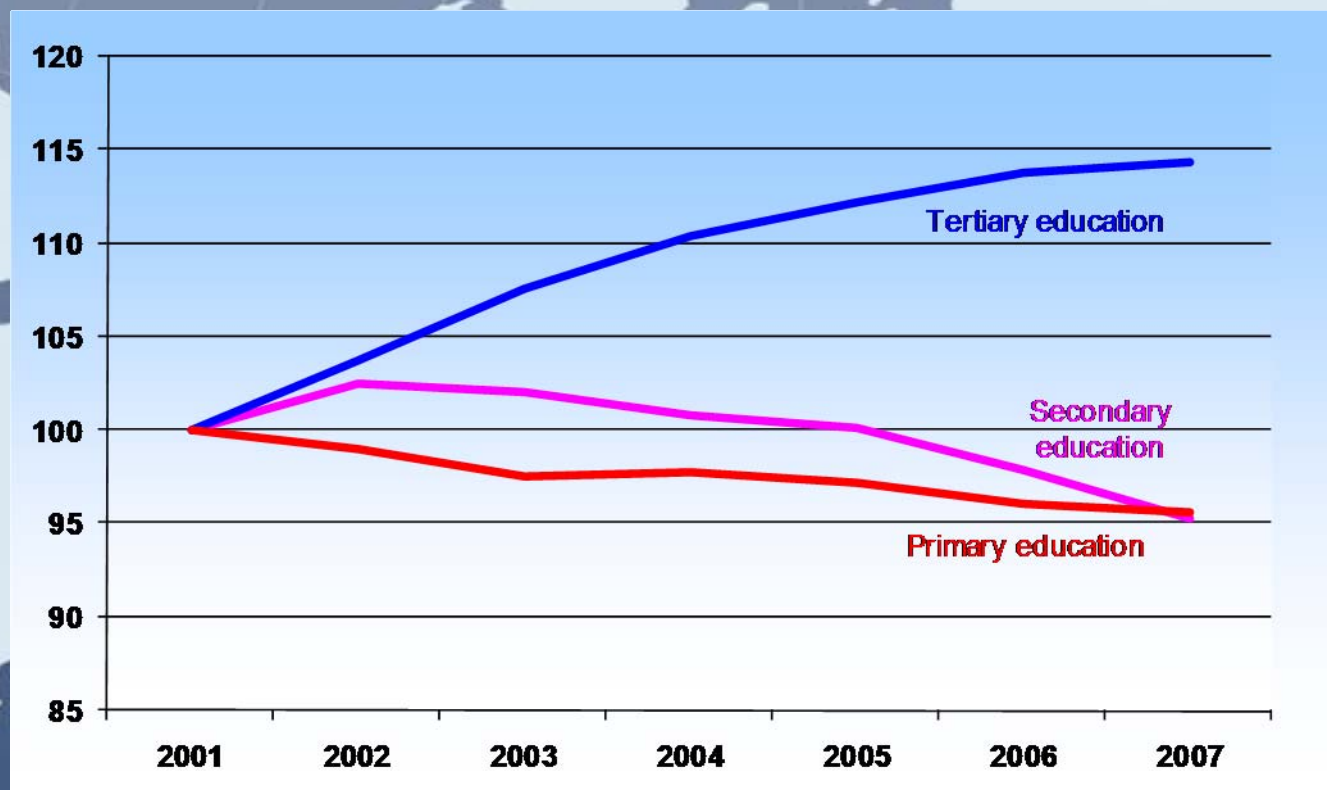
Sectoral average of 47.7 %
of employees with primary
educational level

NB! Comparable data not
available for:

Distribution & trade
Construction
Automotive
Defence

Main economic and employment trends

Index of general educational level in EU



Source: Eurostat

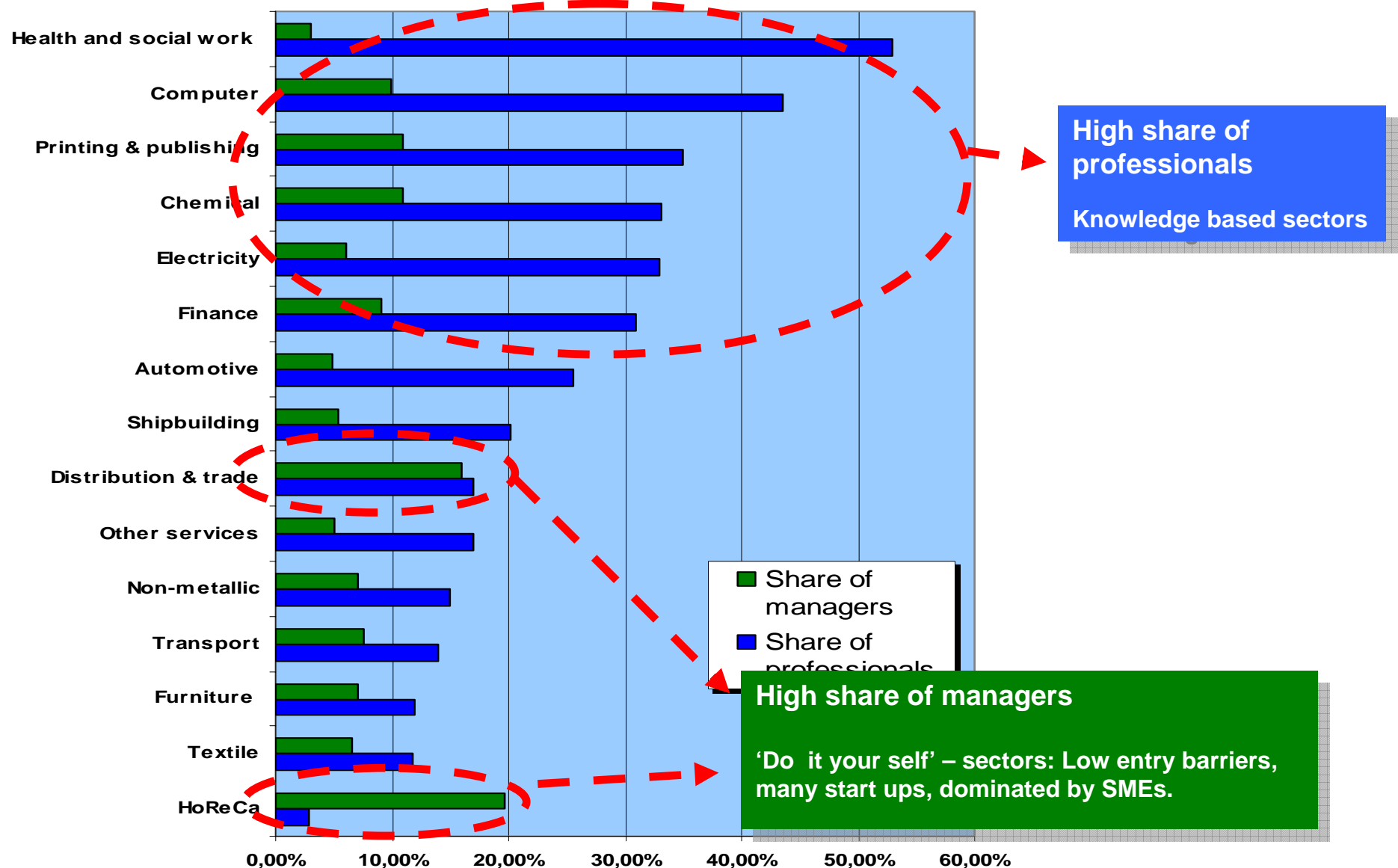
Main economic and employment trends

Type of occupation by sector

Sector \ Occupation	Managers	Professionals	Office clerks and secretaries	Skilled workers	Low-skilled workers
HoReCa	20%	3%	5%	32%	41%
Textile	7%	12%	9%	37%	36%
Furniture	8%	13%	9%	44%	25%
Transport	8%	14%	17%	9%	53%
Non-metallic	7%	16%	8%	30%	39%
Other services	6%	28%	9%	5%	52%
Distribution & trade	16%	17%	13%	13%	41%
Shipbuilding	5%	20%	6%	53%	16%
Automotive	5%	26%	9%	55%	5%
Electromechanical engineering	8%	27%	10%	33%	23%
Finance	16%	42%	39%	1%	3%
Electricity	8%	38%	16%	24%	15%
Chemical	11%	33%	11%	11%	35%
Printing & publishing	12%	35%	11%	18%	25%
Computer	10%	44%	10%	20%	17%
Health and social work	3%	51%	7%	29%	9%

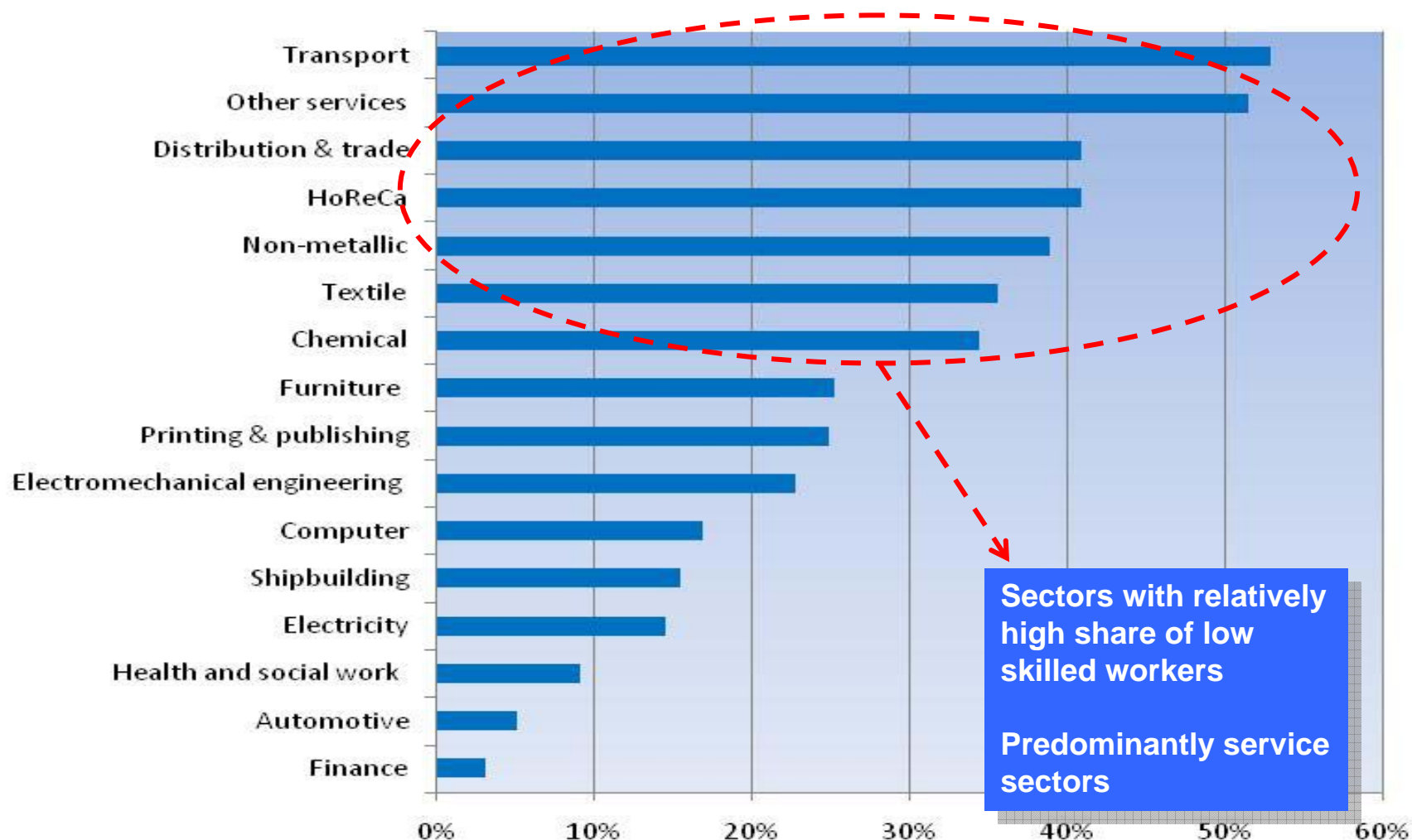
Source: LFS/Eurostat

Main economic and employment trends



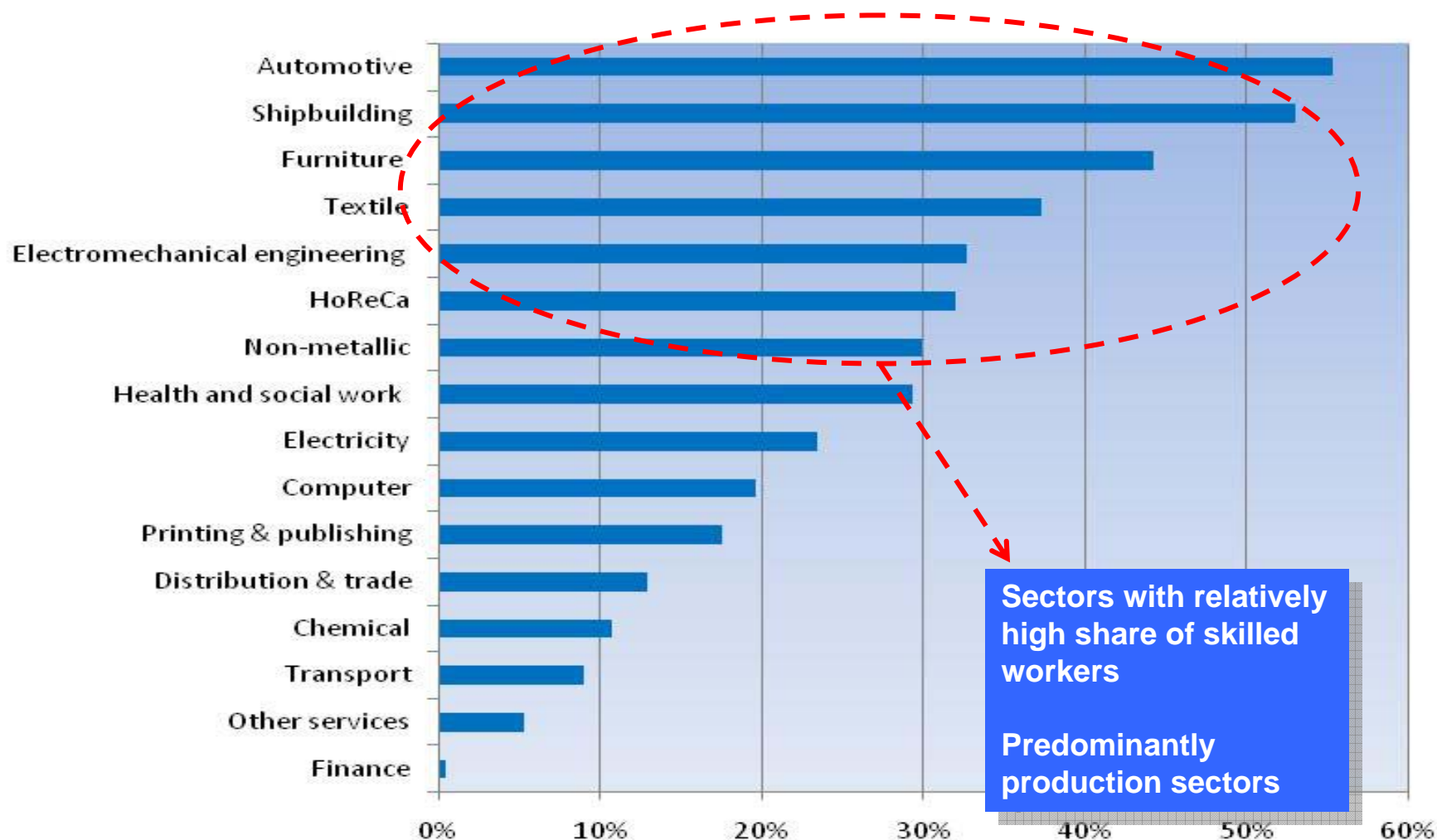
Main economic and employment trends

Share of low-skilled workers by sector



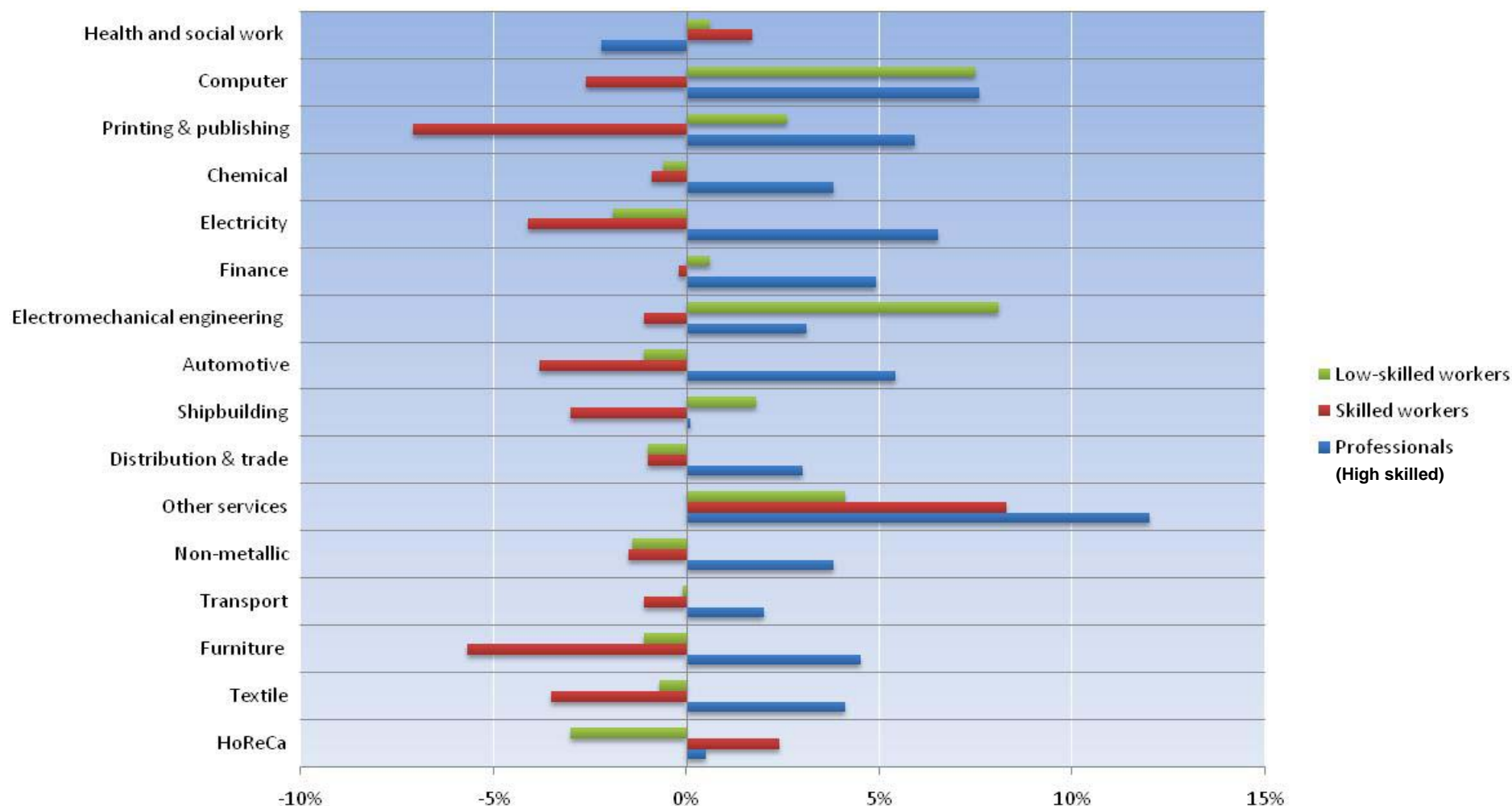
Main economic and employment trends

Share of skilled workers by sector



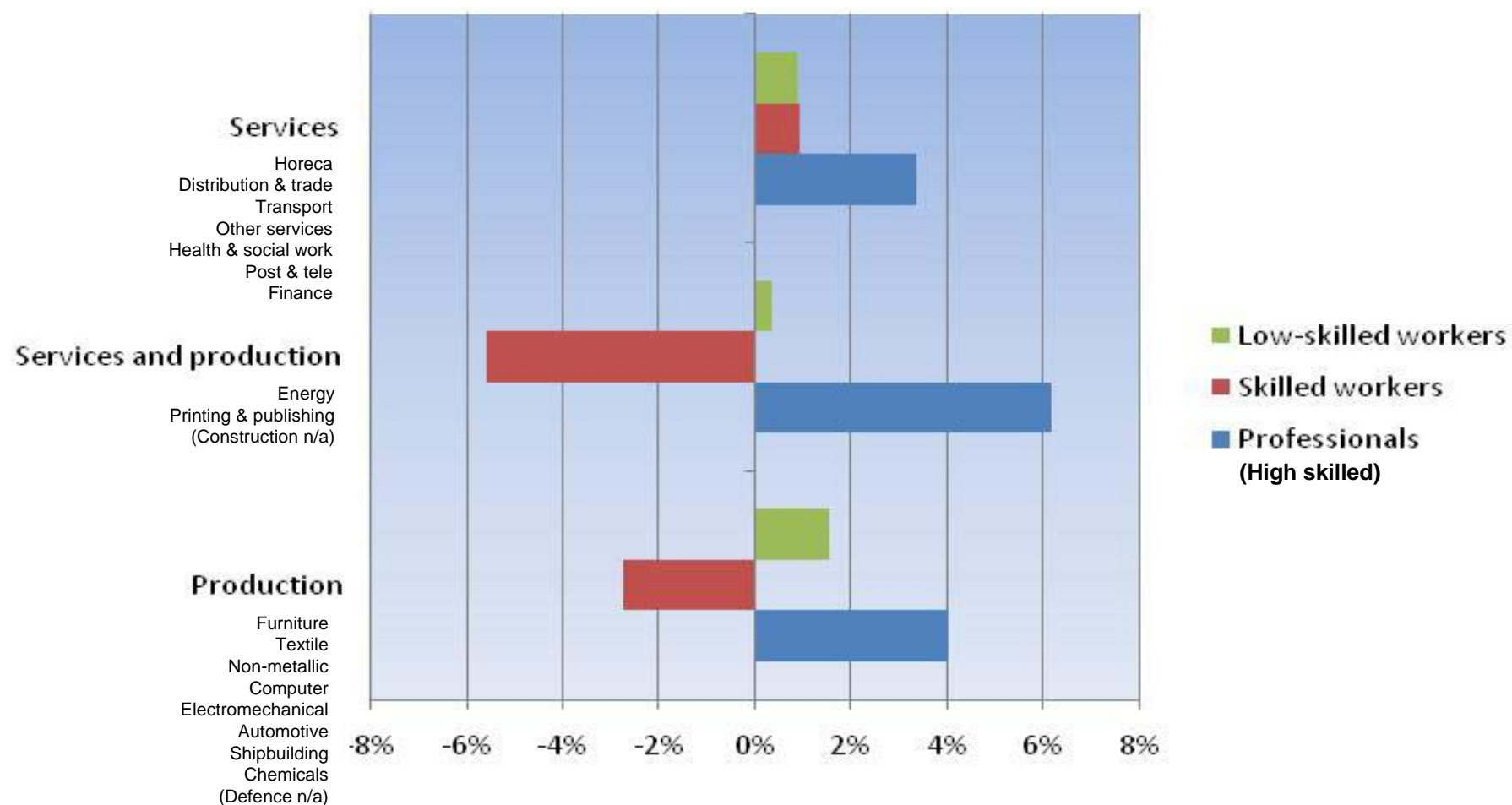
Main economic and employment trends

Changes of share in selected types of occupation by sector (2000 – 2007)



