

ROADMAP			
TITLE OF THE INITIATIVE	A new Skills Agenda for Europe		
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ADDITIONAL INFORMATION			
<p>This indicative roadmap is provided for information purposes only and can be subject to change. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.</p>			

A. Context, Subsidiarity Check and Objectives
<p>Context</p> <p>Europe's economic and social success is to a large extent based on the skills¹ of its population. Skills provide the basis for active citizenship, for innovation and competitiveness and are developed throughout life at all levels, in education pre-school, school and university, and in vocational education and training; by learning at work, and through life experiences. High productivity and sustained competitiveness and growth depend upon a skilled and adaptable workforce and on making full use of the skills available. Technological progress and globalisation, the move towards a greener economy, demographic ageing and the call for better work-life balance, are transforming the labour market and the very nature of work. Many medium- and low-skill jobs are disappearing and new, often higher-skilled, jobs are being created. New ways of working, including collaborative economy models, increased independent and contract-based work, more frequent job changes (for necessity and opportunity), and changes in work organisation all have an impact on the types of skills needed.</p> <p>Higher sets of skills are also needed. By 2025², 46.3% of all job openings (including both new and replacement jobs) in the EU will require high qualifications, 40.8% will be for medium qualified and only 12.8% will be of an elementary nature. Most jobs already require basic digital skills and digitisation is increasing the need for higher level user skills and ICT professional skills in all sectors of the economy, and increasingly interdisciplinary profiles are sought.</p> <p>Equipping people with relevant skills drives innovation and competitiveness and provides the basis for high productivity. A high level of skills is the best way to prevent individuals becoming unemployed reducing the risk of poverty and social exclusion, of becoming vulnerable consumers in increasingly complex markets and increasing engagement in society³. This is especially urgent as there are circa 22.6 million unemployed people across Europe – half of whom have been so for more than a year. 4.5 million are young unemployed.</p> <p>Education and training systems remain the essential providers of skills, while new developments have transformed the way we learn. The modularisation of education and training, the combination of study and work periods (including abroad), and the emergence of new providers and innovative models have further contributed to diversify the supply of learning opportunities. The role of teachers is central to ensure quality of learning and to respond to evolving skills needs. Informal and non-formal learning is today an established source of knowledge, competences and skills.</p> <p>This initiative responds to the European Commission's first political priority⁴, "A New Boost for Jobs, Growth and Investment". The Commission Work Programme 2016 announced that the new skills agenda will</p>

¹ In this document the term "skills" is used in a broad sense and refers to what a person knows, understands and is capable of doing, also encompassing knowledge and competences.

² <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5526>

³ European Commission, Annual Growth Survey 2016, COM(2015) 690 final.

⁴ A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change, Political Guidelines for the next European Commission, 2014

promote life-long investment in people, from vocational training and higher education through to digital and high-tech expertise and the life skills needed for citizens' active engagement in changing workplaces and societies. President Juncker and First Vice-President Timmermans also announced in their letter of intent to the EP actions to "strengthen the inclusiveness of the labour market and social investment", including the development of a new skills agenda for Europe⁵. The initiative will contribute to the overarching policy objective of moving Europe towards upward social convergence. The initiative is equally about working together with Member States and relevant stakeholders towards a common vision of the need to invest in people and modernise our economies and concrete action to realise this.

The initiative relates mainly, but not exclusively, to the following initiatives in education, employment and social policies:

The European Union's jobs and growth strategy, Europe 2020, aims at creating the conditions for smart, sustainable and inclusive growth. The present initiative will contribute to the Europe 2020 headline targets on employment and education. Within the European semester Member States are invited to "Enhance labour supply and skills" (Integrated Guideline no. 6). Consequently, the Council of the European Union adopted Country Specific Recommendations (CSRs) related to skills and important human capital related challenges have been highlighted in the Recitals to the CSRs and in the Country Reports.

The initiative is linked to the Strategic Framework for European cooperation in education and training (ET 2020) that seeks to improve the performance of education and training systems, including to deliver learning outcomes and skills that better match the evolving needs of the labour market and the active participation in society. It is also linked to the Copenhagen process on vocational education and training (VET), which forms an integral part of ET 2020, focussing in particular on improving vocational skills and qualifications as one of the key areas in which change is needed.

The initiative reinforces the action already taken on the Digital Single Market and is complementary to the package on legal migration (forthcoming) as it addresses the skills supply through intra EU mobility and immigration.

The initiative is not part of the REFIT agenda.

Issue

The level, relevance and use of skills are a major challenge in Europe. It can be broken down into three main problems.

1. Lack of skills

- Insufficient skills levels: Too many people leave education and training without sufficient levels of skills for being employable and taking an active part in society. Almost 70 million European adults do not possess sufficient levels of literacy or numeracy and one in five 15 year-olds is low performing in these basic skills⁶. 45% of individuals in the EU have only low level or no digital skills⁷. A significant share of migrants from third countries already residing in the EU (and to some extent their children) lack basic skills, including literacy in the host country language⁸. Higher skills are also in increasing demand and in certain occupations and regions skills gaps are emerging as vacancies go unfilled or innovation is held back. The demand for ICT professional skills, for example, is rising rapidly as digitisation transforms the economy but the supply is not keeping pace - ICT graduate numbers have barely increased. An EU-wide ICT professional skills gap of 800,000 unfilled vacancies is projected by 2020.⁹
- Relevance: 40% of employers report difficulties in finding candidates with the right skills, many of them stressing lack of technical skills and of work experience and transversal skills among job applicants¹⁰. In most European Union countries, the majority of young people do not feel that they have the knowledge and skills to start a business¹¹. Opportunities for work-based learning, which have proved to be very effective in developing labour-market relevant skills, including transversal and soft skills, are still insufficient and largely limited to vocational education and training, whereas they would bring evident

⁵ Letter of intent to the Parliament and the Council; State of the Union speech 9 September 2015, Commission Work Programme 2016 COM(2015) 610 final

⁶ OECD PIAAC survey on EU working age population and PISA survey on 15 year olds.

⁷ The Digital Economy and Society Index (DESI) 2016.

⁸ OECD-EU, Indicators of Immigrant Integration, 2015.

⁹ http://eskills-lead.eu/fileadmin/lead/documents/working_paper_-_supply_demand_forecast_2015_a.pdf

¹⁰ Skills challenges in Europe - EU Skills Panorama, Analytical Highlight, July 2014

¹¹ The Missing Entrepreneurs 2015, <http://www.oecd.org/industry/the-missing-entrepreneurs-2015-9789264226418-en.htm>

benefits also in general and higher education. Even in VET, work-based learning is provided only for less than 30% of initial VET students in the EU¹². Involvement of businesses and other relevant actors (such as chambers of commerce, trade unions, and regional actors) in developing, contributing to and delivering education and training programmes is often confined to vocational education and training (both initial and continuing). This contributes to people leaving education and training without being sufficiently prepared for the labour market and/or without relevant skills to find a job or set up a business.

2. Inefficient use of available skills

- Even when skills are available, they are not always used. Actual use of skills in the workplace does not exploit full potential of employees' skills¹³. Around 30% of highly-qualified workers are in jobs usually requiring medium to low-level qualifications. Women represent 60% of new graduates, but they are still more likely than men to be inactive, and to work part-time. There is a large untapped potential among third-country nationals residing in the EU where, even among those with high education, around two thirds are either inactive or unemployed, or over-qualified for their jobs.
- There is insufficient transparency of skills and qualifications.¹⁴ Skills or qualifications acquired in one country (within and outside the EU), economic sector or gained informally outside learning institutions - for example through work experience, youth work, volunteering or participation in grassroots sports - are not necessarily recognised, validated or documented. Over-qualification rates for third-country nationals residing in the EU are largely above average, especially for those having qualifications acquired abroad.
- The current refugee crisis underlines a further challenge to understand and assess their skills and qualifications and integrate them in the labour market.