Main economic and employment trends

Changes of share in selected type of occupation by sector group (2000 – 2007)



Main economic and employment trends

Upskilling / Deskilling

Upskilling vs deskilling	
Level of upskilling	Sectors
High	Chemical, Computer, F
Medium	Automotive, Defence, E Electromechanical, Furn work, Post & tele, Trans
Low	Shipbuilding, Constructi HoReCa, Non-metallic, Other services, Textiles
Static	None
Deskilling	None

Definition

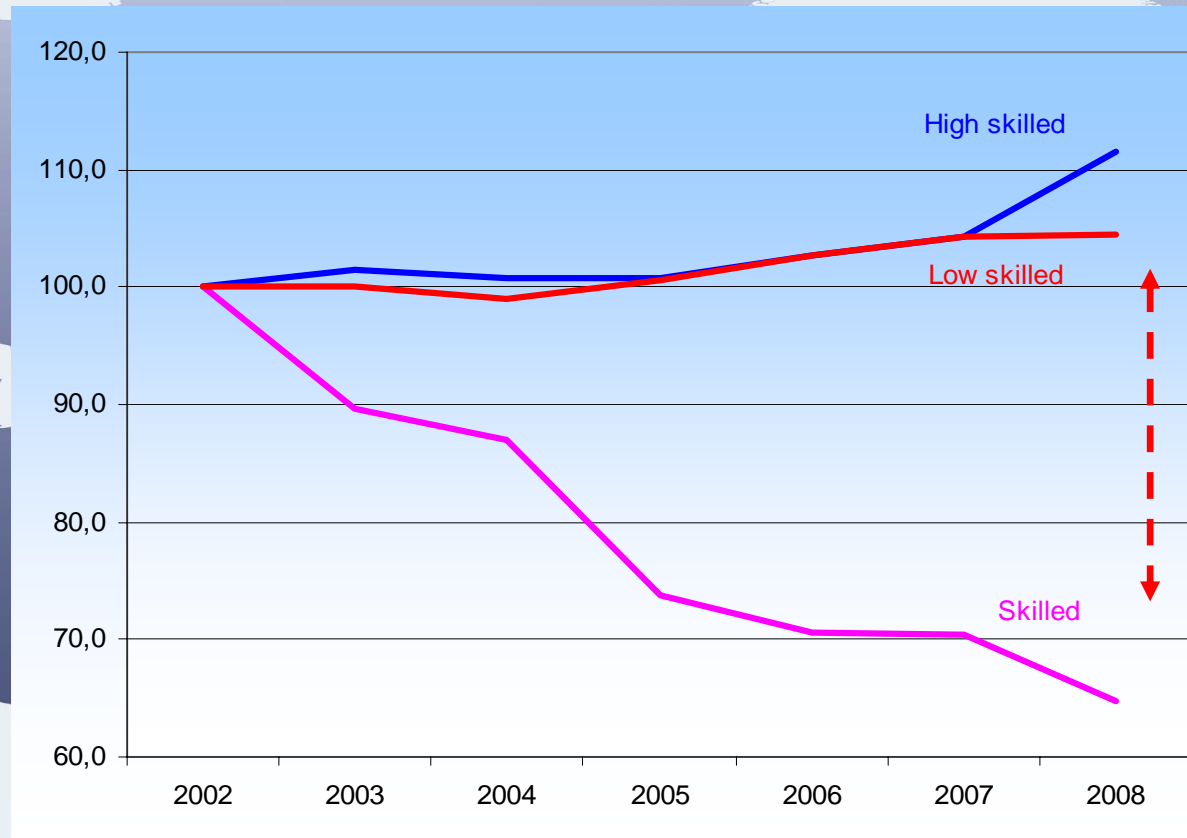
Upskilling defined as prominent growth in managers, professionals or other higher technical positions

Deskilling defined as growth trends among skilled/manual workers

- Upskilling is prevalent in all sectors
- Sectors' development and competitiveness not related to upskilling vs. deskilling but rather to high upskilling vs. low upskilling

Main economic and employment trends

Index of changes in employment in the EU27 by occupation



Polarisation

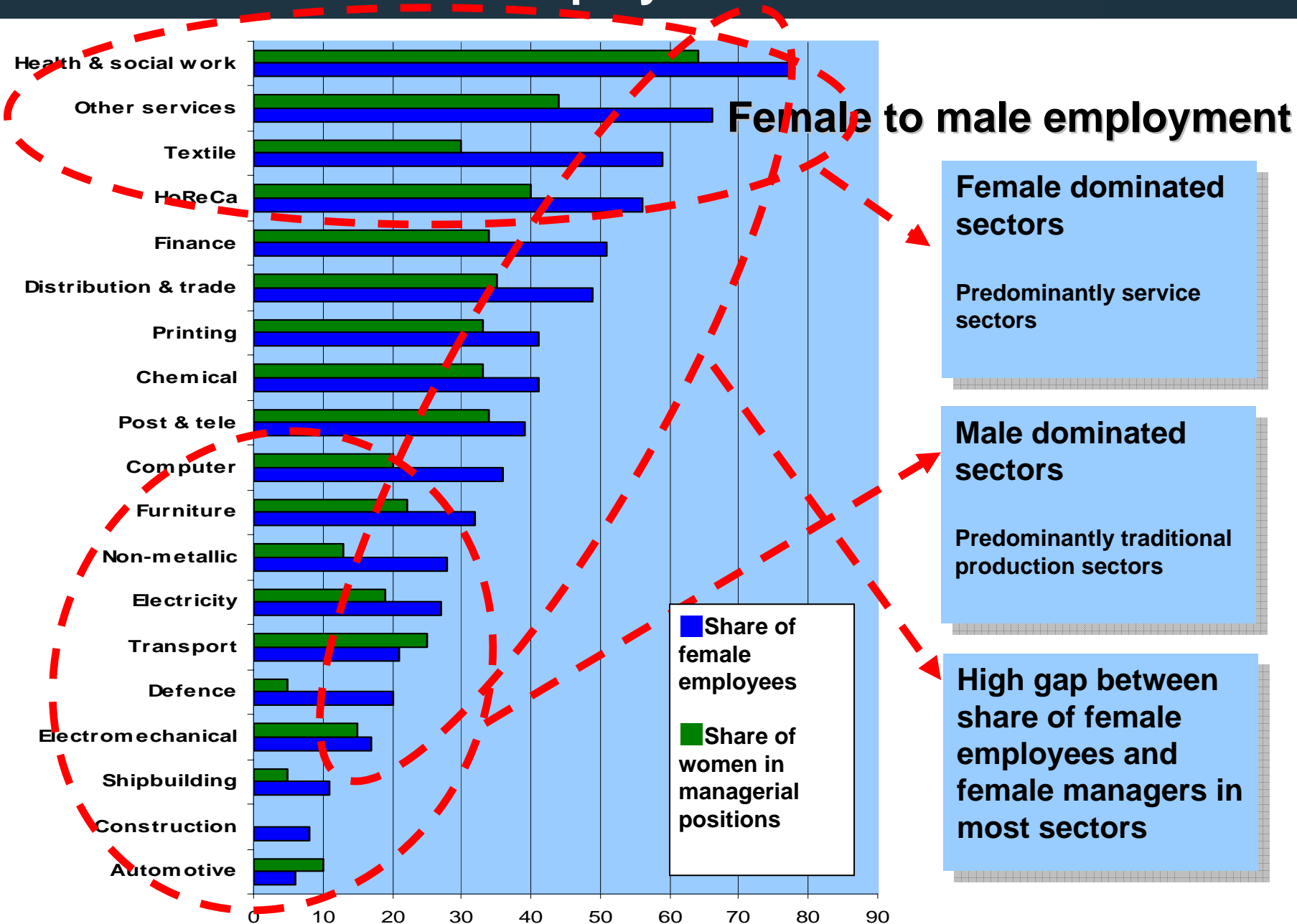
**Dramatic decline
in the need for
skilled labour**

**Steady demand for
low skilled labour**

**Significant
increase in the
need for high
skilled labour**

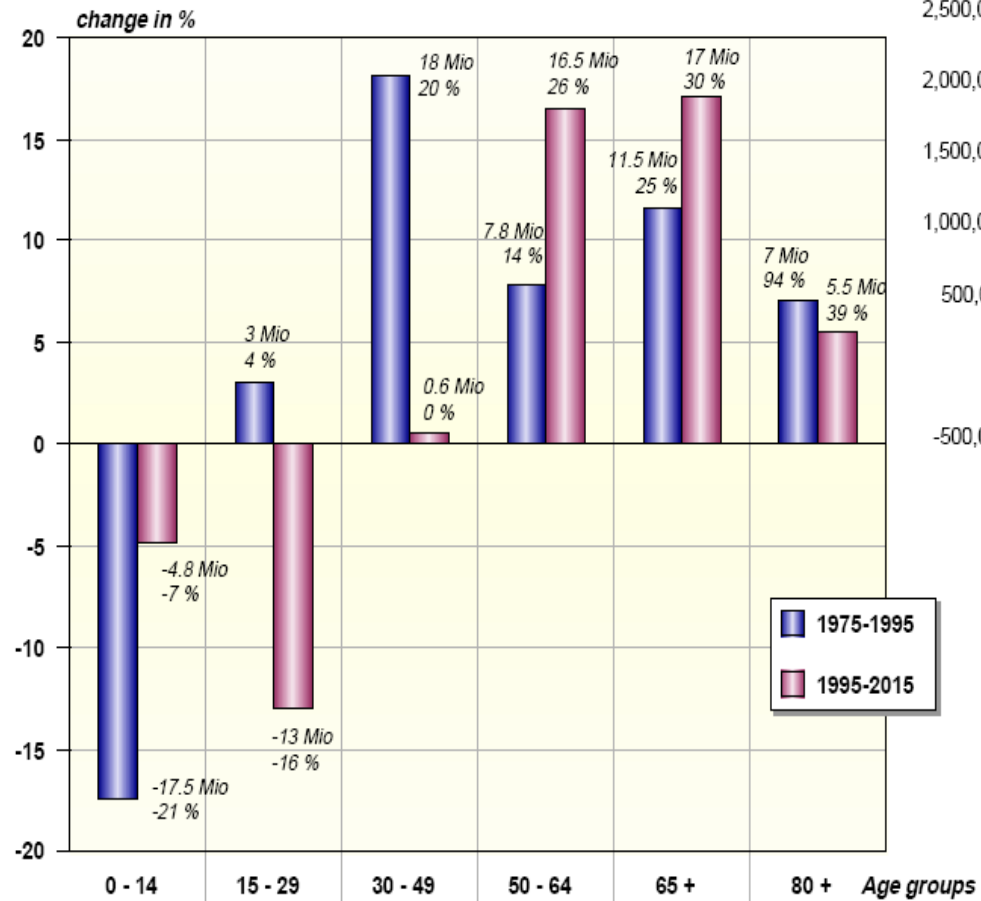
Source: Eurostat

Main economic and employment trends

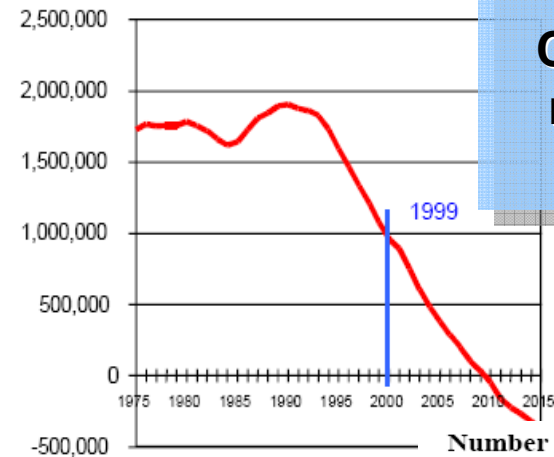


Main economic and employment trends

Demographic changes in the main age groups in the EU

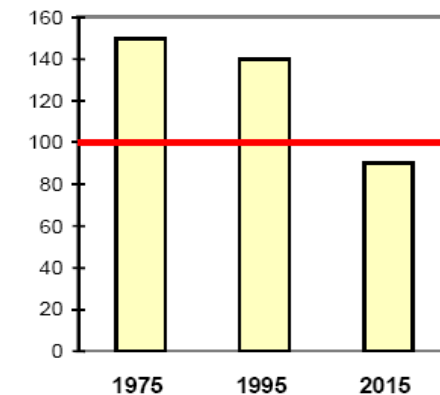


Balance between 20-29 and 50-64 age cohorts



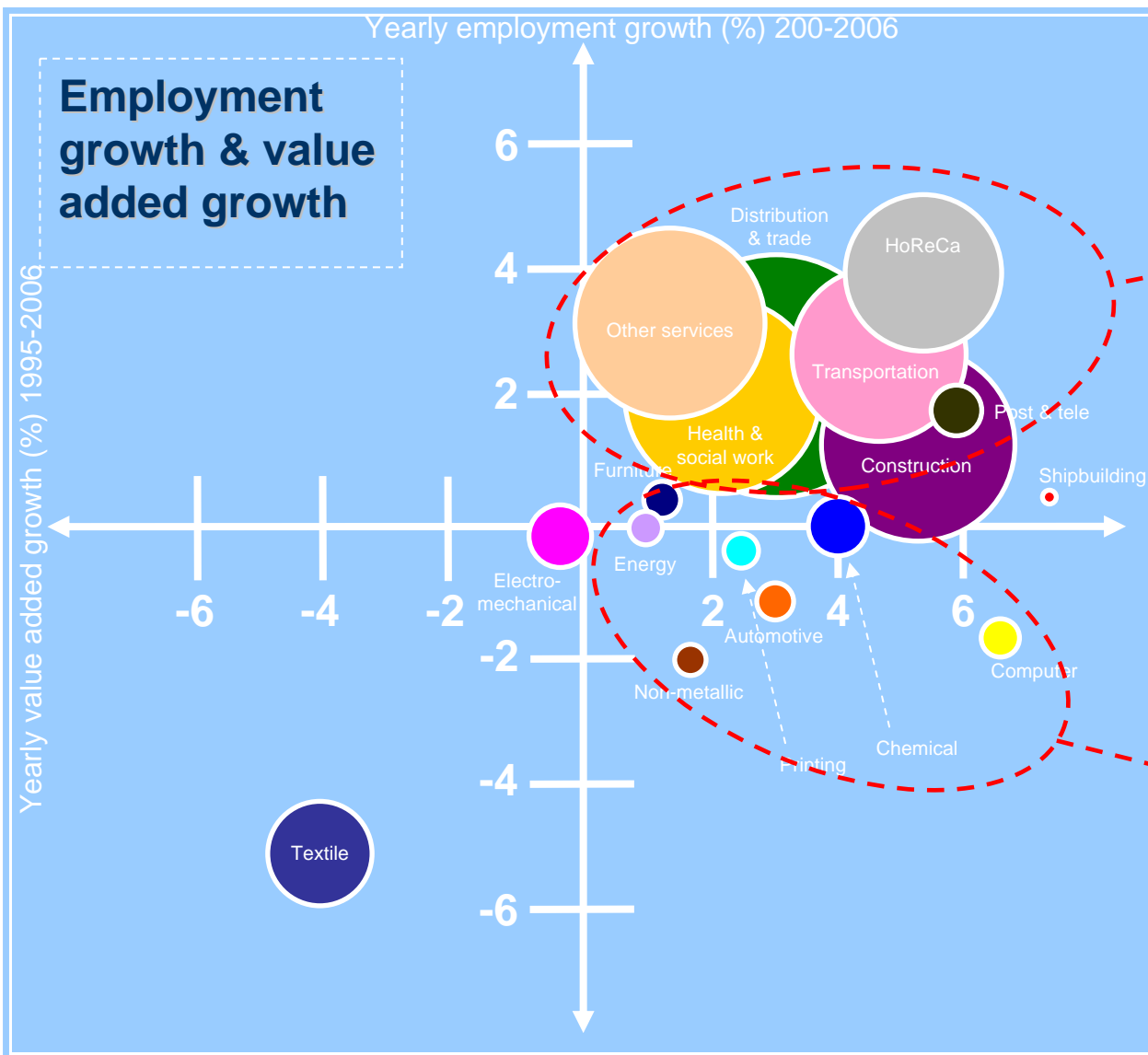
Clear need for replacement!

Number of incomers for every 100 departures



Source: Eurostat

Common paths of sectoral evolution



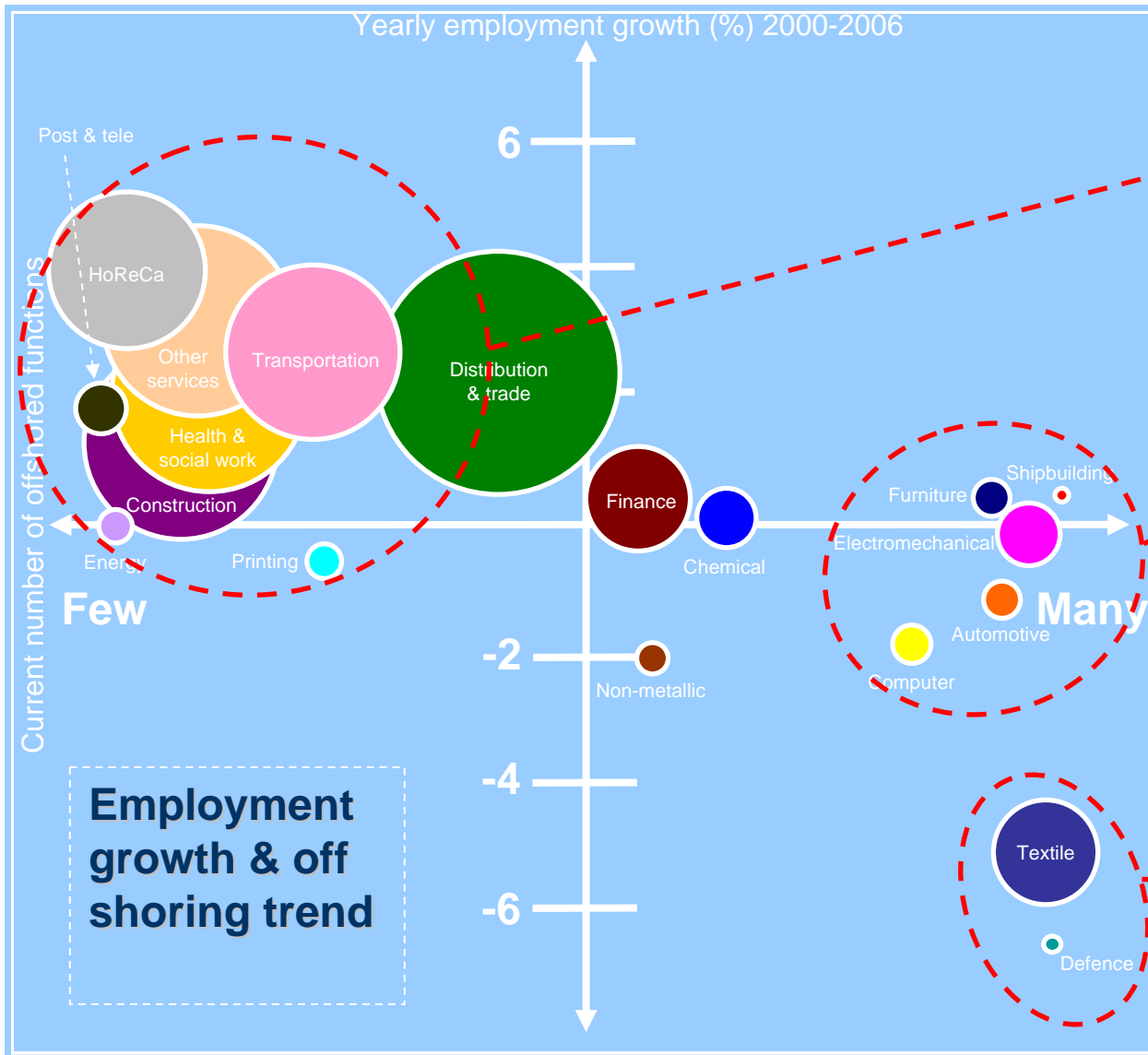
Service: High growth sectors

Significant employment growth combined with growth in added value

Production sectors: European excellence

Employment decline. Still high to medium growth in value added

Common paths of sectoral evolution



'Staying' sectors (services)

- High employment growth
- Low level of off shoring
- Increase in high skilled jobs
- Still need for low skilled/ manual labour