3. Difficulty in forecasting and anticipating skills

- There is no coherent and up-to-date overview of information on skills needs in Europe. Big data analysis and data mining techniques to identify and analyse this type of information are largely unexploited. At national level, only a third of Member States monitor the evolution of labour demand with a further third only having partial data¹⁵.
- Access to and quality of career guidance services vary tremendously across the EU. Only an average of 24% EU citizens have used a career guidance service at some point in their lives, ranging from 3% to 55% in the different Member States. An average of 45% of citizens says they never had access to such a service, ranging from 17% to 75% in some countries.¹⁶
- Education and training is insufficiently linked and proactive to supporting regional labour markets. In some areas, skills shortages can only be filled by resorting to skilled workers from other Member States or outside the EU, while at the same time some regions and countries experience a severe "brain drain" problem.
- There is no clear information or guidance easily available to support potentially mobile EU and non-EU workers, despite the fact that over 2000-2010, foreign-born (i.e. both EU and non-EU migrants) filled 15% of the new entries into strongly growing occupations¹⁷ in the EU.
- Concerning the transparency of skills, qualifications, and career guidance, existing EU initiatives and web-tools no longer correspond to the reality of modern life.¹⁸

The problems outlined above **act as a drag on growth, competitiveness and employability**. SMEs are particularly affected as they often lack the capacity to invest in further training.

Stakeholders potentially affected by this initiative:

Learners, workers, young people, job seekers in general, low-qualified and low-skilled, medium-skilled and high-skilled people. Companies, social partners, public and private employment and career guidance services, existing European networks and contact points dealing with skills and qualifications, civil society

¹² Education and Training Monitor 2015, European Commission, 2015

¹³ OECD, Skills Outlook 2013. Cedefop, European Skills and Jobs Survey 2015.

¹⁴ With the exception of two more established areas linked to free movement of workers, services and freedom of establishment: 1) professional qualifications covered by the revised 2005/36/EC Directive; 2) higher education covered by the Lisbon Recognition convention.

¹⁵ Mapping and Analysing Bottleneck Vacancies in EU Labour, Overview report (2014).

¹⁶ Special Eurobarometer 417: http://ec.europa.eu/public_opinion/archives/ebs/ebs_417_en.pdf

¹⁷ EU-OECD, Matching economic migration with labour market needs, 2014.

¹⁸ http://ec.europa.eu/dgs/education_culture/more_info/consultations/skills_en.htm

organisations. Education and training institutions and providers, national and regional authorities responsible for education and training.
Subsidiarity check
<p>Legal basis: Employment policy related articles 145-150 TFEU and Education policy related articles 165-166.</p> <p>Reasons for policy action at EU level:</p> <p>Better skilled citizens, workers and consumers are at the heart of a fair, democratic, resilient and prosperous Union. A common understanding of the skills challenges in the EU and a shared set of priorities would stimulate urgently needed action in the Member States. A clear agenda at EU level would also ensure synergies and cooperation, maximising positive spill-overs. The cross border elements of skills anticipation and of relevance and transparency of skills and qualifications of EU mobile citizens and third-country nationals (also supporting freedom of movement for workers), as well as the improvement of current EU tools on skills and qualifications documentation, transparency and recognition need to be addressed at EU level.</p>
Main policy objectives
<p>The main objective of the initiative is to promote skills development.</p> <p>The specific objectives are:</p> <ol style="list-style-type: none"> 1. Equipping more people with higher and more relevant skills (addressing issue n. 1) 2. Improving transparency and use of available skills, including of EU mobile workers and learners and those having non-EU qualifications (addressing issue n. 2) 3. Improving understanding of skills needs and trends in the labour market (addressing issue n. 3) <p>By reaching these objectives the initiative will contribute to help people develop the skills they need to access and progress in quality work and actively take part in society, as well as to boost employability, competitiveness and support fair and balanced growth, reaping the full potential of digital and technological advancements.</p>
B. Option Mapping
<p>The possibilities for action at EU level to address skills related problems are limited by specific provisions of the Treaty on the Functioning of the European Union (TFEU) in the area of employment, education and training policies. The initiative would offer an integrated framework for EU-level activities on skills and work towards a joint commitment of the EU and Member States in taking them forward. A close cooperation with European social partners would be needed, and a mobilisation of other stakeholders including civil society.</p>
Baseline scenario: Continued implementation of existing activities and measures
<p>Objective 1</p> <ul style="list-style-type: none"> - Steer reforms in Member States: Europe 2020 strategy, European Semester and CSRs; Education and Training 2020 including the Copenhagen process on vocational education and training; in cooperation with OECD, assistance to Member States in developing skills policies/plans to implement skills related country specific recommendations. European Alliance for Apprenticeships, EU Adult learning Agenda, EU Higher Education Agenda, Grand Coalition for Digital Jobs, Key Competences Recommendation and lifelong learning approaches to skills development, including frameworks to support Member States improve quality in teaching and learning in education. <p>Objective 2</p> <ul style="list-style-type: none"> - European Qualifications Framework, Recommendation on Validation of non-formal and informal learning, Youth Guarantee <p>Objective 3</p> <ul style="list-style-type: none"> - Smart specialisation strategies¹⁹; EU's CEDEFOP Agency to support MS develop their skills needs anticipation systems; Erasmus+ Sector Skills Alliances; European classification of occupations, skills, competences and qualifications (ESCO). <p>Common to objective 1, 2 and 3</p> <ul style="list-style-type: none"> - Existing European funding programmes will continue to support skills development, notably the European

¹⁹ S3 Platform, see <http://s3platform.jrc.ec.europa.eu>

Option 1: Establish new priorities and improve existing instruments

Possible avenues for action could include *inter alia*:

Objective 1

- Increasing focus on the skills dimension in the European Semester
- Mobilising business-education partnerships, including via the European Alliance for Apprenticeships, a pact for youth and cooperation with employers and trade unions, especially in providing on-the-job trainings and supporting workplace innovation.
- Promoting performance based funding in VET to raise quality, attractiveness and efficiency and increase the responsiveness of VET to labour market needs.
- Reviewing the application of the Recommendation on Key Competences for Lifelong Learning, including specific measures to support competences that have high relevance for employability and active citizenship, in particular basic literacy and numeracy skills, entrepreneurship, critical thinking, creativity and social skills.
- Reviewing the European Agenda for the Modernisation of Higher Education to increase the relevance and effectiveness of EU policies and action to support the development of high level skills. Specific emphasis will be given to economically and societally relevant teaching and learning to improve graduates' successful transition to work, the role of higher education institutions as regional innovators, and the mutual reinforcement of education and research to raise high level skills.
- Upscaling support for learning mobility through Erasmus+, in particular for work-based learning.
- Strengthen co-operation between Member States to raise standards of teaching and teacher training, including via peer learning and exchange between policy-makers and through actions such as Erasmus+ for mobility to support professional development.

Objective 2

- Revising the European Qualifications Framework, including an improved understanding of third country qualifications in the EU and vice versa.

Objective 3

- Revising the Europass Council Decision, possibly transforming it into a web-based integrated service on skills and qualifications to bring together EU tools and better link networks such as existing national contact points
- Strengthening skills intelligence, by providing real-time information and forecasting based upon big data analysis of published vacancies and trends.

Both objectives 2 and 3:

- Align existing EU funding opportunities with skills needs

Option 2: Establish new priorities and develop new instruments

In addition to activities outlined under Option 1 other new initiatives could be envisaged, *inter alia*:

All objectives

- Launch a political initiative to generate shared commitment between relevant stakeholders for skills development and identify priorities for partnerships among all relevant actors, while linking the world of education, training and the labour market (including European, national and regional authorities, businesses, education and training institutions, trade unions, public and private employment services and civil society organisations).
- Explore the set-up, complementarity and synergies of EU future funding instruments with a skills dimension

Objective 1

- Launch a new initiative to improve basic skills and foster a minimum level of education attainment