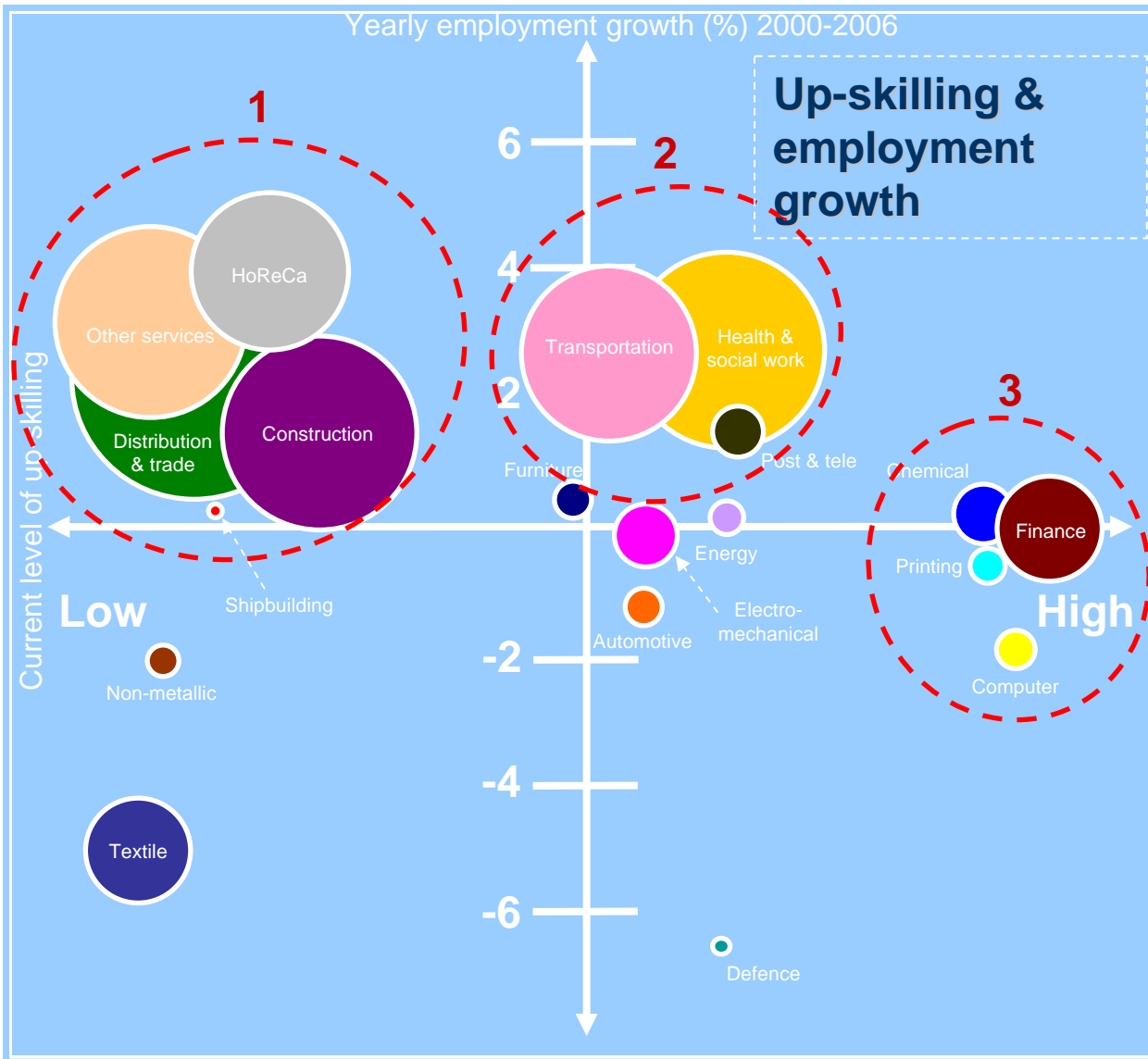
'Changing' sectors (production)

- Low/no employment growth
- High level of off shoring
- Increase in high skilled jobs (focus on high end value activities)
- Significant decrease in low skilled/manual labour

'Moving' sectors (production)

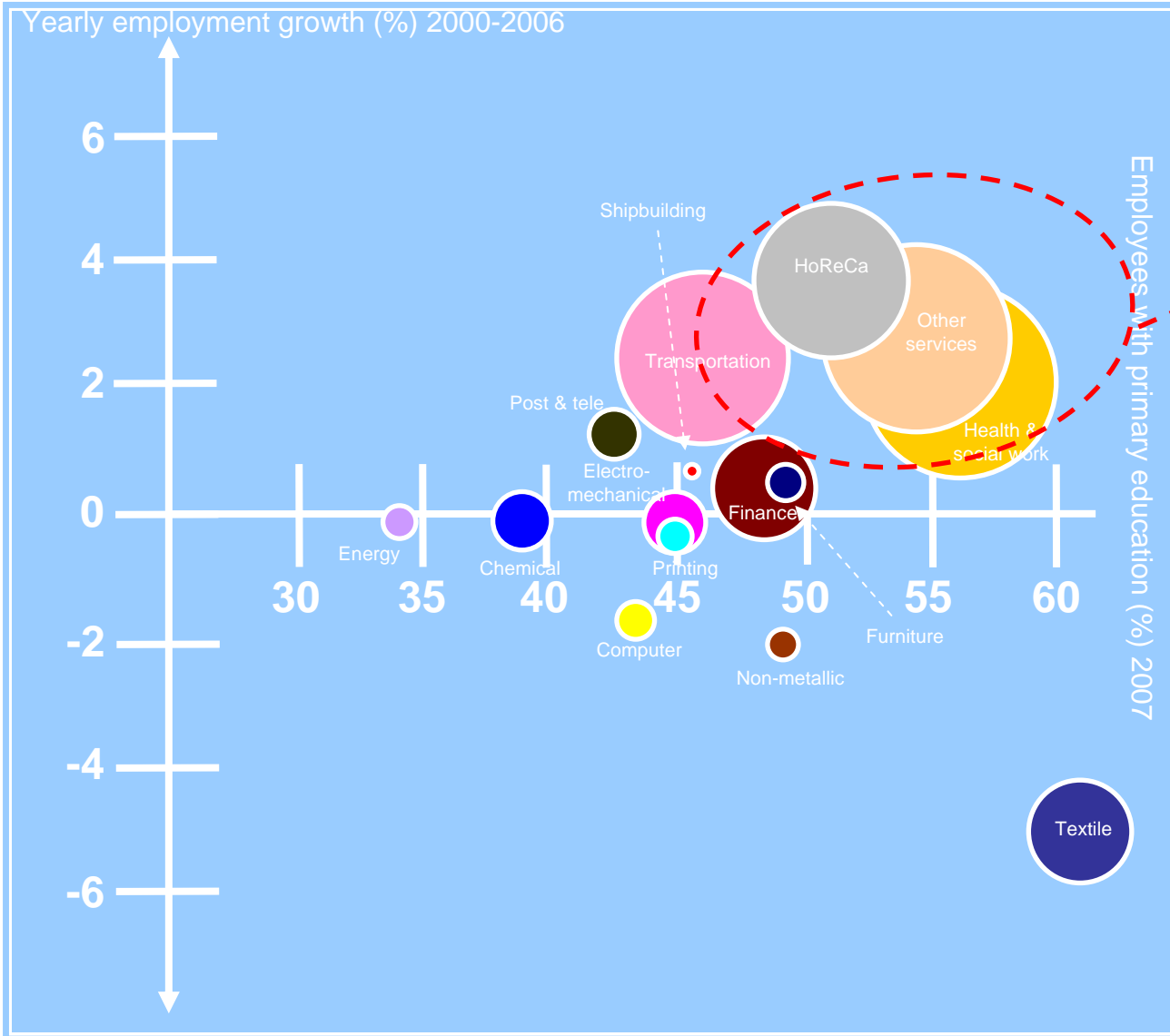
- High employment decline
- High level of off shoring
- Decrease in high skilled jobs
- Dramatic decrease in low skilled/ manual labour

Common paths of sectoral evolution



1. **Low up-skilling + job growth** = primarily low knowledge intensive service sectors
2. **Medium up-skilling + job growth** = primarily medium knowledge intensive service sectors
3. **High up-skilling + low/no job growth quo** = knowledge intensive service or production sectors (also sectors with high or medium off-shoring susceptibility)

Common paths of sectoral evolution



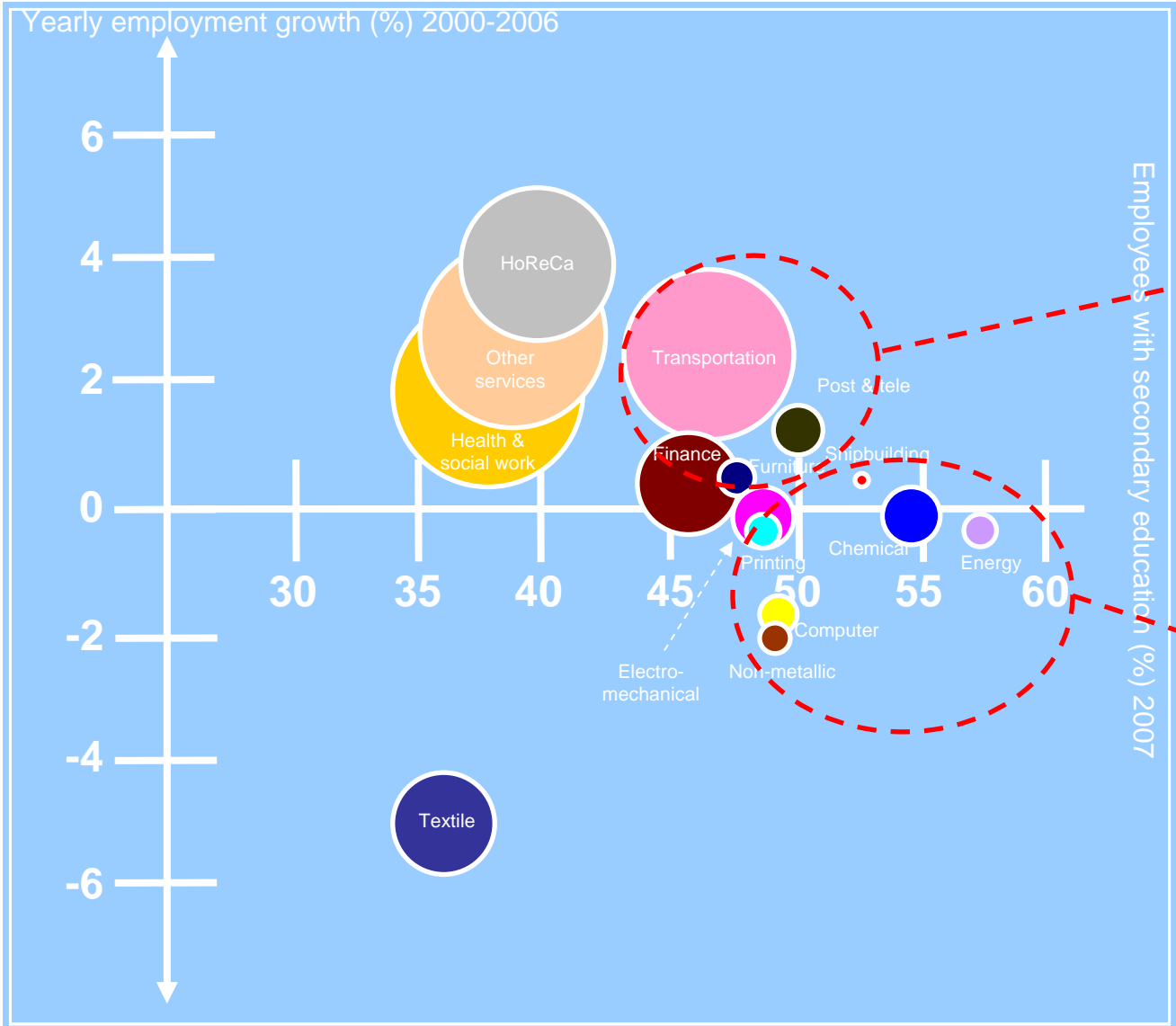
Sectors with high need of employees with primary education

Primarily low to medium knowledge intensive service sectors

NB! Comparable data not available for:

**Distribution & trade
Construction
Automotive
Defence**

Common paths of sectoral evolution



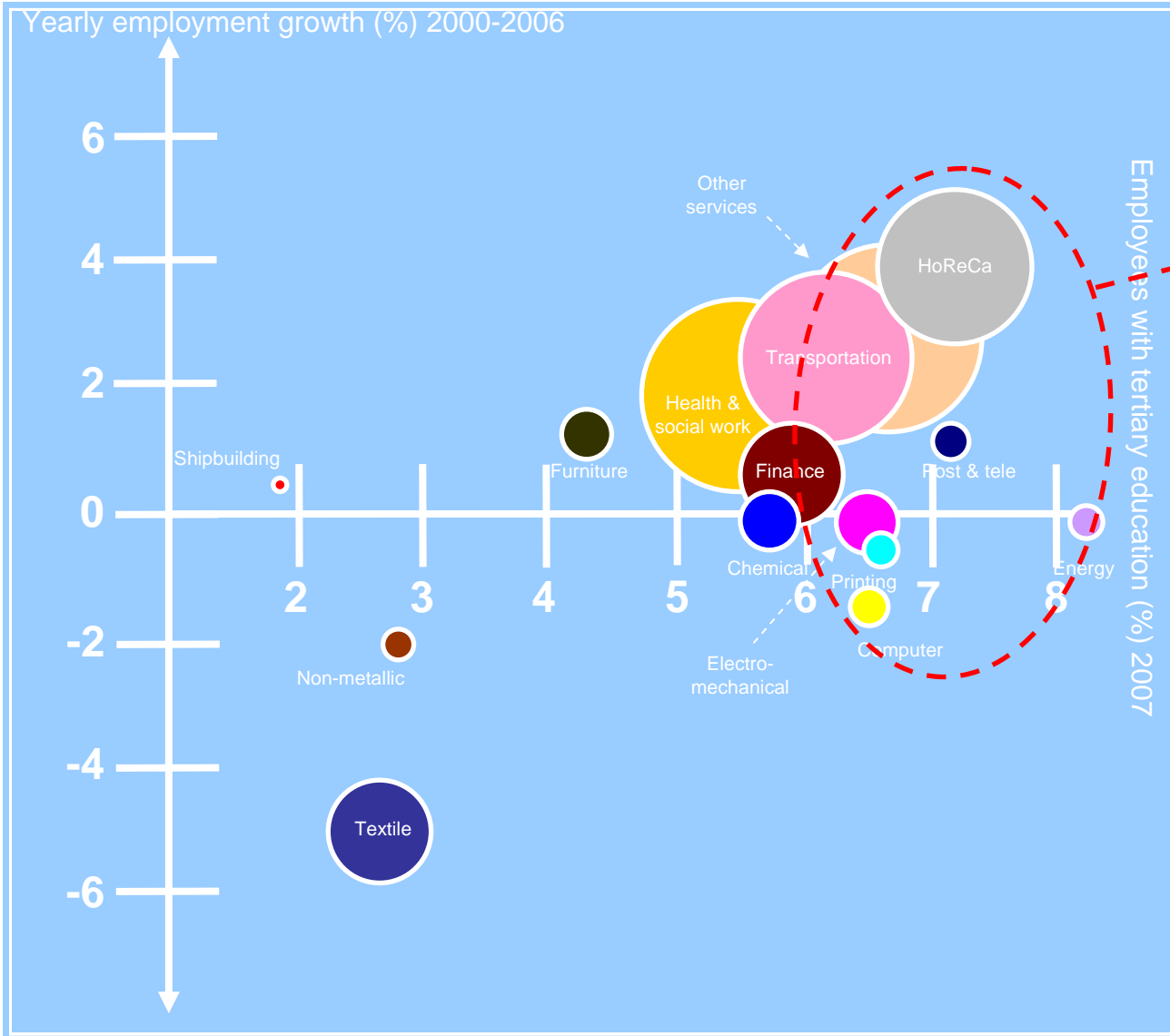
Sectors with relatively high share of employees with secondary education

Primarily medium knowledge intensive service sectors

Sectors with high share of employees with secondary education but low job growth

Primarily production sectors

Common paths of sectoral evolution



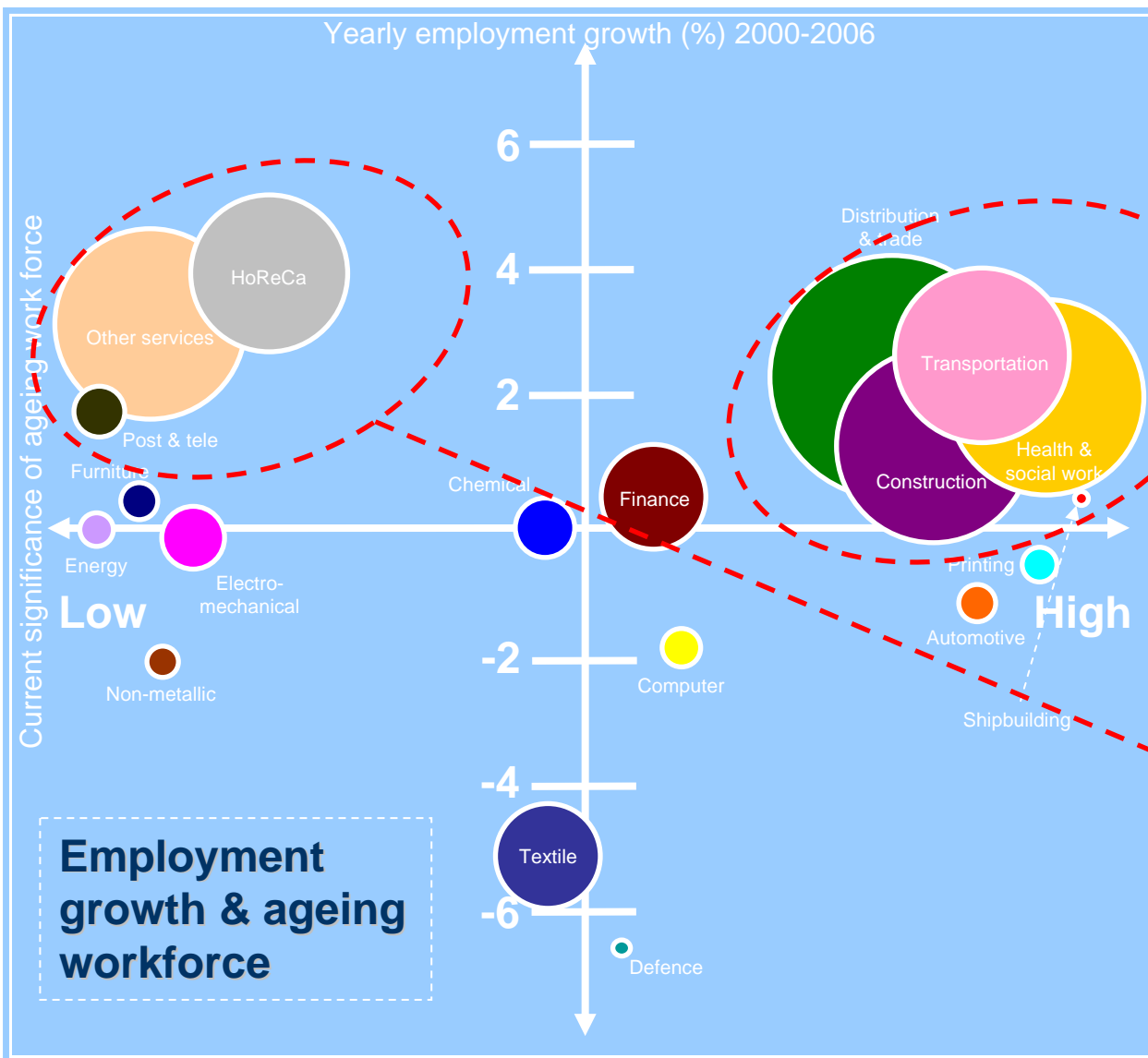
Sectors with a relatively high share of employees with tertiary education

Both service and production sectors

NB! Comparable data not available for:

**Distribution & trade
Construction
Automotive
Defence**

Common paths of sectoral evolution



'Ageing' sectors

Sectors typically with *urgent or coming* recruitment challenges directly connected to an ageing workforce combined with employment growth

'young' sectors

Sectors with *urgent or coming* recruitment challenges related to job growth but only weakly related to an ageing workforce

Drivers of change



Drivers of change

Drivers of change

Selected drivers impact on sectors

Sector/Driver	Competition from emerging economies	Off shoring and outsourcing	Climate and environmentalism	Ageing workforce	ICT and digitalisation	R&D	Energy prices
Automotive	High impact	Low impact	High impact	Low impact	High impact	High impact	Low impact
Shipbuilding	High impact	Low impact	High impact	Low impact	Medium impact	High impact	Medium impact
Chemical	Medium impact	Low impact	High impact	Medium impact	Medium impact	High impact	Low impact
Computer	High impact	Low impact	Medium impact	Medium impact	High impact	High impact	Low impact
Construction	Low impact	Low impact	Medium impact	Low impact	Medium impact	Medium impact	Low impact
Defence	High impact	Low impact	Medium impact	Medium impact	High impact	High impact	Medium impact
Distribution & trade	High impact	Medium impact	High impact	Low impact	High impact	Medium impact	Low impact
Energy	Low impact	Low impact	High impact	Low impact	Medium impact	High impact	Low impact
Electromechanical	High impact	Low impact	Medium impact	Low impact	High impact	High impact	Medium impact
Finance	High impact	Medium impact	Low impact	Medium impact	High impact	High impact	Low impact
Furniture	Medium impact	Low impact	High impact	Low impact	Medium impact	Medium impact	Low impact
Health & social work	Low impact	Low impact	Low impact	Low impact	Medium impact	Medium impact	Low impact
HoReCa	Medium impact	Low impact	Medium impact	Low impact	High impact	Low impact	Medium impact
Non-metallic	High impact	Medium impact	High impact	Low impact	High impact	High impact	Low impact
Other services	Most prevalent drivers (Drivers with medium/high impact in most sectors)				Low impact	Low impact	Low impact
Post & tele					High impact	High impact	Low impact
Printing					High impact	Medium impact	Medium impact
Textile					Medium impact	Medium impact	Low impact
Transport					High impact	Medium impact	Low impact

● High impact

● Medium impact

● Low impact

Most important drivers of change

Both in terms of presence (in sector studies) and impact (on employment & skills)

Economic

- **Economic development**
 - Growth vs. recession
- **Globalisation**
 - Off shoring & outsourcing
 - Competition from emerging economies
 - New market possibilities in emerging economies

Social & political

- **Market segmentation**
 - Individualisation
 - Climate and health concerns
- **Regulations**
 - Climate
 - Health
 - Safety and security
- **Ageing**
 - Workforce
 - Customers

Technical & natural

- **ICT and Digitalisation**
- **R&D**
 - New marketing concepts and business models
 - New materials
 - New processes
- **Energy price**
 - Oil, gas and electricity

Challenges and opportunities common to most sectors

Challenges

- **Competition from emerging economies: both production and R&D**
- **Climate and environmental concerns and regulations**
- **Risk of skills and labour shortages**
due to poor sector image among young candidates, ageing workforce and/or problems to attract women (or men)

Opportunities

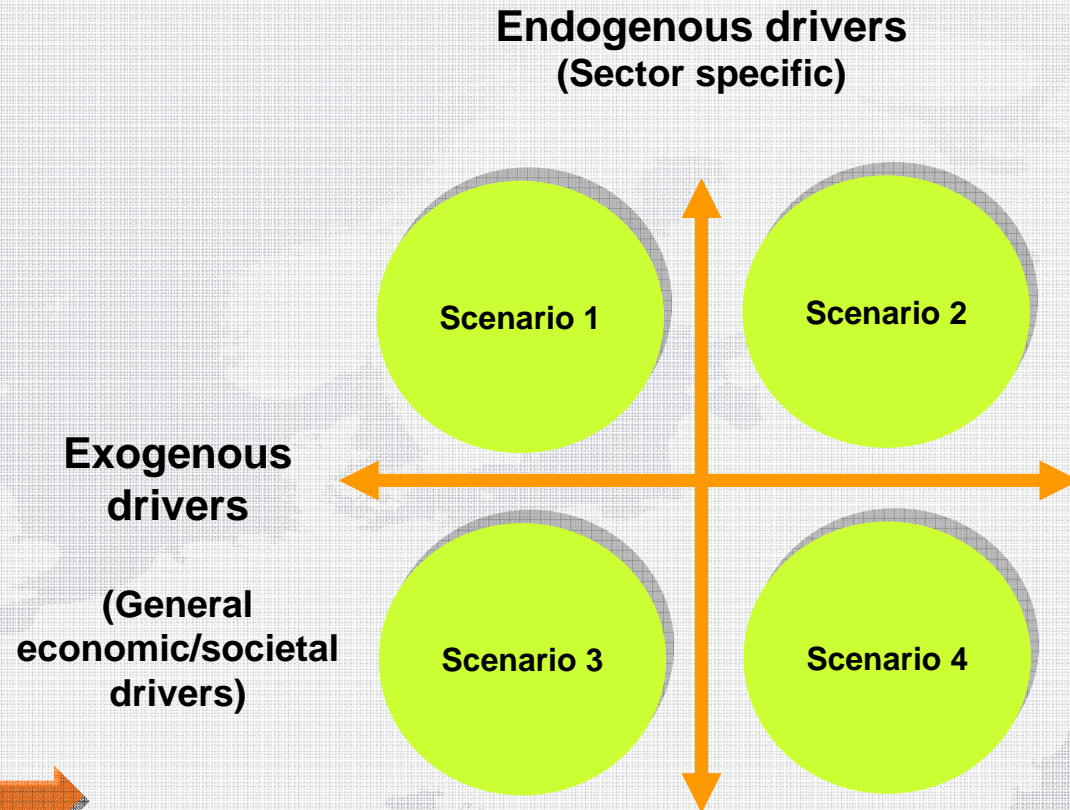
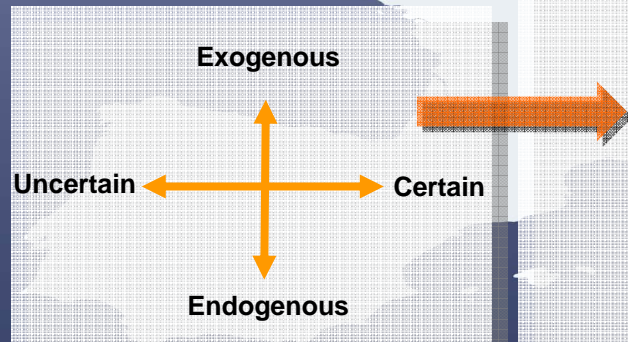
- **Emerging markets**
- **New climate and environmental friendly solutions**
- **Specialisation and excellence**
(there is a growing worldwide demand for specialised products and services)
- **Automatisation and digitalisation**



Scenarios

Scenarios: Methodology

The scenario methodology



Scenarios: Example

Endogenous, sector-specific drivers:

- Regulation on location
- Regulation on shop opening hours
- Labour market regulation
- Health & Safety regulation

Distribution & trade

Exogenous drivers:

- Technology: ICT tools and Internet
- Market segmentation
- Income
- Lifestyle
- Global competition
- Emerging economies
- Natural resources

Fast changes and full adoption

Strong market segmentation, and mass customisation

Growth in income
Stronger distribution

Ego-driven consumption, prosperity driven

Strong global competition

Strong driver for growth, also for European companies

Scarce and expensive

Shop around the clock

Shopping malls rules

Slower changes and hesitant adoption

Strong market segmentation focus on segments

Growth in income
More equal distribution

Experiencing life, attention for quality of life, well-being driven

Competition within regions, more than between regions or globally

Strong growth in emerging countries, but served by local companies

Scarce and expensive

V-stores

My speciality store

- Flexible
- Harmonised
- Open and multilateral
- Strict
- Not harmonised
- Restrictive for companies
- Labour force protection
- Environmental concerns

Scenarios

Shop around the clock

- Consumption anywhere at any time
- Strong market segmentation
- Also increase in e-commerce
- Flexible locations and opening hours
- Flexible labour force
- Increase in specialist managers and marketing and sales functions
- General employment level: Stable

Shopping malls rules

- Domination of physical shops
- Customers go for full experience shopping
- Shopping malls: all under one roof
- Domination of global brands
- Increase in service and sales functions. Decrease in SME managers
- General employment level: Stable

- Domination of e-commerce
- Virtual stores
- Increase in the need for transport (delivery services)
- Increase in specialist managers and professionals – especially within e-commerce
- General employment level: Decrease

V-stores

- Domination of physical shops
- Proximity shopping and local produce
- Specialities and unique products
- Increase in SME managers, service functions and craft workers

General employment level: Increase

My speciality store

Scenarios: Impact of the financial crisis

Impact of the financial crisis

Sector/Driver	Job loss	Company restructurings (bankruptcies of dominant players, change of ownership, etc.)
Automotive	●	
Shipbuilding	n/a	
Chemical	●	
Computer	●	
Construction	●	

Most severe hit sectors:

- Automotive
- Construction
- Finance
- HoReCa
- Textile

Less impacted sectors:

- Defence (may be impacted in the long term)
- Energy
- Health and social work
- Post and telecom

NB! Most of the sector analyses and scenarios were made before the depth of the financial crisis was known. Oxford Research has therefore carried out validating research of the newest reportings on the impact of the crisis.

	n/a	n/a
Other services	●	●
Post & tele	●	●
Printing	●	●
Textile	●	●
Transport	●	●

● High impact ● Medium impact ● Low impact

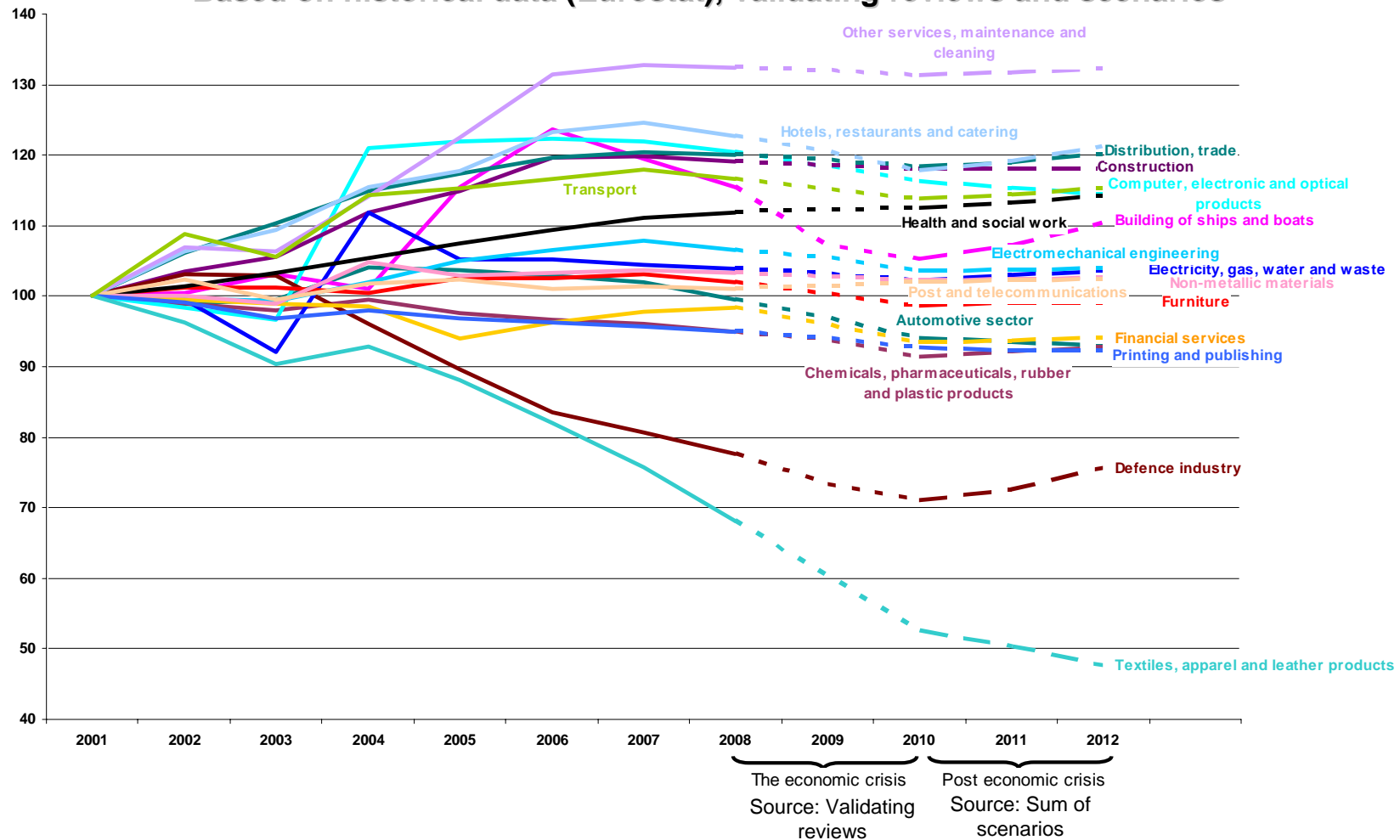
Scenarios: employment trends

Employment index for the 19 sectors

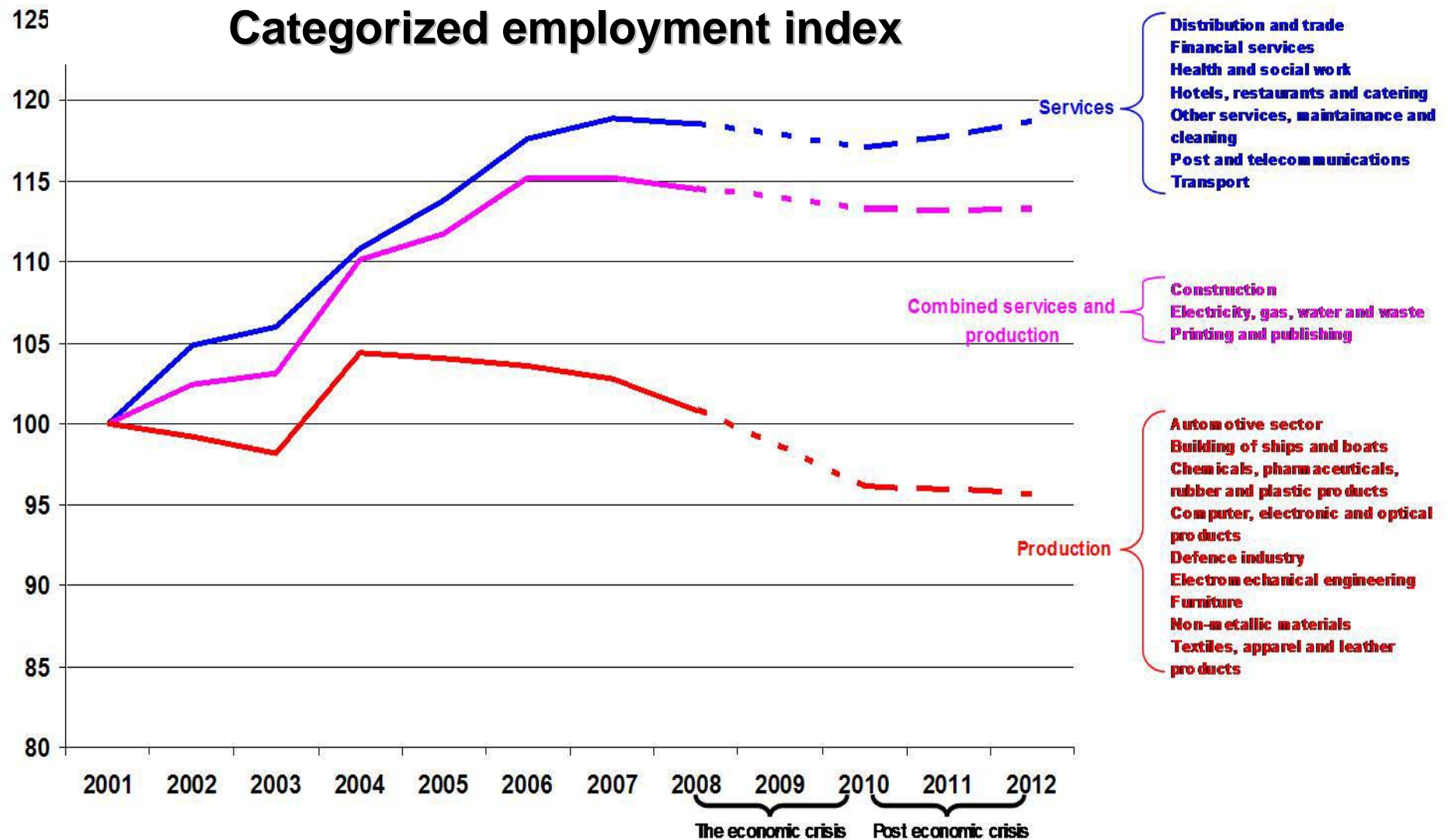
Based on historical data (Eurostat), validating reviews and scenarios

2001 - 2003: EU-25

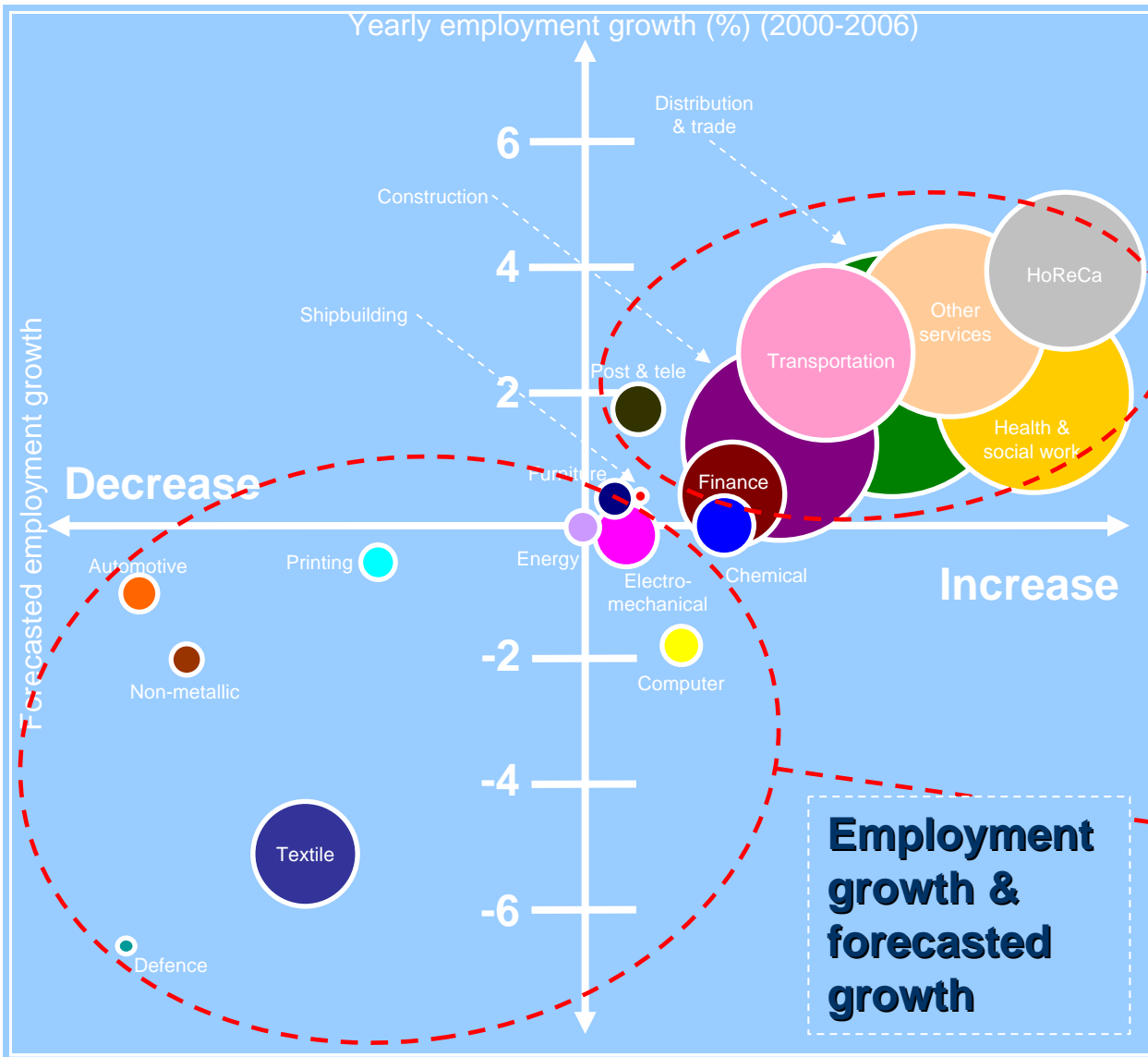
2004 - 2012: EU-27



Scenarios: employment trends



Scenarios: Common paths of sectoral evolution



Service sectors

High historical/current
job growth
+
High forecasted
increase in
employment

Production sectors

Decrease or low
historical/current job
growth
+
Decrease or low
forecasted increase in
employment

Emerging skills and competencies



**Emerging skills
and competencies**

Emerging skills and competencies

Types and importance of emerging skills and competencies at sector level

Sector/type of skill/competence	New soft skills (Social and cultural skills)	New hard skills (Technical skills)	New managerial skills	New combinations of skills
Automotive	●	●	●	●
Shipbuilding	●	●	●	●
Chemical	●	●	●	●
Computer	●	●	●	●
Construction	●	●	●	●
Defence	●	●	●	●
Distribution & trade	●	●	●	●
Energy	●	●	●	●
Electromechanical	●	●	●	●
Finance	●	●	●	●
Furniture	●	●	●	●
Health & social work	●	●	●	●
HoReCa	●	●	●	●
Non-metallic	●	●	●	●
Other services	●	●	●	●
Post & tele	●	●	●	●
Printing	●	●	●	●
Textile	●	●	●	●
Transport	●	●	●	●

● Highly required ● Medially required ● Lowly required

Most required emerging competencies

Social/cultural

- Intercultural skills
- Team work
- Self management
- Entrepreneurship and innovativeness

Technical

- **ICT and E-skills** (both at user and expert level)
- **Skills/knowledge related to new materials**
- **Skills/knowledge related to new processes**
- **Health and green skills** (related to health and climate and environmental solutions)

Managerial

- Intercultural management
- International value chain management
- International financial management
- **Green management** (managing climate and environmental solutions)

+ Multiskilling and new combinations of skills

Most important new/emerging skills at selected occupational levels

Production and service occupations

- ICT and E-skills (user level)
- Intercultural skills
- Team work
- Multiskilling
- Self management
- Knowledge about health and environmental sustainability
- Entrepreneurship and innovativeness

Management

- Intercultural management
- International supply chain management
- International financial management
- Green management
- Strategic knowledge about ICT and E-solutions
- Entrepreneurship and innovativeness

Most required emerging competencies

In service sectors

- Intercultural skills
- Conflict solution
- Multiskilling

All sectors

- **ICT and E-skills** (both at user and expert level)
- **Health and green skills** (related to health and climate and environmental solutions)
- **Entrepreneurship and innovativeness**
- **Team work**
- **Self management**
- **New combinations of skills and competencies**

Production sectors

- **Skills/knowledge related to new materials**
- **Skills/knowledge related to new processes**
- **International value chain management**

A stylized map of Europe is shown in the background, with a light blue color for land and a darker blue color for water. The map is centered on the continent of Europe, showing the major landmasses and surrounding waters.

Strategies to meet skills and labour needs

Strategies: Example

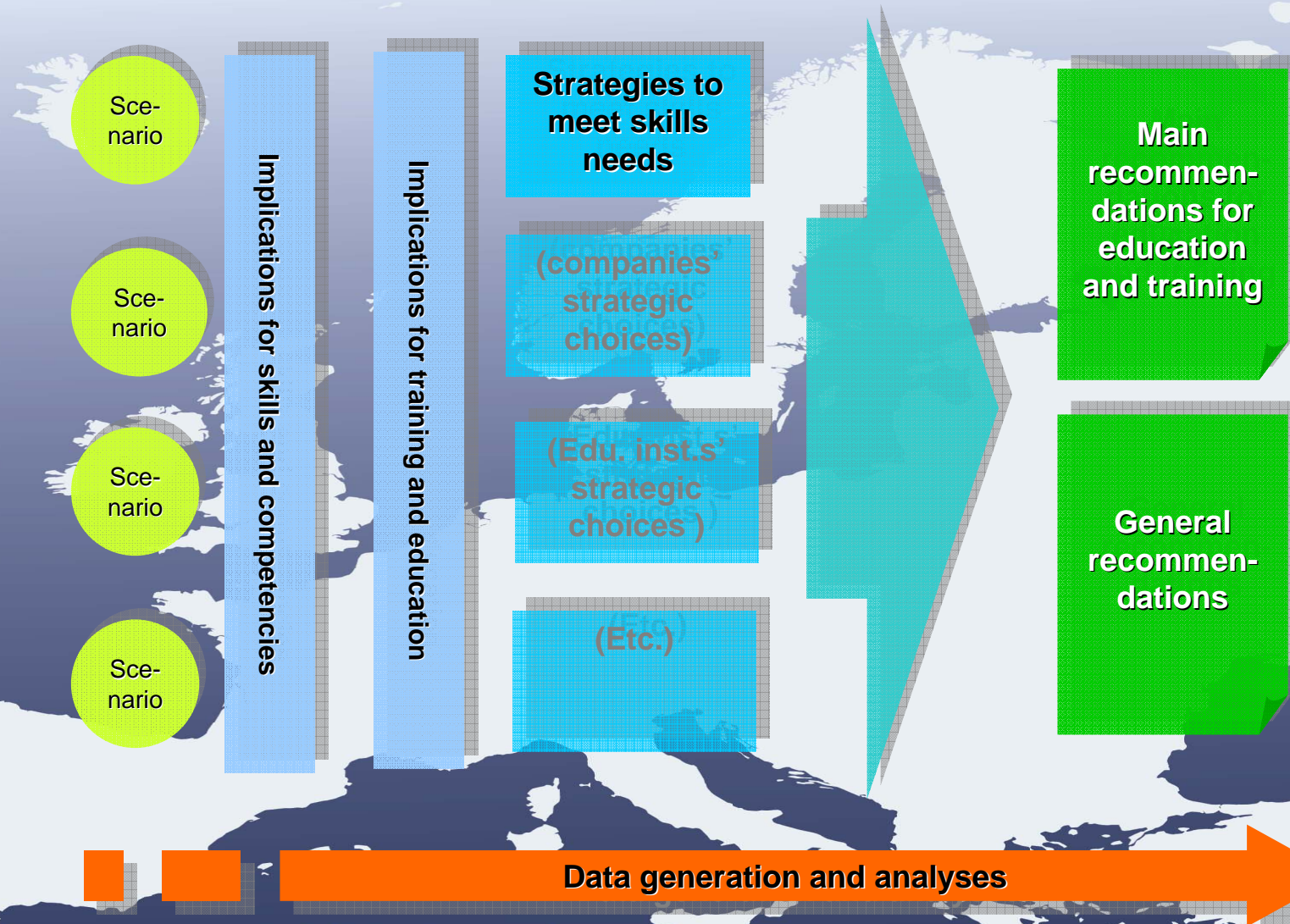
Strategies for different actors on how to meet skills and labour needs

Example: How to meet the demand for SME managers within Distribution & trade?