<ul style="list-style-type: none"> - Explore the possibilities to establish a benchmark on skills in the context of the European Semester. - Launch a new digital skills initiative building on Grand Coalition for Digital Jobs to improve digital skills at all levels (basic to ICT professional) - Launch a new initiative to boost entrepreneurial skills and transitions to entrepreneurship. - Explore the possibilities to launch a new initiative to expand possibilities for SMEs to gain access to finance in order to invest in skills and the talent of tomorrow in line with the Investment Plan for Europe. <p>Objective 2</p> <ul style="list-style-type: none"> - Explore possible ways of validating within national and regional frameworks digital competences acquired outside formal education and training. - Explore common approaches to graduate tracking in Higher Education and measure higher education learning outcomes.
Option comparison
<p>The baseline scenario consists in the continuation of a number of different actions which are not linked in a strategic approach and only partially reflect the needs of the labour market and society in general. It will be covered by existing instruments, and without new investment; the disadvantage is the situation that will remain with instruments not fully linked to each other and not fully up-to-date.</p> <p>Option 1 will improve the effectiveness of existing instruments, bringing them in tune with the urgency to improve the development of skills. It requires the reorientation of some existing instruments (which will be subject to separate roadmaps where appropriate). The advantage of the option is its potential to quickly improve the situation within the existing and known frameworks, aligning EU funding in line with selected priorities, and potentially triggering public (national) and private investment to support the goals set out in the agenda. The disadvantage is that these actions will not be supported by a strategic all-encompassing vision to tackle the skills gap.</p> <p>Option 2 enhances option 1 by setting a clear policy agenda. The advantage is the focus on stakeholder commitment stimulating engagement at national and regional levels. It would bring together efforts taken at European level and give clear guidance to the existing instruments for improvements. In addition, option 2 enhances option 1 by developing new instruments where a corresponding need is identified.</p>
Proportionality check
<p>Skills gaps and skills mismatches, low skills levels, obstacles to cross border recognition of skills and qualifications and better use of EU funding need to be addressed at EU level. The actions proposed largely build on existing instruments and therefore are proportional to reaching the objectives.</p>
C. Data collection and Better Regulation instruments
Data collection
<p>No further gathering of information is required for this proposal.</p> <p>There is evidence available on the relationship between qualification and employment status in the OECD surveys of PISA and PIAAC which provide data on basic skills – including problem solving in technology-rich environments, and the Labour Force Survey contains evidence on the relationship between qualification and employment status. The annual "Education and Training Monitor"²⁰ takes stock of the progress achieved towards a set of indicators and benchmarks in the field of education and training, set by the Council.</p> <p>A broad consultation process on the European Area of Skills and Qualifications was recently carried out (2014) by the Commission, including a stakeholder public consultation and a Special Eurobarometer Survey.²¹</p> <p>A comprehensive ET 2020 stocktaking, including an independent evaluation, was carried out in 2014 addressing many of the issues covered by the present initiative.²²</p> <p>Evaluation reports on the EQF Recommendation²³ and the Europass Decision²⁴ (both 2013).</p> <p>Evaluation reports of European Quality Assurance for VET – EQAVET (2013) and European Credit System for VET – ECVET (2014).</p>

²⁰http://ec.europa.eu/education/tools/et-monitor_en.htm

²¹http://ec.europa.eu/dgs/education_culture/more_info/consultations/skills_en.htm

²²http://ec.europa.eu/education/policy/strategic-framework/index_en.htm

²³http://ec.europa.eu/dgs/education_culture/more_info/evaluations/docs/education/eqf2013_en.pdf

²⁴Second Evaluation of Europass – Final Report, 2013.

<p>In the area of digital skills: i) the Digital Skills Indicator; ii) the European Data Science Academy (EDSA); iii) a recently launched study on ICT for Work: Digital skills in the workplace; iv) a recent CEDEFOP pilot employer survey on skills needs in 9 European countries; and v) the updated report on e-Skills for Jobs in Europe – Measuring Progress and Moving Ahead (2015); vi) the big data "VICTORY" project, gathering vacancy data and skills requirements by crawling the web.</p> <p>Several studies and research since 2012 on work-based learning and apprenticeships.</p>
<p>Consultation approach</p>
<p>For each of the fields of action relevant and interested stakeholders were identified and consulted on the respective issues. The general public was consulted on the European Area of skills and qualification (see previous section). A wide range of education and training stakeholders were consulted as part of the ET 2020 stocktaking. A consultation meeting with social partners was held on 20 January 2016. Ongoing discussions with national authorities, social partners and other stakeholders are taking place in the meetings of relevant committees, advisory and working groups. In the context of the Grand Coalition for Digital Jobs several stakeholders have been consulted, such as companies, associations, education providers, government officials, NGOs, etc. This has been done via meetings and workshops, social media platforms, and other online communication channels. Public consultations and other consultation exercises may be conducted on the individual initiatives related to this New Skills Agenda. A consultation is currently on-going on the review of the EU's modernisation agenda for higher education:</p> <p>http://ec.europa.eu/dgs/education_culture/more_info/consultations/new-modernisation-agenda_en.htm</p>
<p>Will an Implementation plan be established?</p>
<p>Not applicable. Specific Implementation Plans will be developed for single actions, where applicable.</p>
<p>Will an impact assessment be carried out for this initiative and/or possible follow-up initiatives?</p>
<p>Impact assessments will be prepared for any initiative with significant impacts to be brought forward as a follow-up to the agenda, in line with the Commission's better regulation policy.</p>