Option	Is this option viable?	Actors ¹
A. Recruiting workers from other sectors	Yes, for larger SMEs in the growth scenarios.	C
B. Recruiting workers from other Member States	Less likely for local SMEs.	C
C. Recruiting workers from Non-member States	Less likely for local SMEs.	C, G
D. Recruiting unemployed with or without re-training	Yes, for larger SMEs in scenarios where numbers expected to increase.	C, E, I, G
E. Recruiting young people from the education system	Yes, for larger SMEs in scenarios where numbers are expected to stay stable or increase.	C, G
F. Training and re-training employed workers	Yes, for all managers an important option.	C, E, S, I
G. Changing work organisation	Yes, for larger SMEs e.g. teamwork to combine several skills.	C
H. Outsourcing and offshoring	Yes, for larger SMEs outsourcing certain management functions to freelancer is viable in all scenarios.	C
I. Changing vocational education	Yes, stronger integration of practice cases and support of especially bachelor students in finding placements.	E, C, I, G
J. Designing and offering new courses	Yes, in the emergent skills, and for transferring business and for migrant business.	E, S, I, C, G
K. Providing information about emerging skills	Yes, in particular for Micro businesses.	E, S, I, C
L. Improve the image of the sector	Yes, necessary for young high educated managers in their first job	S, I, E
M. Stronger cooperation between stakeholders	Yes, in particular to develop new courses and to exploit the innovation potential of the sector.	E, S, C, I, G, U

Notes: 1. C (company), S (sector organisations and chambers of commerce), E (education & training), G (governments and regulators), I (intermediary organisation, public or private), U (trade unions).

From strategies to recommendations



Main findings and recommendations



Main findings and recommendations

Main findings 1

- **Polarisation of labour market/skills need:**

- Significant **decline in medium skilled jobs** (E.g. craftsmen, etc.)
- Moderate **increase in low skilled jobs** (E.g. elementary service occupations)
- **High increase in high skilled jobs** (E.g. Professionals, managers, etc.)

- **Significant job growth (only) in service sectors:**

- Increase in both high, medium and low skilled jobs

- **European excellence within production:** internationalisation, off shoring and specialisation leads to job decline in production sectors but growth in value added

- Decrease mostly in skilled and low skilled jobs
- Status quo or increase in high skilled (high end value) jobs

However...

- **Upskilling in all sectors** both historically and in the future
- **Increasing educational levels in all sectors**

Main findings 2

- **Traditional sector divisions are dissolving:** need for new types and mixes of employees and educational backgrounds in most sectors
- **Traditional job profiles and work tasks are increasingly combined** demanding new combinations of skills and competencies
- **New skills and competences** are especially related to **sustainability** (environment, climate, health, etc.) concerns (and regulation), **ICT**, and to the **internationalisation** of both workforce, markets and supply chains
- **High risk of skills (and labour) shortages in many sectors** due to an ageing workforce, poor image among young candidates and/or problems to attract women
 - Production sectors: Faded and a heavy technical image (Ex. ship building, energy(-production))
 - Service sectors: Poor working conditions and career opportunities (Ex.: Horeca, Other Services (cleaning, etc.))

Main recommendations from the sector studies

Recommendations grouped with main findings

Findings	Specific recommendations	General recommendations
Polarisation of skills need	<ul style="list-style-type: none"> • Innovation and R&D 	<ul style="list-style-type: none"> • Adapt and modernize VET
European excellence in production	<ul style="list-style-type: none"> • Cluster and cross-border networking 	
Job growth in service sectors	<ul style="list-style-type: none"> • Sector specific skills • Apprenticeship/Mentoring • Solid skills in educational system 	<ul style="list-style-type: none"> • EU certification of education & skills
Traditional sector divisions dissolve	<ul style="list-style-type: none"> • Increase flexibility of educational system 	<ul style="list-style-type: none"> • Programmes for SMEs
Traditional job profiles combined with new skills	<ul style="list-style-type: none"> • Inter-multidisciplinary approaches in education 	<ul style="list-style-type: none"> • New learning tools
New skills and competences	<ul style="list-style-type: none"> • Cooperation between stakeholders to adapt to educational system 	<ul style="list-style-type: none"> • Culture of life-long learning
Labour shortage due to ageing	<ul style="list-style-type: none"> • Improve sector images • Working conditions • Career development 	<ul style="list-style-type: none"> • In-house upskilling and retraining of workers

Main recommendations from the sector studies

Recommendations on education and training

- Adapt and **modernise vocational education and training (VET)** and general education systems
- Increase the **flexibility of the educational system**. New business models demands new skills
- Include **inter- and multidisciplinary approaches** in education
- Closer **cooperation between stakeholders** is important In order **to adapt the education system** to new skill needs
- Promote **sector specific skills** at an early stage - by renewing forms of education
- Increase use of **apprenticeship/mentoring programmes**
- Greater emphasis should be put on **teaching cultural and social skills** in the educational system
- EU standardization and **certification of educations and skills** to ensure free movement of the labour force
- Develop special/joint education and **training programmes for SMEs**
- Develop high quality **online and digitalised learning tools**
- Create a **culture of life long learning**
- Support **in-house up-skilling and (re)training** of workers

Main recommendations from the sector studies

General recommendations

- Enhance **innovation and R&D**
- Invest strongly in **human capital**
- Improve **sector image** – especially for young candidates
 - Improve **working conditions**
 - Improve **career and personal development possibilities** – especially for low skilled workers
- Improve **collaboration among all stakeholders**
 - Support and **enforce social dialogue**
- Support **diversity policies and programmes** aimed at:
 - Keeping **elderly employees** (Active ageing)
 - Attract **female workers/managers**
 - Integrate and attract **immigrant workers and expats**
- Develop sector **monitoring systems on employment, skills and competences**
- Support **clustering and cross border networking** (for joint training and R&D projects)

Summing up: Common paths of sectoral evolution

Sun rises in the east

Increased competition from neighbouring countries and Asia. Movement of many (mostly basic processing and assembling) functions towards east during the last 10 years, but it **increasingly includes more knowledge intensive activities**. In the beginning many functions were moved to the New Member States. However this movement now increasingly includes neighbouring EU countries, Asia and other emerging economies.

Mostly **production sectors** (especially **textiles, defence, automotives**). Also **tourism**: basic mass tourism has increased in eastern Europe and some Asian countries. Increased competition within luxury and customised tourism from Asia and other emerging economies as well.

European excellence

As basic processing, assembling and service functions are off shored and moved out of Europe, **focus is put on high end value and more knowledge intensive activities** for example connected to R&D, tests, marketing, sales, value chain management and financial management. However global competition is also increasing within these activities.

Mostly **production sectors**: (Especially: **furniture, automotives, computer, ship building and electromechanical**)

Mind the gap: Polarisation of skills needs

Several sectors report on rising skills needs together with a steady need for low skilled manual workers: Some functions are still highly manual and are at the same time place bound (they cant be off-shored). At the same time internationalisation, market segmentation and new complex consumer demands creates increased need for highly professional managers, expert technical and administrative staff, specialised service workers etc.

Especially **prominent within production sectors** but also evident in **some service sectors** like **finance and printing & publishing**. **NB!** In the big and low knowledge intensive service sectors like **horeca** and **other services** there seems to be a **rising need for skilled workers**.

Thanks!

Presentation by Kim Møller
President of the board

Oxford Research

kim@oxfordresearch.dk

+45 33 69 13 69

Oxford Research A/S
Falkoner Allé 20, 4. sal
2000 Frederiksberg C
Denmark

Oxford Research AB
Box 582
201 25 Malmö
Sweden

Oxford Research AS
Kjøita 42
4630 Kristiansand
Noway



**EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE
SUPPORTING EC´ INITIATIVE: NEW
SKILLS FOR NEW JOBS**

**Prepare for the jobs and skills of the future
Round Table Discussion
Vladimíra Drbalová,
Vice-Chair of the EESC SOC Section**

TOWARDS KNOWLEDGE BASED ECONOMY: SHORT TERM AND LONG TERM PERSPECTIVES

The state of play:

- The European Labour Markets are affected by the financial and economic crises
- **1997 – 2007 created 18 million new jobs**
- **2007 – 2010 the number of unemployed people in the EU is likely to have increased by more than 8 million**
- There are **still 4 million vacancies**
- The shortages on the Labour Markets still persist
- EU is facing long-term structural barriers to employment



FUTURE SKILLS FIT TO THE LABOUR MARKET NEEDS

POLITICAL APPROACH

- 2008 EC Communication „***New skills for new jobs: Anticipating and matching labour market and skills needs***“
- **2009 Spring EU Council** makes abundantly clear the need to focus on improving the EU's capacity to increase skills at all levels and to anticipate and accommodate the needs of the labour market.
- **7 May EU Extraordinary Job Summit** adopted ten specific measures to address short-term and long-term challenges. Four of these bear on **education, training, lifelong learning, apprenticeship, mobility and better anticipating of skills**



NEW SKILLS FOR NEW JOBS: WELL-TIMED INITIATIVE

The European Commission:

- ❑ sets forth **the first evaluation of skills** in relation to labour market needs up to 2020
- ❑ presents a **systematic process** for the monitoring, evaluation and early identification of future labour market needs
- ❑ addresses also **new ways of measuring skills** through the PROGRESS and lifelong learning programmes
- ❑ mobilises current instruments and at the same time introduces new ones: **European Labour Market Monitor, Match and Map, standardised multilingual catalogue of trades and skills.**



CEDEFOP ANALYSIS OF SKILLS NEEDS 2006-2020 : MAIN FINDINGS (MADE BEFORE THE CRISIS)

- ❑ The analysis forecasts the creation of **20,3 million additional jobs by 2020**
- ❑ **85 million jobs** will come from „replacements“
- ❑ **¾ of all jobs** in 2020 in services
- ❑ **Overall demand for skills will continue to increase**
- ❑ Policies have to make sure **the workforce is adaptable to these demands**
- ❑ Continuous **training and lifelong learning** must help to make sure that people's skills constantly keep abreast of structural changes in the LM
- ❑ **To limit skills losses** and to make the most of those we have.



EESC SUPPORTS THE EC INITIATIVE WITH SPECIFIC COMMENTS (I)

- **Europe had problem with skills** even before the present crisis (a time-bomb on Europe's way to competitiveness)
- **The economic crises made the problem more visible**
- Europe must improve its **Skills Pyramid** – literacy and basic skills, professional knowledge and „Global Knowledge Economy“ talents
- **Building skills is a long-term and costly process** – from this reason cutting the number of workers in time of crisis is vers short-term looking solution
- **Sectoral approach** (Sectoral Skills Councils)



EESC SUPPORTS THE EC' INITIATIVE WITH SPECIFIC COMMENTS (II)

- **The role of the Social Partners**
- **The involvement of the Civil Society**
- Creation of **sustainable** and **quality jobs**
- **Adaptation on climate changes:** green labour markets and eco-industries
- To keep principles of **gender equality** and **anti-discrimination**
- **Immigrants** from third countries may also benefit the EU's development
- Special attention on **vulnerable groups**
- The Committee stresses the importance of **good-quality teacher training**



EESC RECOMMENDATIONS:

- The forecasting of future Labour Market needs has its limits – **a constant improvement of mechanisms and instruments is essential**
- **The definition** of „skill“ should be more fully worked out given the differing practice in the MS
- To unlock **the present potential of the Labour Market**
- **Partnership** and cooperation among all stakeholders, including ILO and OECD
- **Cooperation between schools and business**
- Specific needs of the **SMEs**



EUROPEAN REFERENCE LEVEL: AN INSTRUMENT FOR MEASURING PROGRESS

The Member States have agreed that in 2020:

- At least 15% of adults take part in lifelong learning programmes
- **The percentage of fifteen-years-old pupils have difficulties with reading, maths and sciences should be below 15%**
- At least 40% of those aged between 30 and 34 should have completed tertiary education
- **Fewer than 10% of people should drop out of education and training**
- At least 95% of children between four and the age of compulsory schooling should take part in **preschool learning.**





DANISH
TECHNOLOGICAL
INSTITUTE

Restructuring Forum: Sectors' "New skills for new jobs"

VIDENUDVIKLING

VIDEANVENDELSE

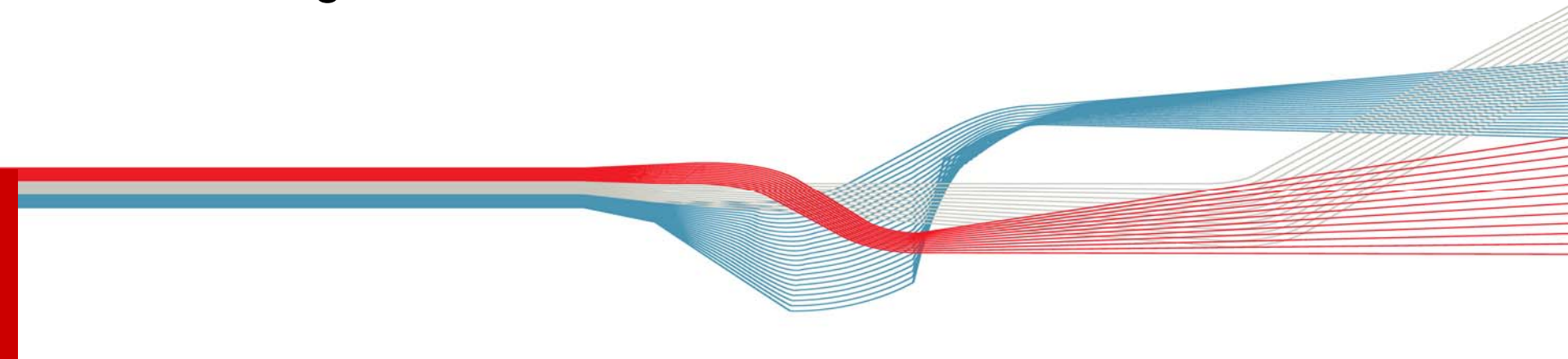
VIDENOVERFØRSEL

Debriefing from yesterdays workshops
7th December 2009
Knud Erik Hilding-Hamann



Themes of the workshops

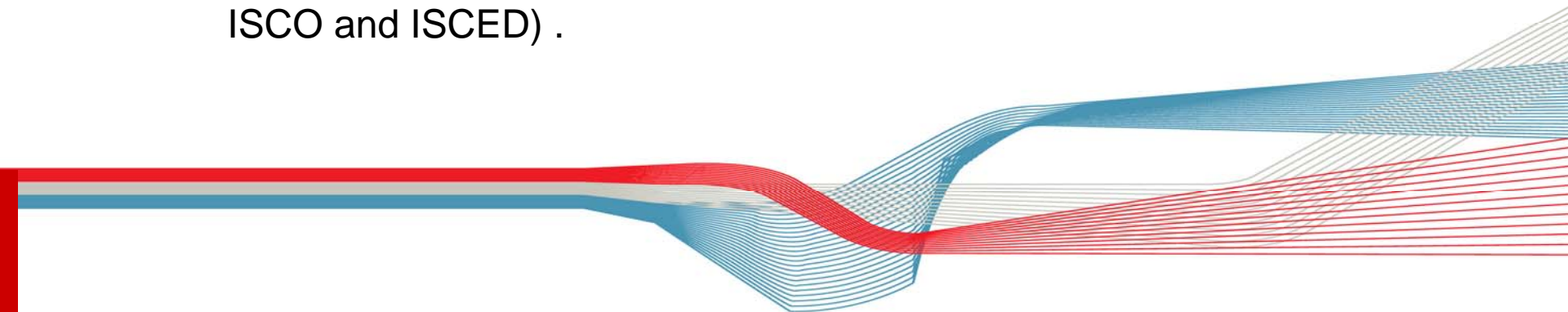
- Workshop 1: Links between Cedefop's quantitative analysis on skills and sectoral studies
- Workshop 2: Lifelong learning
- Workshop 3: Collaboration between stakeholders
- Workshop 4: Image and recruitment; attraction of the sector
- Workshop 5: Changing the work organisation
- Workshop 6: Proposals to adapt education and training





Workshop 1: Cedefop projections and anticipation

- Differences between the results of the Cedefop study and the results of the 19 sector studies
 - Furniture - Slight decrease (Sector) vs. Increase (Cedefop)
 - Distribution & Trade
- Medium skilled jobs will not disappear. Cedefop study shows that jobs with medium level qualifications will prevail.
- Cedefop will have greater emphasis on taking the needs of employers into account in future studies – a pilot study is being prepared
- Cedefop proposes ways of making anticipation approaches more compatible and comparable using recognised standards (Using ISCO and ISCED) .

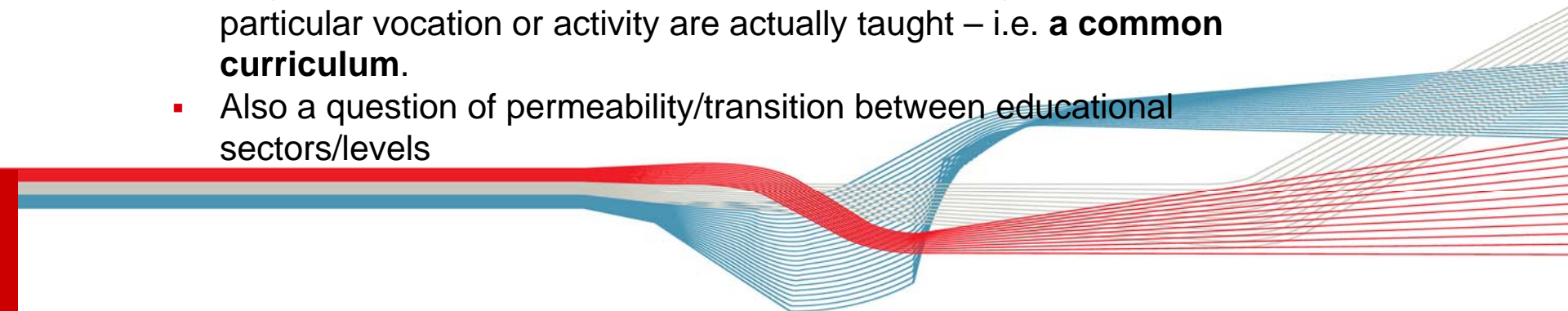


Workshop 2: Lifelong learning



DANISH
TECHNOLOGICAL
INSTITUTE

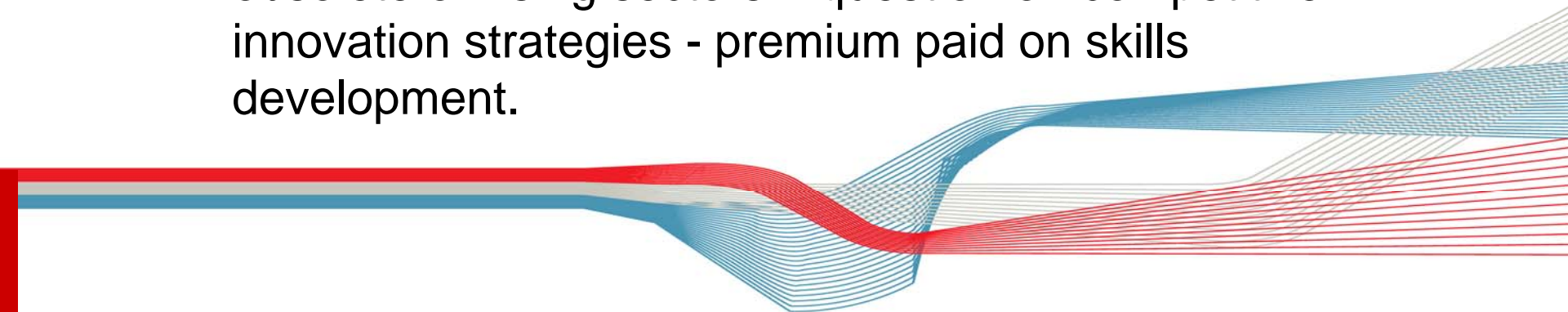
- Two examples of training systems set up- one in Sweden for the **metal and automotive sectors** and one in Germany for **Deutsche Bahn**.
- Modular systems that break down training needs into pieces of know-how applicable to different sectors; exchange key know-how between sectors
- A detailed **modular system** that can potentially cover a wide range of different sectors and be transferred to other countries.
- Recognition of the difficulties of training older workers – those of 50 and over, who in the German railway industry are predicted to account for 50% of the total workforce by 2018. Motivate such workers; make them feel valued
- Potential conflict between modular programmes at the continuing training level and the core initial vocational training system in the country in question (e.g. German VET).
- Validation of skills and competences – a system which ensures the common recognition of qualifications across sectors and countries.
- A system that ensures that competences necessary to undertake a particular vocation or activity are actually taught – i.e. **a common curriculum**.
- Also a question of permeability/transition between educational sectors/levels





Workshop 3: Textile sector

- European **network** for Textile and Clothing Observatories for Employment and Training (EURATEX).
- Focus on anticipating industrial change in the textile and clothing sector.
- Collect Best Practices of training but also on improving the image of the sector.
- Observatories that work on anticipating the direction and speed of change.
- Conclusion: There are no good or bad sectors, obsolete or rising sectors – question on competitive innovation strategies - premium paid on skills development.

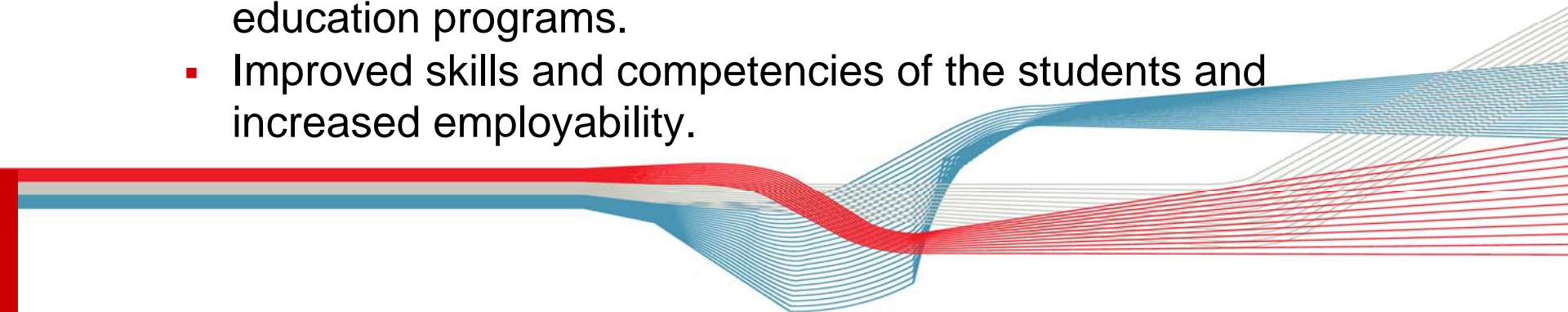


Workshop 3: Good practice - Teknikcollege in Sweden



DANISH
TECHNOLOGICAL
INSTITUTE

- Teknik college. Linking upper secondary school, adult education and vocational training institutes working together with private companies.
- 21 regions and 75 technical colleges have been certified all over Sweden so far. Actor in regional innovation system!
- Each focuses on the individual industrial profile of the region (profiled region has 150 companies involved).
- Joint steering committees established between education and business.
- Companies contribute to the content of training.
- Municipalities share costs for unusual and expensive education programs.
- Improved skills and competencies of the students and increased employability.





Workshop 4: Image and recruitment

Public works construction sector in France

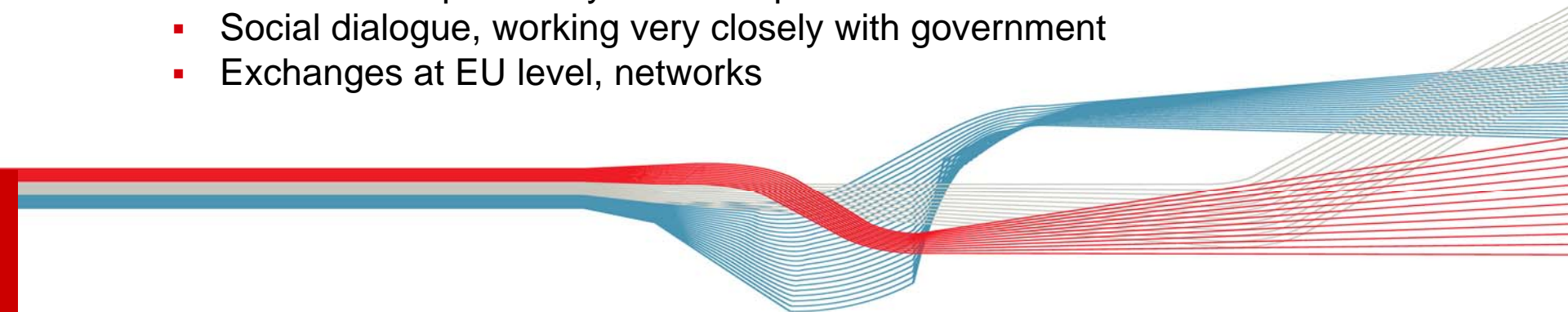
- Initiative focused on bad image and need to attract new recruits to the sector
- Communication campaign: on TV, Radio, Web, press => proved insufficient: need for action on the field
- Activities with general Secondary school : sector image transmission and orientation for youngsters 11-15 years => influence at moment when career decisions are to be taken
- Importance of involving teachers: didactic materials for them
- Contest for students; visits to construction sites
- 4000 schools involved at different levels
- **Result:** Increase in the uptake of students of 30% during the last 5 years
- To be maintained even in times of crisis!





Workshop 4: Image and attraction of shipbuilding sector

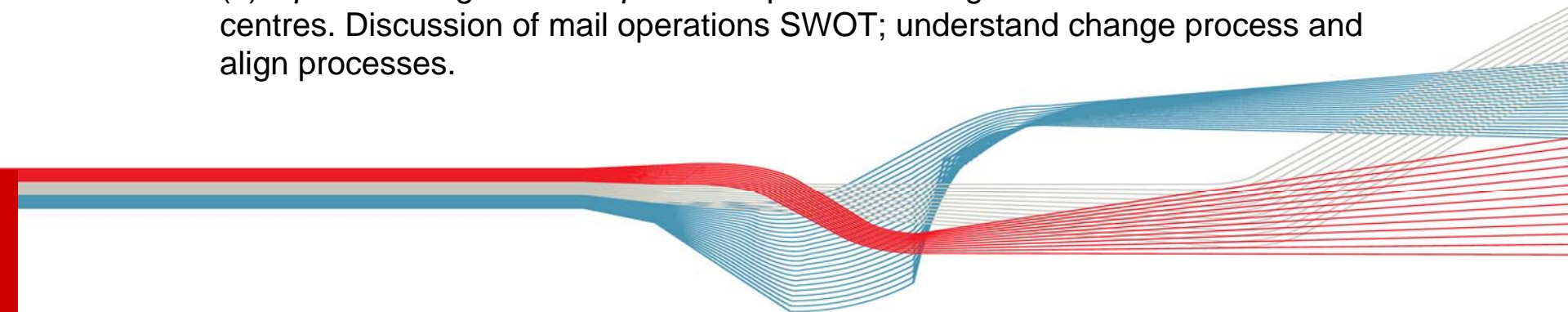
- Human capital Commission within the Sectoral Social Dialogue Committee (320,000 workers today and approx. the same in 2020)
- Wider scope of activities on the HR domain (workforce needs, studies, training, etc.), together with student attraction activities
- Shipbuilding week: students visiting the yards
- Transmit the idea that in spite of the current conditions, there is a future for the sector (strong in some high-tech, defence, specialised vessels repair and maintenance linked to regulations)
- Not just the shipyards, there are many activities in the marine sector (suppliers, ship-owners, researchers, marine specialists, environmental,...)
- Improve the quality of training, focus on high tech and innovation)
- Collective responsibility of all companies
- Social dialogue, working very closely with government
- Exchanges at EU level, networks





Workshop 5: Good practice - CTT, Portugal

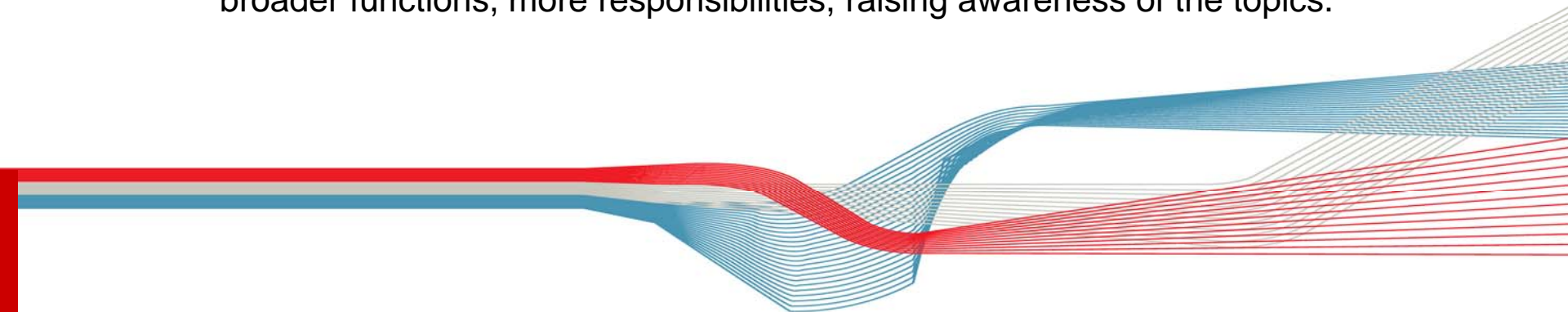
- **Challenge:** Aging and low to middle educated workforce; highly developed culture of service and training and sense of social responsibility.
- **Transformation:** new technologies, IT based alternatives and liberalization. Diversifying and broadening of scope of activities (innovation), and reorganizing work and operations.
- **New competences needed:** digital literacy, customer service orientation, efficiency/productivity awareness, self-management, capability to adapt and acquire new skills; communication and interpersonal skills; teamwork and cooperation; new managerial competences.
- **Two voluntary programs** by CTT, about 60% participation
- (1) *Delivery in better shape:* Discussion of effects of sector changes and people's own role. Workers participating in workshops, where managers are not taking the floor. Presentation of future scenarios and how these will affect future work situations assisted by HR.
- (2) *Operation in greater shape:* Participation of managers and workers from mail centres. Discussion of mail operations SWOT; understand change process and align processes.





Workshop 5: Good practice - Dutch long term care institutes

- **Challenge:** Working smarter to improve productivity and keep employees.
- Provide the institute the tools and support (Do it yourself guidance, guidance at a distance) to develop the changes themselves, starting point being the work process.
- 6 pilot institutes (1st round) and 21 institutes in 2nd round
- **Purpose:** spend less time and energy on inefficient working methods and avoid frustrating duplication of efforts.
- Processes chosen by institutes. “Intake of clients” and “coordination of care”.
- **Method:** Analyse time spent: value and waste → reducing waste, waste defined as activities not adding value for the customer.
- **Solutions:** Mix of technological and process solutions, more challenging, broader functions, more responsibilities, raising awareness of the topics.



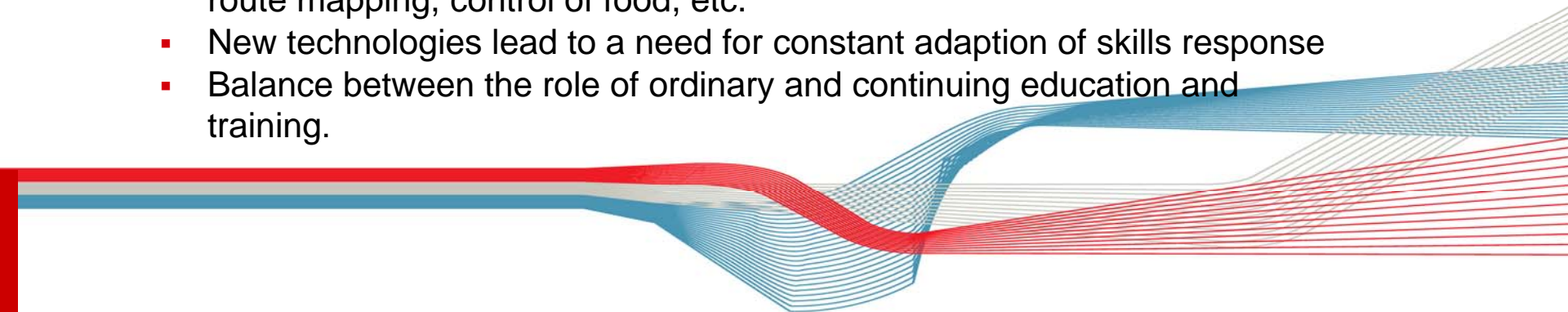


Workshop 6 : Two case studies on adapting E&T

- **European banking and financial services**
- Training can only be developed as a close collaboration between all partners and across countries.
- Multidimensional (flexible) training – applied to different markets and according market position of financial institutions.
- European wide certification and accreditation system for banking and financial services

FreQueNz – early identification of skills needs

- Social partners detecting how new technologies impact on different sectors.
- Examining the details of specific technologies – “internet of things” – which could mean deskilling of certain occupations (for instance truck drivers). However, technology can both lead to upskilling and deskilling!
- Up-skilling of people to organize and enable the digitalization of goods, route mapping, control of food, etc.
- New technologies lead to a need for constant adaption of skills response
- Balance between the role of ordinary and continuing education and training.



Sector Councils on employment and skills feasibility study – Key findings

Marjolein Peters and Kees Meijer, Restructuring forum:
Sectors' New Skills for new Jobs, Brussels 7-8 December

Contents

1. Aim and methodology of the study
2. Definitions
3. Existing councils in Member States
4. Impact expected by stakeholders
5. Feasibility of EU level Sectoral Councils
6. Recommendations

1 Aim and methodology of the study

- EU level sectoral councils on employment and skills
- Assessment of potential impact and feasibility
- Options and recommendations for introduction and design

2 Definitions

- Sectoral councils
 - *deal with one specific sector of the economy*
 - *aim at gaining insight into the likely developments in employment and skills needs with the aim of assisting policy making within or for this sector*
 - *do so by providing analysis of developments on the sectoral labour market*
 - *function as a platform in which at least two types of stakeholders are involved*
 - *work in a structured and continuous way*

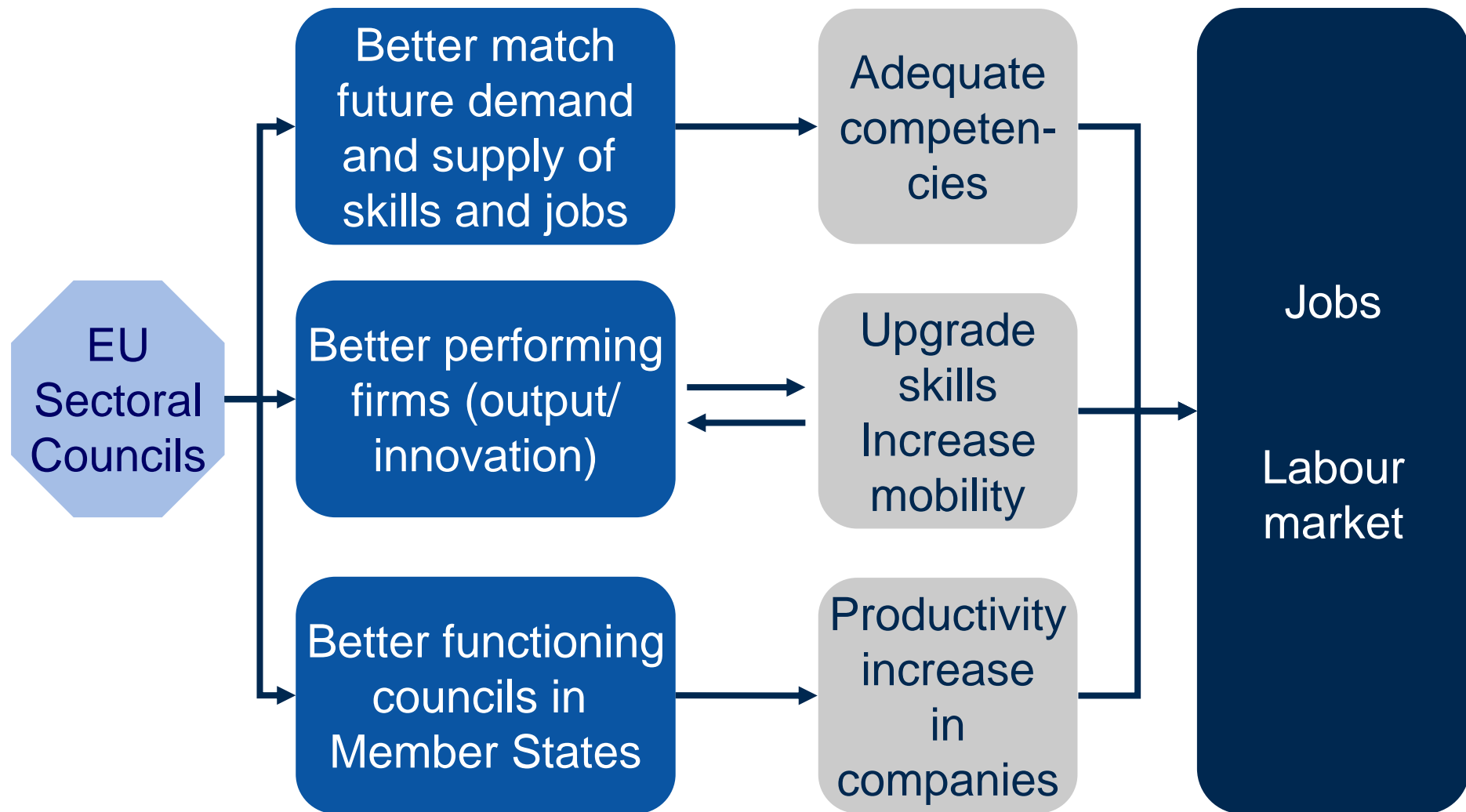
2 Definitions

- Transversal councils
 - *similar to sectoral councils, but*
 - *a transversal council covers trends and developments in two or more sectors of the labour market*

3 Current co-operation Member States and types of councils

	Sectoral		Transversal	
	IVET	CVT	IVET	CVT
National	12	9	11	10
Regional	--	--	9	--

4 Potential impact of EU level sectoral councils



4 Potential impact of EU level sectoral councils Findings

- Direct vs more indirect impacts
- Sector and focus
- Embedding Y/N?
- Design and implementation

5 Feasibility - dimensions

Dimension	Coverage in the current study
Economic feasibility	Assessment of the benefits foreseen by stakeholders and the support they would desire from the European Commission
Technical feasibility	A review and discussion of the design and technical support desired by stakeholders.
Operational feasibility	Analysis of the likely participation by stakeholders and of the conditions that will further or hamper this participation
Competitive advantage	Added value of the EU initiative as perceived by stakeholders
Beneficiary profile	Analysis of likely participants, by sector and type of stakeholder

5 Feasibility - findings

- Four determinants of interest
- Desired objectives
- Desired focus
- IVET or CVT?
- Participants
- Support required

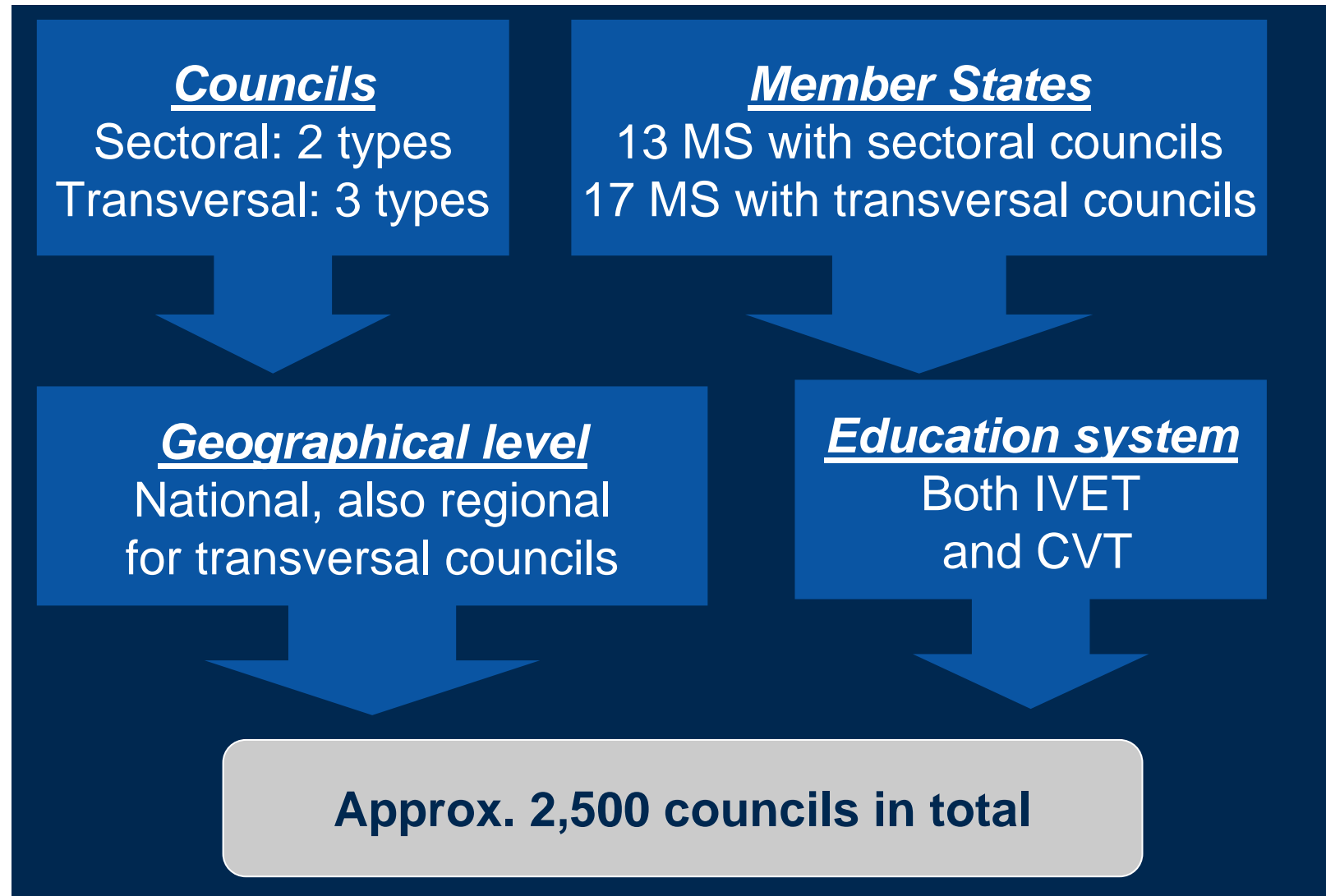
5 Feasibility - findings

- Initiative
- Rules
- Variations and provisions

5 Feasibility - findings

- Policy options
 - No action
 - Focus on information exchange
 - Focus on policy making

3 Anchor points for EU initiative



6 General Recommendations

1. *Proceed*
2. *Realistic objectives and expectations*
3. *Sustainability conditions*
4. *Stringent conditions and agreement*
5. *Promote co-operation with existing EU initiatives*
6. *Initial focus on information exchange and social partners*
7. *Establish a transversal council with a limited number of objectives*

Options: 1 – no policy

No immediate
effects

but

Opportunity
foregone

Options: 2 – focus on information exchange

Scope
and
remit

Structure
and
support

Composition
of the
council

Practical
organisation

Options: 3 - Policy initiatives

**Involvement
of education
and training
sector**

**Ultimate
objective of
option 2**

Design
of support

Thank you for your attention!



Sector Council Program

Presentation to the Forum

Restructuring: Sectors' new skills for new jobs

Martin Green, Director General
Workplace Partnerships Branch
Human Resources and Skills Development Canada

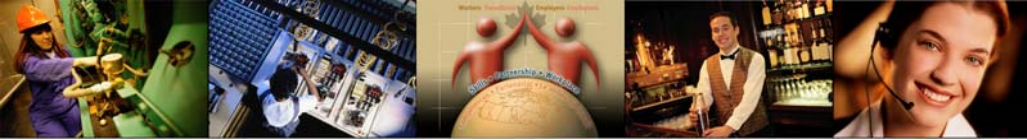
December 8, 2009





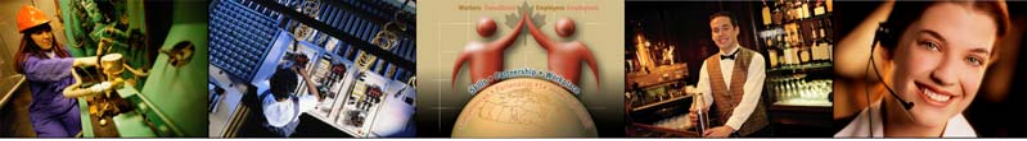
Presentation Overview

1. Canadian Labour Market
2. Sector Council Program
3. Key Features of Sector Councils
4. Annual Planning Cycle
5. Results and Impacts
6. Lessons and Challenges
7. Annex

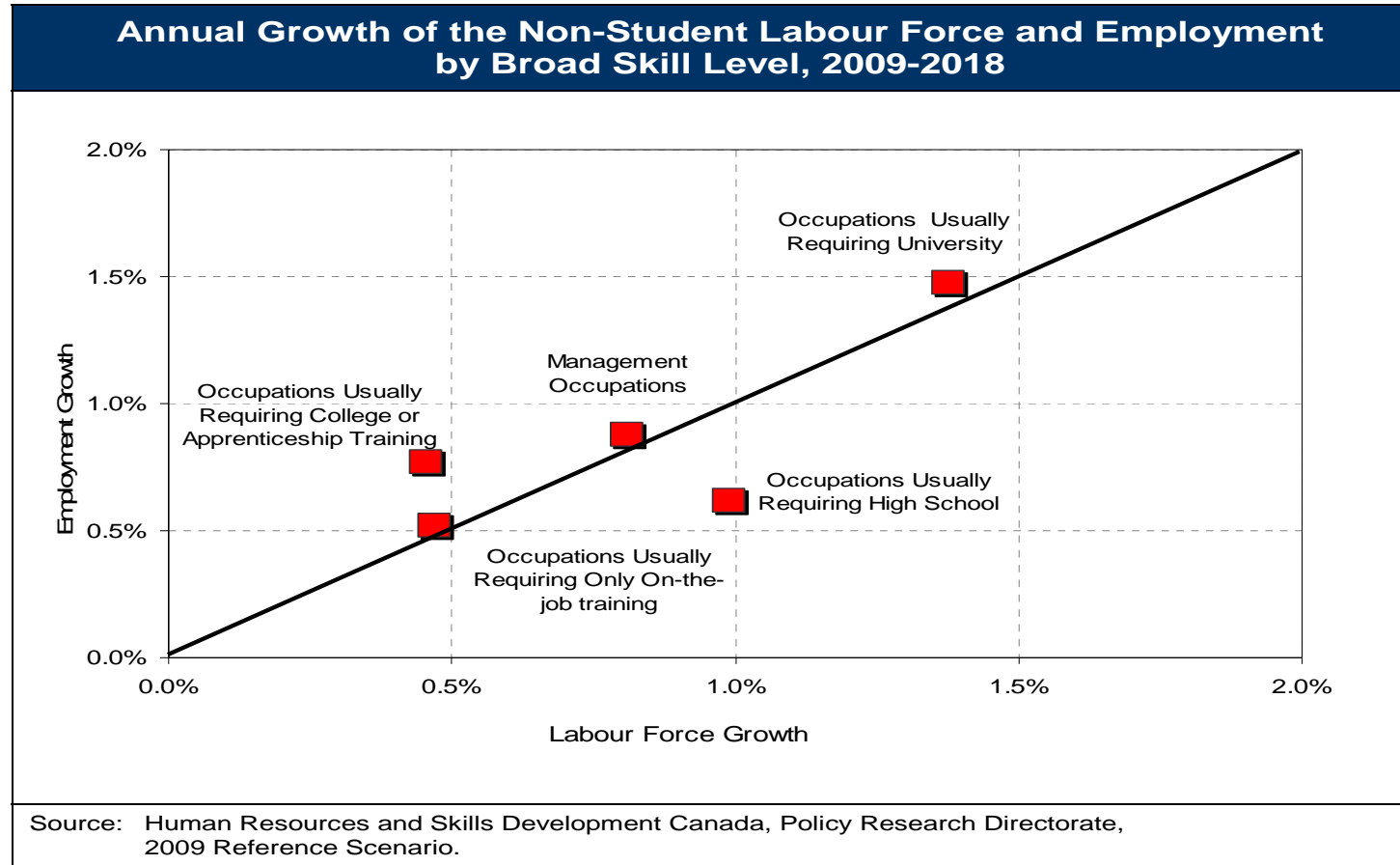


1.0 Canadian Labour Market

- There are tentative signals of economic recovery. Growth in employment led to a decline in the unemployment rate from 8.7% in August to 8.6% in October 2009
- Recovery has been stimulated by Canada's fiscal and monetary policy, the rebound in consumer and business confidence, and higher commodity prices
- Notwithstanding cyclical trends, in the decade ahead, it will take 3/4 of all new labour market entrants just to replace workers leaving existing jobs



1.1 Canadian Labour Market: Future Skill Needs





1.2 Government's Role in the Labour Market

■ **Federal Government**

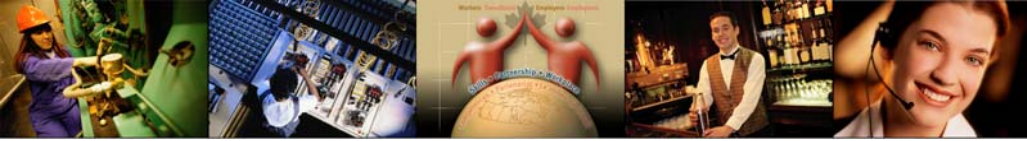
- Investing in income support and other labour market measures
- Leadership on national labour market issues
- Promoting efficiency in the national labour market

■ **Provincial and Territorial Governments**

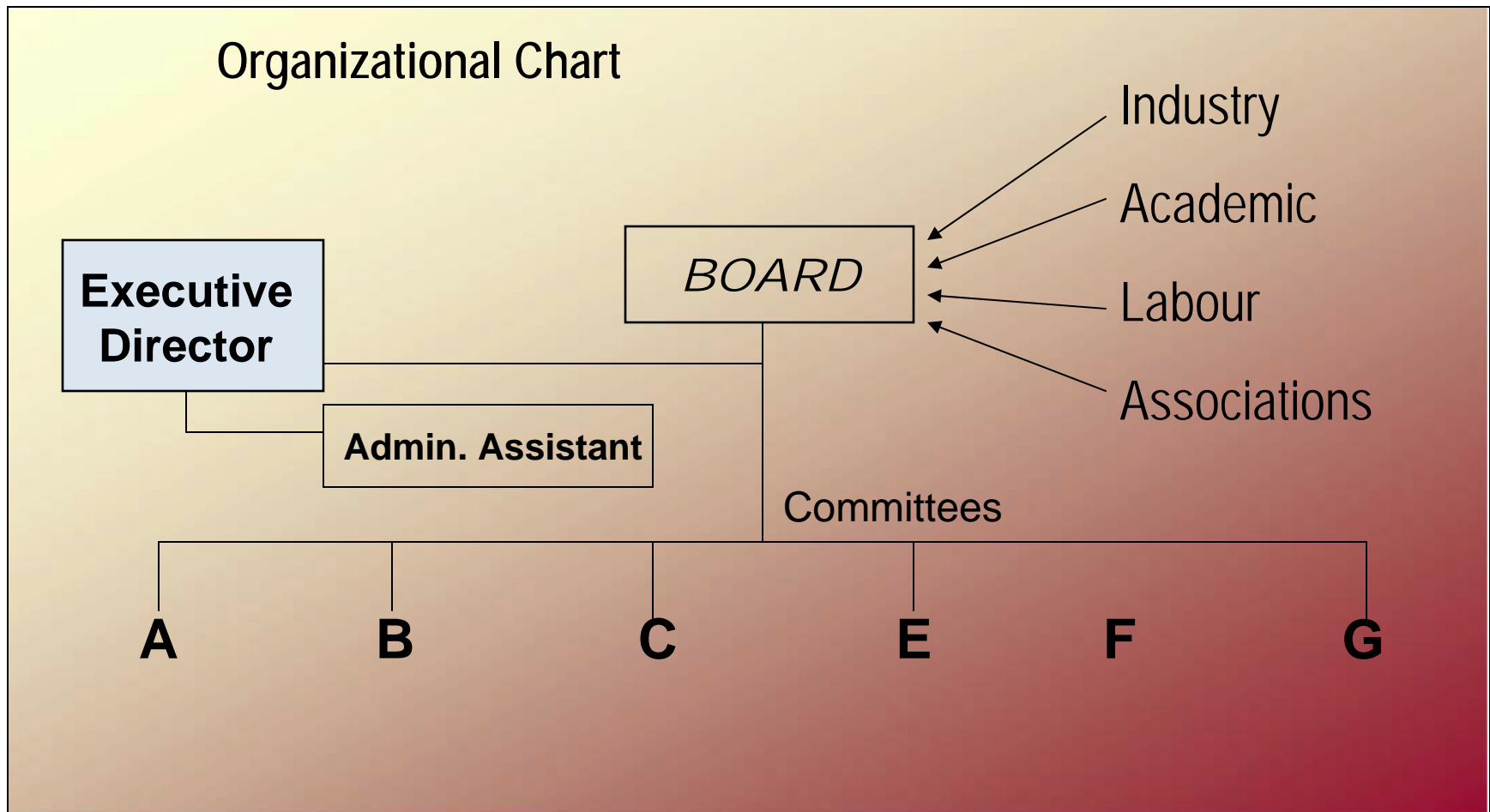
- Overall responsibility for education
- Responsibility for design and delivery of post-secondary education and training
- Design and delivery of training and active employment measures

2.0 Sector Council Program

- Since 1992, the Government of Canada has invested in sector councils as a means to foster systemic change in the private sector in relation to skills development
- Sector Councils are partnerships of key stakeholders that address sectoral human resources and skills issues
- The Sector Council Program (SCP) supports a network of 34 sector councils in key national economic sectors
- Four broad objectives:
 - Increase industry investment in skills development
 - Create an informed and responsive learning system
 - Reduce barriers to labour mobility
 - Enhance ability of industry to recruit and retain workers



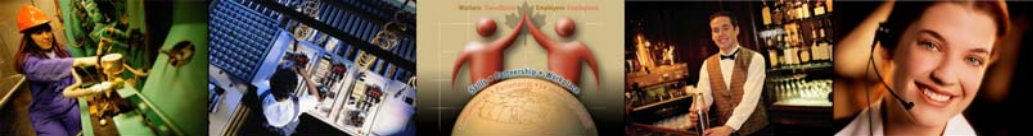
2.1 Typical Council Governance Structure





3.0 Key Features of Sector Councils

- National partnership organizations, at arms length from government, that bring together business, labour and educational stakeholders
- Activities are designed to respond to sector-specific skills and labour market issues. They include:
 - Labour market forecasting and analysis
 - National occupational standards
 - Curriculum tailored to industry needs
 - Skills development tools, including e-learning
 - Essential skills initiatives
 - Integration of foreign trained workers



3.1 Labour Market Forecasting

- Several sector councils provide a qualitative forecast of aggregate employment, usually as part of a broader study on human resources issues in the sector
- About one-half (17) of the sector councils have undertaken some type of labour market forecasting for the industry or occupations that they represent
 - Of those 17 councils, 9 provide detailed forecasts by occupation
- Sector councils with the most developed occupational forecasts have online databases that allow for detailed and up-to-date forecasts by industry and province or region



3.2 Example: Construction Sector Council Website

Date Range

to

Construction Labour Market

- ☐ Labour Market Rankings
- ☐ Labour Force (construction)
- ☐ Employment (construction)
- ☐ Employment (construction, new)
- ☐ Employment (construction, maintenance)
- ☐ Employment (construction, industrial maintenance)
- ☐ Retirement Demand (construction)
- ☐ Unemployment (construction)
- ☐ Unemployment Rate (construction)
- ☐ Peak Labour Force (construction)
- ☐ Peak Employment (construction)
- ☐ Peak Unemployment (construction)
- ☐ Peak Unemployment Rate (construction)

Key Economic Indicators

Regions

- ☐ Canada (sum of the provinces)
- ☐ Alberta
- ☐ British Columbia
- ☐ Manitoba
- ☐ New Brunswick
- ☐ Newfoundland and Labrador
- ☐ Nova Scotia
- ☐ Ontario
 - ☐ Central Ontario
 - ☐ Eastern Ontario
 - ☐ Greater Toronto Area (GTA)
 - ☐ Northern Ontario
 - ☐ Southwest Ontario
- ☐ Prince Edward Island
- ☐ Quebec
- ☐ Saskatchewan

Trades



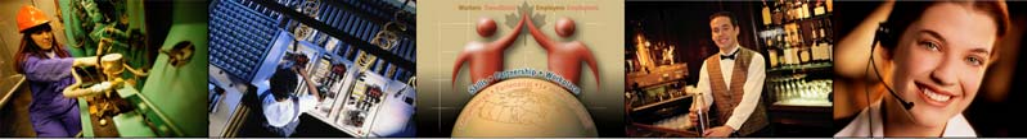
4.0 Annual Planning Cycle

- Sector councils take part every year in a structured process that integrates strategic planning, project development and performance assessment
- One element is *strategy sessions*, wherein sector councils present project concepts and future plans to the government
 - During *strategy sessions*, sector councils and program administrators jointly identify projects that meet industry needs and align with the Government of Canada priorities
- Councils also receive every year a *score card*
 - Score Cards provide a numerical assessment of performance and strategic value
- The Annual Review of Performance Indicators provides quantitative measures of outputs and outcomes

4.1 Resource Allocation Model

Infrastructure and project funding is allocated using the **Resource Allocation Model**, which also helps the Program assess the strategic value and performance of each sector council.

	Non Performing	Performing
Salient	<ul style="list-style-type: none"> • May work with both the council and the sector to improve results • May provide greater staff time devoted to ensuring improved performance • Involve OGDs to help council address broader set of GoC priorities 	<ul style="list-style-type: none"> • Would receive greater consideration for SCP project funding • SCP would assist council in securing OGD attention and funding
Non Salient	<ul style="list-style-type: none"> • Consider discontinuing infrastructure funding • Consider project funding to key industry organization as an alternative to a Sector Council 	<ul style="list-style-type: none"> • Continue infrastructure funding to allow council to be visible and relevant to industry • Would receive project funding



5.0 Results and Impacts

- Key SCP outputs include:
 - Creating labour market research and analysis
 - Creating Partnerships & Leveraging Investments
 - Develop, adapt and enhance skills profiles, curricula and professionalism
 - Developing learning programs
 - Developing and providing innovative HR tools
 - Carrying-out marketing and communication activities
- Sector councils have a direct impact on employees and employers:
 - Workers obtain the skills they need to get jobs, and employers have access to workers with the right skills
 - Firms are more profitable because workers are more productive, and workers are more employable



6.0 Lessons and Challenges

■ Lessons

- The key to achieving success is employer buy-in, industry-driven innovation, and strong leadership from sector councils and the SCP
- As a business-led labour market intervention, the SCP is effective because employers are best placed to know their own needs

■ Upcoming Challenges

- Keeping the program relevant
- Preparing employers for the recovery
- Measuring long-term outcomes
- Evaluating trade-off between program scope and depth



Annex 1: List of National Sector Councils

- | | |
|---|--------------------------------------|
| 1. Aboriginal | 19. International Trade and Training |
| 2. Apparel | 20. Mining |
| 3. Agriculture | 21. Motor Carrier |
| 4. Apprenticeship | 22. Petroleum |
| 5. Automotive Manufacturing | 23. Plastics |
| 6. Automotive Repair | 24. Policing |
| 7. Aviation | 25. Printing |
| 8. Biotech | 26. Seafood |
| 9. Child Care | 27. Steel |
| 10. Construction | 28. Supply Chain |
| 11. Contact Centres | 29. Textiles |
| 12. Culture | 30. The Alliance of Sector Councils |
| 13. Electricity | 31. Tourism |
| 14. Environment | 32. Trucking |
| 15. Fish Harvesters | 33. Voluntary |
| 16. Food Processing | 34. Wood Manufacturing |
| 17. Forestry | |
| 18. Information and Communications Technology | |

***Matching skills to the needs of industry
and services undergoing change – In
what way could the establishment of
sector councils on employment and
skills at European level contribute to
this objective?***

(EESC exploratory opinion)

Marian KRZAKLEWSKI

European Economic & Social Committee

CCMI -Consultative Commission for Industrial Change

Background to the exploratory opinion

On June 2009 Margot Wallström asked the EESC to draw up an exploratory opinion on *„Matching skills to the needs of industry and services undergoing change – In what way could the establishment of sector councils on employment and skills at European level contribute to this objective?“*

Background to the exploratory opinion

- Recent Commission document entitled "new skills for new jobs" (COM(2008) 868 final), which aimed to identify and assess Europe's skills requirements for the period leading up to 2020.
- Committee's SOC Section is currently drawing up an opinion on COM(2008) 868
- Feasibility study is now being carried out on the establishment of sector employment and skills councils at European level

Background to sector and horizontal councils

- *Feasibility study on the setup of Sectoral Councils on Employment and Skills at the European Level, Interim Report.* Client: European Commission, DG Employment, Social Affairs and Equal Opportunities. ECORYS / KBA Nijmegen, Rotterdam,.

Background to sector and horizontal councils

*The purpose of sector and horizontal **councils** is to gain an insight into the probable development of the situation regarding **employment and skills** needs, in order to provide input into the shaping of policy for a given sector. The work of the councils may be limited to analysis, or it may also include the adaptation and implementation of policy.*

Background to sector and horizontal councils

The councils differ in the **tasks** they perform. The following are examples of the tasks carried out by sector and horizontal councils:

- analysing quantitative labour market trends;
- analysing qualitative labour market trends;
- proposing complementary or qualitative policy;
- proposing equalisation or qualitative policy;
- promoting cooperation between firms and VET providers;
- implementing (quantitative and qualitative) programmes and activities to address shortcomings.

Background to sector and horizontal councils

- Only a few sector councils in the Member States carry out all these tasks.
- Virtually all sector and transversal councils carry out analyses of quantitative and qualitative labour market trends.
- A rather smaller number of sector and transversal councils also prepare policy proposals. The majority of them carry out or commission research.

Background to sector and horizontal councils

A distinction should be drawn between the collection and analysis of labour market data on the one hand and the **adoption of political decisions on how to react to labour market trends on the other.**

Background to sector and horizontal councils - management

- The **management** boards of SC **include representatives of employers** (usually in a management role), **employees** and, in certain cases, **representatives of training suppliers** and **government** (*local authorities in the case of a regional council*) are assured participation as members on the boards of councils;
- Either a small board is established (with a view to strengthening the decision-making process) or quite a large board, with a view to making it as representative as possible. As a rule, members of the council board must come from industry and enjoy considerable prestige in the sector and credibility.

Background to sector and horizontal councils - management

- Either a small board is established (with a view to strengthening the decision-making process) or quite a large board, with a view to making it as representative as possible. As a rule, members of the council board must come from industry and enjoy considerable prestige in the sector and credibility.
- In assessing the management of councils, it is stressed that that the council's agenda should not include matters relating to labour relations, which are the domain of the sectoral dialogue committee.

Education and training trends and innovations in the European Union

- **need for innovation in learning systems**
- **better professional management in educational innovation**
- **take account of the need for a close relationship between changes, innovation and education.**

Education and training trends and innovations in the European Union (2)

- New methods of learning, including ICT supported collaborative models, should facilitate **coordination between areas of lifelong learning**
- **Attaching greater importance to prior learning and its certification** are of strategic consequence, especially in motivating workers to take advantage of lifelong learning opportunities

Education and training trends and innovations in the European Union (3)

Policies should integrate **informal and non formal learning**, acknowledging that lifelong learning is becoming a reality, thanks – amongst others - to digitally and socially networked learning.

Education and training trends and innovations in the European Union (4)

Stronger stakeholders involvement

- **Enhancing knowledge, awareness and involvement of businesses in this process is imperative.**
- Employers should better accept that training the workforce helps not only to meet actual economic requirements but also support it as tool for boosting human capital in the medium and long term.

Education and training trends and innovations in the European Union (5)

Education closer to real life

- EESC calls for the **reintegration of education into real life**, bringing it closer to both the public needs and the habits of the new generations of learners.
- Innovative forms of education should provide opportunity for effective investment in education and bring learning opportunities closer to the corporate sector.

Education closer to real life (2)

- shift is needed **from course-based provision towards learning outcomes oriented training**, following the empowerment and capacity-building logic and the need to move from the concept of competence to the concept of performance.
- working and learning increasingly overlap in the knowledge society - all forms of **workplace learning** should be encouraged.
- **Enhancing individual motivation to learn** as well as companies' commitment to motivating workers to learn should be priorities in this respect.

Labour market observatories (LMO) as an important basis for the effective operation of sector councils

- *There are various labour market observatories operating in the Member States at national, sectoral and regional level.*
- ***Sometimes the structures of observatories function within existing employment councils or operate under a different name.***

Labour market observatories in the context of SC

The **observatories**:

- monitor labour market trends and policies,
- collect, analyse and interpret data,
- pass on data to users in accordance with their needs.

Labour market observatories in the context of SC

- Linking the **observatories** together in **national and international networks** is of key importance.
- The observatories **cannot work in isolation** from each other in a European and global market

LMO tasks supporting or complementing sector and transversal councils

- ***carrying out and analysing forecasts of social and economic changes at national, sectoral and regional level, thus making it possible to identify and define new jobs emerging in sectors or regions which are particularly at risk;***
- ***updating the definitions of traditional sector patterns with a view to more effective adaptation of employee skills;***

LMO tasks supporting or complementing sector and transversal councils (2)

Encouraging the development of partnerships in the area of change and innovative activities by:

- setting up networks bringing together other observatories and stakeholders,
- developing continuing training strategies,
- providing vocational counselling services,
- drawing up training programs with the involvement of firms, sectors and local employment initiatives.

LMO – summary

- LMOs **bringing together** various stakeholders should participate in the debate between interested parties, as the **sectoral and transversal employment councils**, on the development of UE economy .
- The observatories play a particularly important role in **identifying new jobs and in understanding new economic activities, employment patterns and skills.**

Conclusions and recommendations proposed by the EESC

In the EESC's view, appropriately organised and managed **sectoral councils** involving various stakeholders **should provide crucial support in the process of managing sectoral changes** and, in particular, anticipating the development of the situation in terms of employment and skills needs and **adapting supply and demand to skills.**

Conclusions and recommendations proposed by the EESC (2)

- European sectoral councils (ESC) could support the management of sectoral changes and help meet the goals of the "new skills for new jobs" initiative
- In future it would be a good idea to consult the appropriate European SC when decisions are taken concerning sectoral changes at European level

Conclusions and recommendations proposed by the EESC (3)

- Committee is inclined towards supporting the concept of SC based on the model proposed in European social dialogue.
- SCs could benefit substantially from contact (according to principle of cooperation) with the structures of European social dialogue (ESD) and their political activities.

Conclusions and recommendations proposed by the EESC (4)

- In the Committee's view, the activities of the European sectoral dialogue committees (ESDC) could serve as an operational model for the sectoral councils.
- It is important to emphasise that ESCs can have a broader scope, in terms of the number of stakeholders they comprise, and a more independent role than ESDCs, focussing more on skills and the labour market than social dialogue.
- The Committee believes that those sectors without ESD structures should also have the opportunity to set up ESCs. A new ESC could then serve as a basis for the creation of a new ESDC.

Conclusions and recommendations proposed by the EESC (5)

- The Committee recommends that, on the basis of the open method of coordination, the EU councils should support the establishment of national councils, where they do not exist, by providing advice and examples of best practice.**
- This concerns in particular those sectors for which councils will be created at European level. To this end, it would be possible to make use of cooperation with current sectoral social dialogue structures in those countries and their experience.

Important conditions in order for ESCs to function effectively (1)

- they constitute a platform which should include the social partners, education and training institutions and organisations, institutions, organisations and public authorities, professional associations and research institutes;
- they have a sectoral focus, i.e. they concentrate on sectors in the broad sense and may deal with occupations that are specific to sectors;
- they should take account of the dynamic changes in the scope of sectors and the creation of new sectors;

Important conditions in order for ESCs to function effectively (2)

- they ensure that representatives of employers and employees participate in management and, where appropriate, training organisers and the political authorities too;
- they have a strong strategic partnership, which means building relationships with secondary schools, institutions providing vocational training services for school leavers, higher education establishments, businesses (by offering training materials and human resources development strategies, not least for SMEs), sectoral councils and regional authorities;

Important conditions in order for ESCs to function effectively (3)

- they apply sound and productive working strategies, focussing on industrial realities and urgent needs, such as the need for information on the labour market and ways of attracting and retaining workers in the sector, and take account of the needs of SMEs.

C&R (cont.) - Strengthening the impact of ESCs on sectoral changes

- ESCs give consideration to continuing education at all levels, in particular continuing vocational training (CVT) and other forms of development and recognition of skills throughout life.
- Using the open method of coordination as a basis, it is important to move towards integration of the continuing training policy.

C&R (cont.) – ESCs impact to political processes

1. The establishment of SCs should be based on the achievements of political processes, such as the **European Qualifications Framework (EQF)**, the European Credit Transfer and Accumulation System (ECTS), the European Credit System for Vocational Education and Training (ECVET), the European Quality Assurance Reference Framework (EQARF) and contribute to their further development.
2. The Committee believes that the establishment of sectoral councils should be linked to the implementation of the EQF, as well as the ECVET and EQARF throughout the EU.

C&R (cont.)- partners' contribution in ESCs

- **Professional associations and organisations providing VET** should participate in ESCs.
- Committee calls for the planned ESCs to carry out continuous cooperation with European **universities and higher education** establishments, which should **create a link between industry and academic research relating to training.**

C&R (cont.)- **cooperation with DF & CEDEFOP**

*Considering the ties between European sectoral councils and the Dublin Foundation (DF) and CEDEFOP, the EESC points out that structural and information-based support for the work of sectoral councils by Eurofound and CEDFOP should be taken into account in the designation of the tasks of these institutions. **This requires additional means to resource these foundations.***

C&R (cont.) – SCs relationships with LMOs

- SC both at European and national level, should cooperate and even create links with **employment and skills observatories** and their national and European networks.
- This concerns those councils whose internal structure does not include such observatories. It is recommended that in Member States in which sectoral councils are **set up support be given to the creation of such observatories and their network cooperation** with regional observatories where they do not already exist.

C&R (cont.) – ESC' funding

- As regards **funding for the process of setting up the sectoral councils and their operation** at European level, the Committee believes that resources for this purpose must be earmarked from the beginning of the process of establishing them.
- Furthermore, it is important to provide for resources to support the councils and the development of labour market and skills observatories that cooperate with them or are incorporated into their structure.

C&R (cont.) – pilot ESC project

- **The EESC recommends that, when putting together the pilot ESC project, the Commission should consider the creation of a limited number of councils at first, not setting them up immediately for some 20 sectors.**
- **This is linked to budgetary requirements. It will be easier to ensure funding for the establishment of 4-5 councils per year. This kind of medium-term financial guarantee for the ESC project appears to be a critical question.**

C&R (cont.) - educational innovation.

- **EESC calls for better professional management** in educational innovation. Improving the EU's education and training systems is essential to increase employability and reduce inequality.
- The institutional changes in education hardly keep up with the society's needs. Institutions must **take account of the need for a close relationship between changes, innovation and education.**

***Matching skills to the needs of industry and services
undergoing change – In what way could the
establishment of Sector Councils on employment and
skills at European level contribute to this objective?
(EESC exploratory opinion)***

Thank You for attention !

Marian KRZAKLEWSKI , Brussels, XII 2009



Stronger European cooperation in skills anticipation

Bojidar Danev, EESC



Challenging Times

- Economic crisis
- Climate change
- Demographic change



Economic Crisis – Basic Questions

- **Structure of the EU economies on the crisis exit**

Present situation:

- Industry is in trouble
- Construction industry absorbs huge part of HR
- Increasing number of EU-regulations
- Decreasing investment flows
- Increasing EU investments in non-EU countries
- Decline in the number of new products and technologies development



Economic Crisis – Basic Questions

- **Changes in the economies structures of the non-EU countries**
- **Labour Force**
 - Young people are strongly hilted by the crisis
 - People in pension age are less affected
 - Mobility: Emigration & Immigration

We should not waste a good crisis. There couldn't be a better time.
Rahm Emanuel



Green Economy

- Administratively driven market
- Attracting speculative capital
- Creating new jobs and determining new skills and competences
- Energy efficient technologies



Demographic changes

- “White” Services
- eHealth
- Creating new infrastructures – nanodiagnostics
- Wellness and Healthy Living

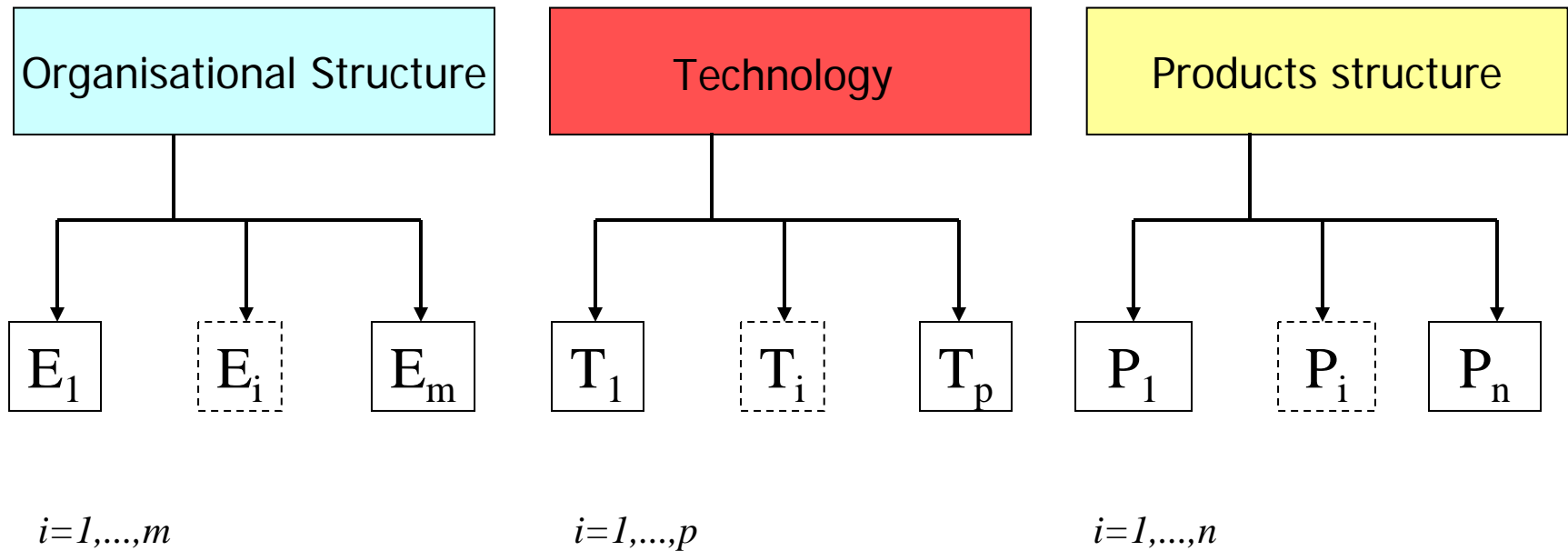


Skills Anticipating

- Identifying tasks to be performed
- Forecasting future labour market needs
 - Market elasticity
 - Wages range
- Defining skills and competences requirements



Competences Requirements





Enterprise 1.0 vs. 2.0

Enterprise 1.0

Hierarchy

IT-driven technology / Lack of user control

Top down

Centralized

Teams are in one building / one time zone

Silos and boundaries

Information systems are structured and dictated

Closed/ proprietary standards

Enterprise 2.0

Flat organisation

User-driven technology

Bottom up

Distributed

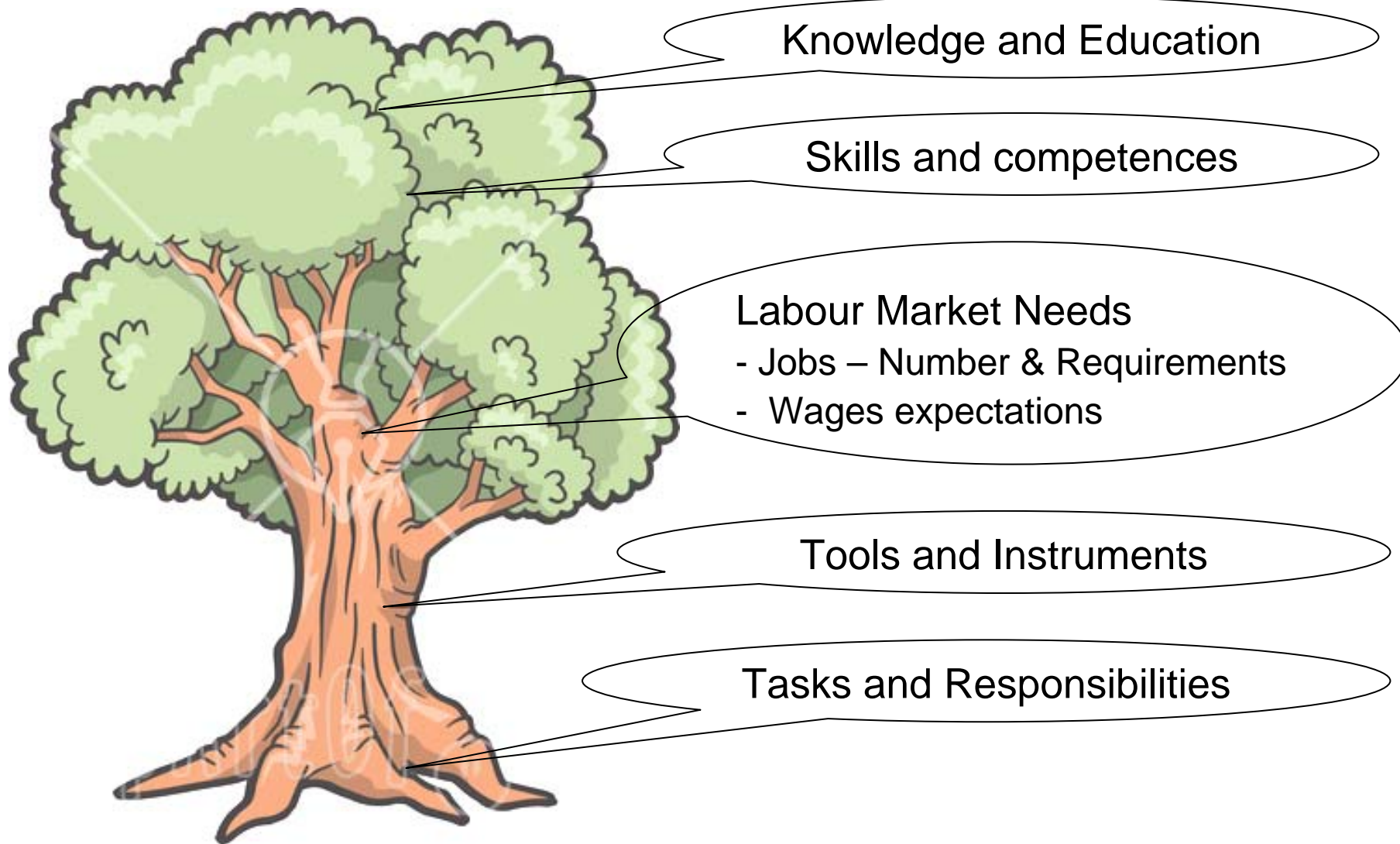
Teams are global

Fuzzy boundaries, open borders

Information systems are emergent

Open

Logical Procedure for skills (jobs) anticipation





Recommendations

- Ensure compliance of political and public goals with economic measures
- Provide an innovation and entrepreneur friendly framework
- Avoid impairing the competitiveness of the EU industry
- Reinforce advantages derived from over a century of industrialisation



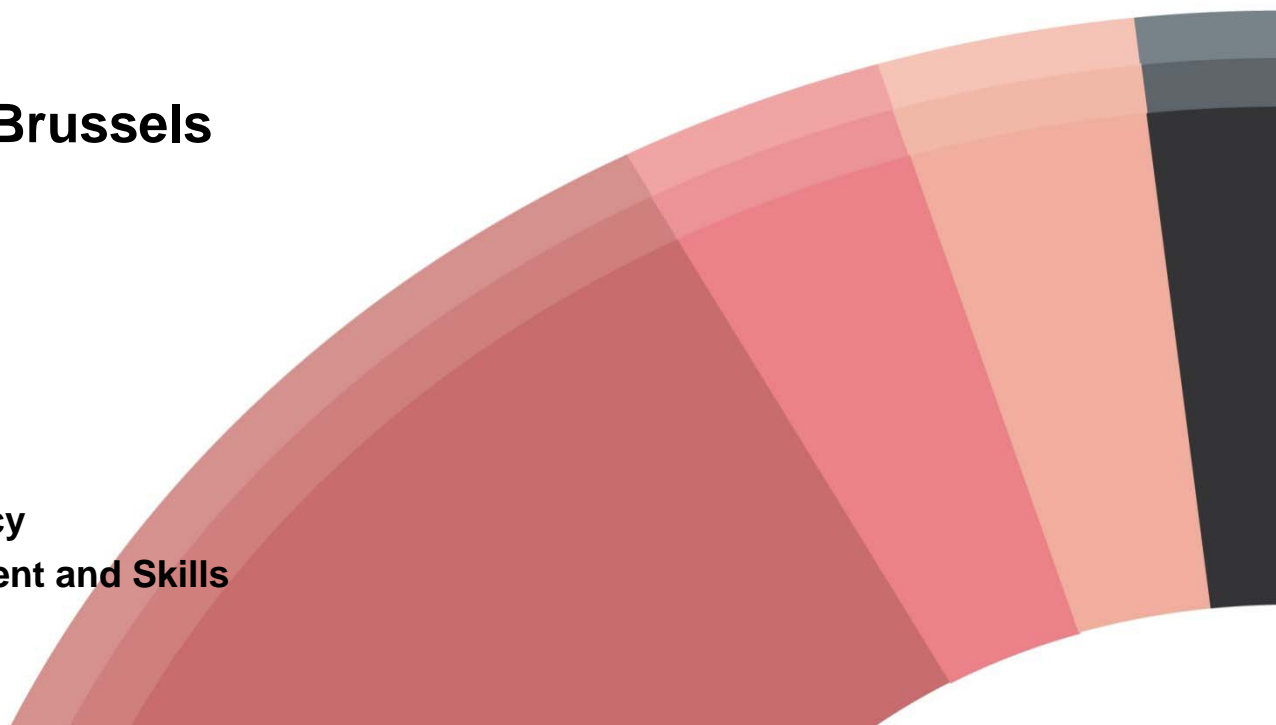
Stronger European cooperation in skills anticipation

Bojidar Danev, EESC

New Skills for New Jobs: Anticipating and Matching and the role of Sectors

**Restructuring Forum
Hotel Crowne Plaza, Brussels
8 December 2009**

**Professor Mike Campbell OBE
Director of Research and Policy
UK Commission for Employment and Skills**



Anticipation and Matching: Value Added

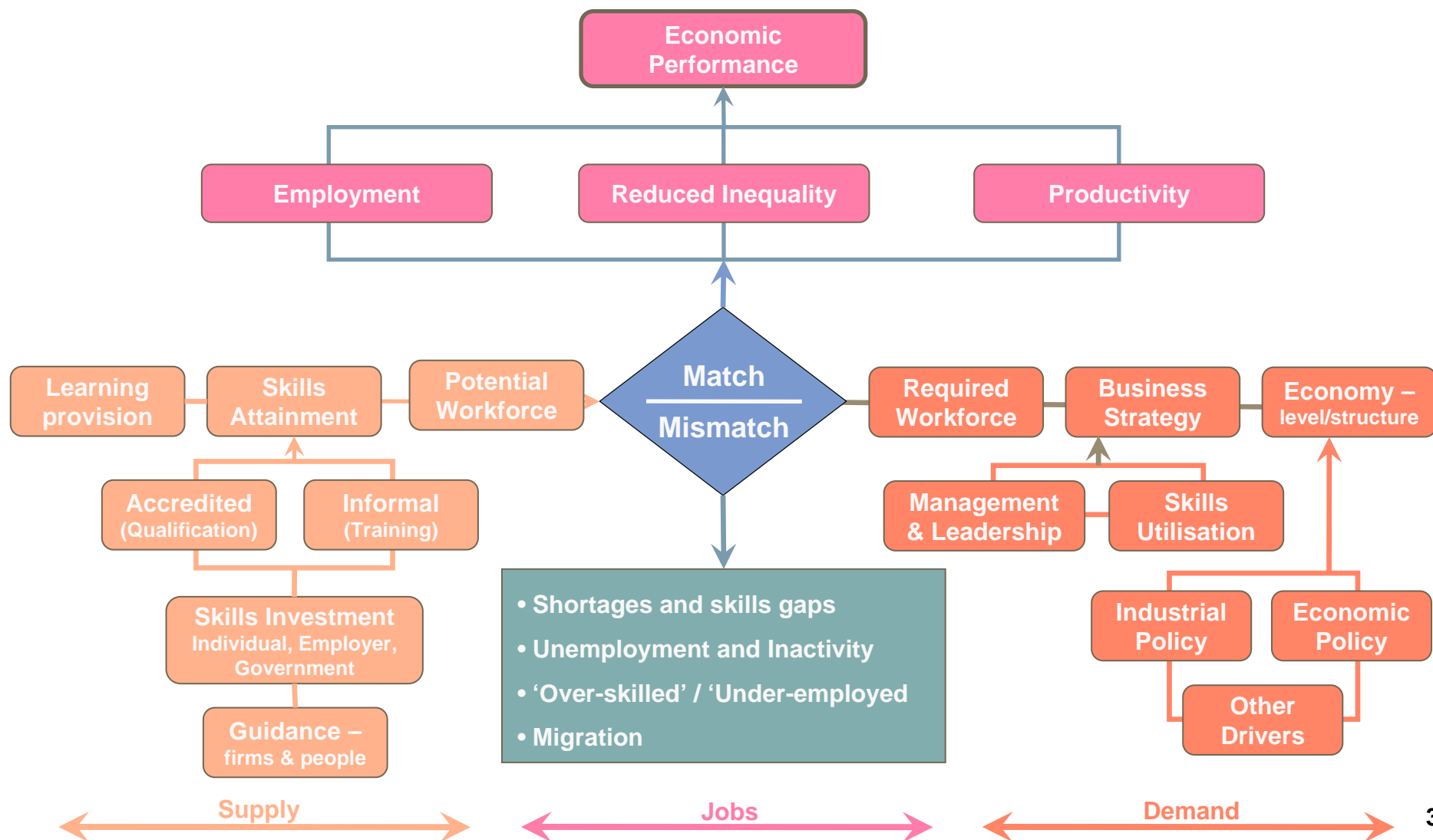
FOR WHOM?

- **Policy Makers**
- **Funders**
- **Individuals**
- **Providers**
- **Employers**

WHAT?

- **Beyond Labour Market Information: Intelligence and Insight**
- **Understanding change**
- **Beyond forecasting**
- **Benchmarking**

The Value of Matching



The Value of a Sectoral Approach

- **Identification of Needs (Insight and Foresight)**
- **Labour Market/Employer Led: Close to the Agenda**
- **Particularity/Granularity**
- **Work with system/providers to meet ‘unmet’ needs**
- **The UK example of Sector Skills Councils**
 - **Remit: articulate skill needs and seek to ensure employers ‘get the skills they need’ in their sectors**
 - **Common LMI framework e.g. Annual Skills Assessment, Clusters and National Strategic Skills Audit and ‘New Industry, New Jobs’**

Outstanding Issues

- **Occupations (especially ‘cross sectoral’ e.g. Management)**
- **Generic/transversal skills**
- **Dynamics/emerging sectors e.g. Low Carbon/Green Jobs**